To Our Shareholders

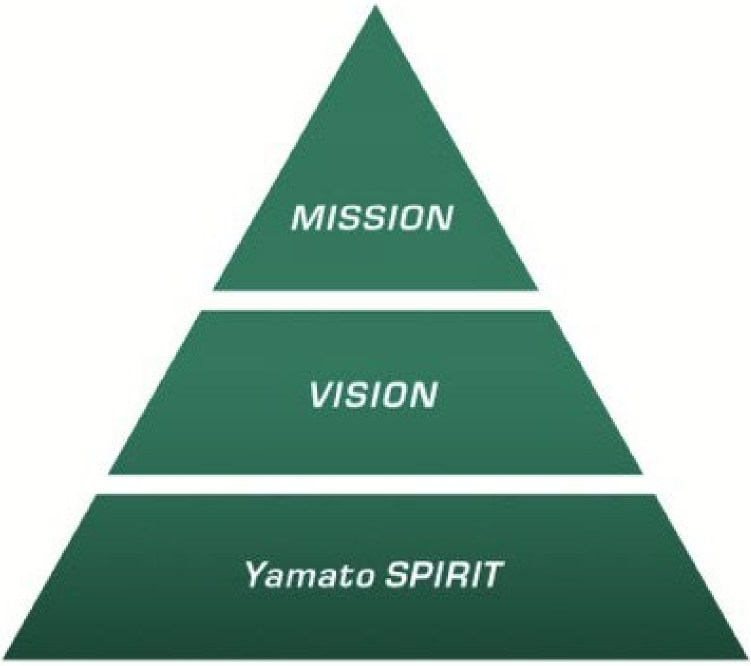
In accordance with its corporate mission of “Our Steel, Your Future,” the Yamato Kogyo Group operates from its headquarters in Himeji, with overseas locations, including the United States and ASEAN (Thailand, Vietnam, and Indonesia). We put our conviction into our mission in an effort to fulfill the infrastructural needs of those countries and regions through locally produced products for local use, and to support the development of each country and region and the current and future lives of the people living there.

In FY2025, exports of low-priced steel products remained at high levels due to overproduction in China. Amid this situation, slump in steel demand and softness of steel market conditions lingered in regions other than the U.S., resulting in challenging conditions as a whole. On the other hand, the U.S. business has been driving the consolidated performance, as it managed to secure high earnings supported by robust demand, as well as upward trends in the market backed by strengthened tariff measures by the U.S. government. In addition, we made steady progress toward achieving our “Vision 2030.” Key milestones included upgrading to the latest rolling line at Yamato Steel Co., Ltd., the Group’s mother factory, as part of our efforts to strengthen our core structural steel business. In tandem, we invested in an Australia-based turnout manufacturer with a view to expanding our trackwork products business internationally. Considering the above, we will propose the year-end dividend of ¥200 per share (totaling annual dividend of ¥400 per share, including the interim dividend) as previously forecasted, at the Ordinary General Meeting of Shareholders.

Today, manifesting geopolitical risks has brought unprecedented uncertainty to the world. Even in this challenging environment, we view these risks not with fear, but as opportunities for a major leap forward. To this end, in preparation for achieving the “Vision 2030” with the objective of making further contributions to realizing a prosperous global society, we will continue to promote growth investments and returns to shareholders and strive to respond to their expectations by achieving further increases in corporate value.

We ask for your further and continued support going forward.

小林幹生
Representative Director, President



MISSION

Our Steel, Your Future

- Creating more value for an even richer society -

VISION

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

Yamato SPIRIT - We are

Pride	committed to be professionals of Steel and Trackwork business.
Manufacturing	committed to deliver world class products with the highest safety standards in mind.
Global	committed to be successful anywhere in the world.
Harmony	committed to be "One Team" beyond nationality, race, age or gender.
Fairness	committed to be honest and maintain the highest level of ethical standards.
Challenge	committed to challenge the future with no fear of failure.

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

To Our Shareholders

Securities code: 5444
June 8, 2026
(Date on which measures for providing information in electronic format begin: June 1, 2026)

Mikio Kobayashi
Representative Director, President
Yamato Kogyo Co., Ltd.
380 Kibi, Otsu-ku, Himeji, Hyogo Pref.

Notice of the 107th Ordinary General Meeting of Shareholders

We are pleased to invite you to attend the 107th Ordinary General Meeting of Shareholders of Yamato Kogyo Co., Ltd. (hereinafter “the Company”), which will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders (matters subject to electronic provision measures) in electronic format, and has posted the information on the following websites. Please access one of them to view the information.

<The Company’s website>

https://www.yamatokogyo.co.jp/en/ir/investors/

Matters subject to electronic provision measures are also made available on the Listed Company Search website of the Tokyo Stock Exchange (TSE). Enter “Yamato Kogyo” in “Issue name (company name)” or “5444” in “Code,” click “Search,” then click “Basic information” and select “Documents for public inspection/PR information.”

<TOKYO STOCK EXCHANGE’s website (Listed Company Search) >

https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

If you are not attending in person on the day, you may exercise your voting rights either online or in writing. Please review the Reference Documents for the General Meeting of Shareholders included in the matters subject to electronic provision measures, and exercise your voting rights by 5:00 p.m. on Thursday, June 25, 2026 in accordance with the instructions provided below.

1. Date and Time 10:00 a.m., Friday, June 26, 2026 (reception starts at 9:00 a.m.)
2. Venue Korin, 3F, Hotel Nikko Himeji
   100 Minami Ekimae-cho, Himeji, Hyogo Pref.
3. Objectives

Matters to be reported

(1) Report of the Business Report, Consolidated Financial Statements, and Audit Reports of the Accounting Auditor and the Audit & Supervisory Board for the Consolidated Financial Statements for the 107th fiscal year (April 1, 2025 to March 31, 2026)

(2) Report of the Non-consolidated Financial Statements for the 107th fiscal year (April 1, 2025 to March 31, 2026)

Matters to be resolved

Proposal No.1	Appropriation of Surplus
Proposal No.2	Election of Ten (10) Directors
Proposal No.3	Determination of Remuneration for Performance-linked, Post-delivery Restricted Share-based Remuneration for Directors

■ In the event of revisions to matters subject to electronic provision measures, details of the matters both before and after revision will be provided on the websites on which the matters have been made available.

■ In accordance with laws and regulations and the Articles of Incorporation, the following items among the matters subject to electronic provision measures will not be included in the paper-based documents provided to shareholders requesting the delivery of paper-based documents. These items include the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements audited by the Audit & Supervisory Board Members, and the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the accounting auditor.

- “Systems for Ensuring the Appropriateness of Operations and the Operating Status of Such Systems” in the Business Report
- “Consolidated Statements of Changes in Net Assets” and “Notes to Consolidated Financial Statements” in Consolidated Financial Statements
- “Statements of Changes in Net Assets” and “Notes to Non-consolidated Financial Statements” in Non-consolidated Financial Statements

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Appropriation of Surplus

The year-end dividend for the fiscal year under review will be as follows, considering consolidated management performance of the Group inside and outside Japan, financial condition and future business expansion based on internal reserves.

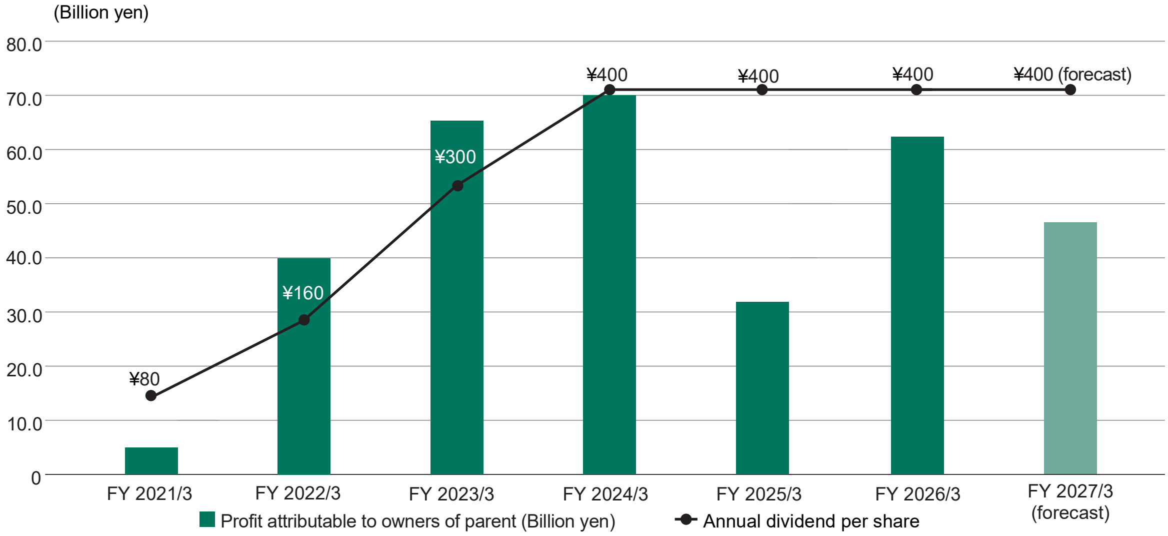
Matters regarding year-end dividends

(1) Type of dividend property Cash

(2) Allotment of dividend property to shareholders and the total amount
¥200 per common share of Company stock
Total amount: ¥12,139,633,200
(The annual dividend totals ¥400 including an interim dividend of ¥200 per share)

(3) Effective date of dividends of surplus
June 29, 2026

[Reference] Dividends per share



Proposal No. 2 Election of Ten (10) Directors

The terms of office of all ten (10) Directors will expire upon the conclusion of the Ordinary General Meeting of Shareholders. Therefore, the Company proposes the election of ten (10) Directors.

The candidates for Director are as follows:

No.	Name (Age)		Current position in the Company	Years of office as Director	Attendance at Board of Directors meetings
1	Mikio Kobayashi (69)	[Reelection]	Representative Director, President	14 years	100% (6/6)
2	Kazuhiro Tsukamoto (65)	[Reelection]	Representative Director, Managing Executive Officer	9 years	100% (6/6)
3	Nobuo Oki (51)	[Reelection]	Director, Executive Officer	2 years	100% (6/6)
4	Damri Tunshevavong (72)	[Reelection]	Director	15 years	100% (6/6)
5	Takenosuke Yasufuku (52)	[Reelection]	Director	11 years	100% (6/6)
6	Kunitoshi Takeda (70)	[Reelection] [Outside] [Independent]	Outside Director	7 years	100% (6/6)
7	Motomu Takahashi (73)	[Reelection] [Outside] [Independent]	Outside Director	5 years	100% (6/6)
8	Pimjai Wangkiat (62)	[Reelection] [Outside] [Independent]	Outside Director	4 years	100% (6/6)
9	Yoshikazu Kotera (56)	[New election]	Managing Executive Officer	–	–
10	Hitoshi Mano (62)	[New election] [Outside] [Independent]	–	–	–

[New election] Candidate for Election as New Director
[Reelection] Candidate for Reelection as Director
[Outside] Candidate for Outside Director
[Independent] Candidate for Independent Director

(Notes) 1. The ages of the candidates are the ages as of the conclusion of the Ordinary General Meeting of Shareholders.
2. There is no special interest between any of the candidates and the Company.
3. The term of office of Kunitoshi Takeda as an Outside Director of the Company will be seven years as of the conclusion of the Ordinary General Meeting of Shareholders.
4. The term of office of Motomu Takahashi as an Outside Director of the Company will be five years as of the conclusion of the Ordinary General Meeting of Shareholders.
5. The term of office of Pimjai Wangkiat as an Outside Director of the Company will be four years as of the conclusion of the Ordinary General Meeting of Shareholders.
6. Kunitoshi Takeda, Motomu Takahashi, Pimjai Wangkiat, and Hitoshi Mano are candidates for Outside Directors. Kunitoshi Takeda, Motomu Takahashi, and Pimjai Wangkiat have been designated as independent officers in accordance with the provisions of Tokyo Stock Exchange, and will continue to be designated as independent officers if their re-election is approved. In addition, Hitoshi Mano will be designated as a new independent officer, if his election is approved. The criteria for determining the independence of Outside Officers specified by the Company are stated on page 19.
7. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has concluded agreements with Directors who are not Executive Directors limiting their liability for compensation of damages under Article 423, Paragraph 1 of the same Act, and the limit on liability of Directors pursuant to the agreements is the minimum liability amount specified under Article 425, Paragraph 1 of the same Act. If Damri Tunshevavong, Kunitoshi Takeda, Motomu Takahashi, and Pimjai Wangkiat are reelected, the Company plans to renew the agreement with them. In addition, if Hitoshi Mano is elected, the Company plans to conclude a similar agreement with him.
8. The Company has entered into a directors and officers liability insurance policy pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, and damages arising from being held liable for the execution of duties by the insured and being subject to claims seeking such liability are covered by the insurance policy, with the Company bearing the cost of all insurance premiums. However, damages, etc. caused by acts conducted while aware of a violation of laws and regulations are excluded from coverage to ensure the appropriateness of execution of duties of the insured is not impaired. All candidates for Director are included in the insured under the insurance policy. In addition, the insurance policy will be renewed with the same content at the next renewal.

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company</th><th></th></tr>
<tr><td rowspan="2">1</td><td>Mikio Kobayashi
(February 5, 1957)
(69 years of age)
[Reelection]</td><td>Apr. 2008 Iron & Steel Products Divisional Operating Officer, Americas Business Unit, Mitsui & Co., Ltd.
Oct. 2009 General Manager, Iron & Steel Overseas Division, Mitsui & Co., Ltd.
Apr. 2012 General Manager, Business Development Department, Yamato Kogyo Co., Ltd.
Jun. 2012 Managing Director in charge of Business Development, Yamato Kogyo Co., Ltd
Jun. 2017 Representative Director, President, Yamato Kogyo Co., Ltd. (to present)</td><td>Years of office as Director: 14 years

Attendance at Board of Directors meetings: 100% (6/6)

Number of the Company’s shares owned: 16,275 shares</td></tr>
<tr><td colspan="3">[Reasons for nomination as candidate for Director]
Mikio Kobayashi was appointed as Representative Director, President of the Company in June 2017, and has utilized his extensive experience and knowledge obtained in Japan and overseas to date to lead the Group by exhibiting strong leadership at the core of management and appropriately making important decisions on the execution of business and management. The Company has determined that he is an appropriate person for the realization of sustained improvement of the Company’s corporate value, and proposes his re-election as Director.</td></tr>
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<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company</th><th></th></tr>
<tr><td rowspan="2">2</td><td>Kazuhiro Tsukamoto
(September 1, 1960)
(65 years of age)
[Reelection]</td><td>Apr. 2013 Director, Mitsui & Co. Europe Ltd; Chief Administrative Officer, EMEA (Europe, the Middle East and Africa) Business Unit, Mitsui & Co., Ltd.
Jul. 2015 Managing Director, General Manager, Steel Plate & Pipe Business Unit, Mitsui & Co. Steel Ltd.
Jun. 2017 Managing Director in charge of Business Development Department, Yamato Kogyo Co., Ltd.
Jun. 2020 Managing Director in charge of Overseas Business Department, Yamato Kogyo Co., Ltd.
Jun. 2021 Director, Managing Executive Officer in charge of Overseas Business Department, Yamato Kogyo Co., Ltd.
Jul. 2022 Director, Managing Executive Officer in charge of Overseas Business Department and Sustainability Management Office (currently: Sustainability Management Department), Yamato Kogyo Co., Ltd.
Sep. 2024 Representative Director, Managing Executive Officer in charge of General Affairs Department, HR Department, IT Department, and Sustainability Management Office (to present)</td><td>Years of office as Director: 9 years

Attendance at Board of Directors meetings: 100% (6/6)

Number of the Company’s shares owned: 5,760 shares</td></tr>
<tr><td colspan="3">[Reasons for nomination as candidate for Director]
Kazuhiro Tsukamoto has extensive experience and knowledge of overseas business development and administration. As Director in charge of the General Affairs Department, HR Department, IT Department, and Sustainability Management Department, he has appropriately made management decisions and executed important matters of business. The Company has determined that he is an appropriate person for the realization of sustained improvement of the Company’s corporate value and proposes his re-election as Director.</td></tr>
</table>

No.	Name (Date of birth)	Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company	
3	Nobuo Oki (May 15, 1975) (51 years of age) [Reelection]	Apr. 1998 Joined Yamato Kogyo Co., Ltd. Jul. 2020 General Manager, Melting Department, Yamato Steel Co., Ltd. Jul. 2021 Executive Officer, General Manager, Melting Department, Yamato Steel Co., Ltd. Jan. 2023 Chief Production Officer, Posco Yamato Vina Steel Joint Stock Company Jun. 2024 Director, Yamato Kogyo Co., Ltd.; Chief Production Officer, Posco Yamato Vina Steel Joint Stock Company Apr. 2025 Director, Executive Officer in charge of Technology Management Department and Technology Development Department (currently: Technology Management Department) (to present)	Years of office as Director: 2 years Attendance at Board of Directors meetings: 100% (6/6) Number of the Company's shares owned: 1,609 shares
	[Reasons for nomination as candidate for Director] Nobuo Oki has extensive experience and advanced insight as an engineer at operating companies of the Group both in Japan and overseas. The Company has determined that he is an appropriate person for the realization of sustained improvement of the Company's corporate value, and proposes his re-election as Director.		

No.	Name (Date of birth)	Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company	
4	Damri Tunshevavong (July 20, 1953) (72 years of age) [Reelection]	Jan. 1999 Managing Director, Siam Yamato Steel Co., Ltd. Jul. 2004 Executive Vice President, Cementhai Holding Co., Ltd. Feb. 2005 Director, Siam Yamato Steel Co., Ltd. (to present) Jul. 2005 President, Cementhai Holding Co., Ltd. Jan. 2011 Advisor, The Siam Cement Public Co., Ltd. Jun. 2011 Director, Yamato Kogyo Co., Ltd. (to present) Jul. 2020 Director, SCG Ceramics Public Co., Ltd.	Years of office as Director: 15 years Attendance at Board of Directors meetings: 100% (6/6) Number of the Company's shares owned: 0 shares
	[Reasons for nomination as candidate for Director] Damri Tunshevavong has been involved in projects for the Overseas Business of the Group, and has devoted himself to the development of the business overseas. The Company has determined that he is an appropriate person for the realization of sustained improvement of the Company's corporate value, and proposes his re-election as Director.		

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company</th><th></th></tr>
<tr><td rowspan="2">5</td><td>Takenosuke Yasufuku
(July 5, 1973)
(52 years of age)
[Reelection]</td><td>Jun. 2007 Director, Vice President, KOBE SHU-SHIN-KAN BREWERIES, LTD.
Aug. 2011 Representative Director and President, KOBE SHU-SHIN-KAN BREWERIES, LTD. (to present)
Jun. 2015 Director, Yamato Kogyo Co., Ltd. (to present)

(Significant Concurrent Positions Outside the Company)
Representative Director and President, KOBE SHU-SHIN-KAN BREWERIES, LTD.
* Takenosuke Yasufuku is scheduled to be appointed as Representative Director and Chairman of KOBE SHU-SHIN-KAN BREWERIES, LTD. as of July 1, 2026.</td><td>Years of office as Director: 11 years

Attendance at Board of Directors meetings: 100% (6/6)

Number of the Company's shares owned: 2,000 shares</td></tr>
<tr><td colspan="3">[Reasons for nomination as candidate for Director]
Using the management experience and broad insights accumulated through his role as Representative Director and President of KOBE SHU-SHIN-KAN BREWERIES, LTD., Takenosuke Yasufuku has provided valuable advice on the management of the Company in general. The Company has determined that he is an appropriate person for the realization of sustained improvement of the Company's corporate value, and proposes his re-election as Director.</td></tr>
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<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company</th><th></th></tr>
<tr><td rowspan="2">6</td><td>Kunitoshi Takeda
(September 21, 1955)
(70 years of age)
[Reelection]
[Outside]
[Independent]</td><td>Jul. 2007 Chief Officer, Overseas Region Business, Bridgestone Corporation
Jun. 2008 Chairman, General Manager, Bridgestone (China) Investment Co., Ltd.
Mar. 2010 Vice President-Officer, Bridgestone Corporation; Chairman, General Manager, Bridgestone (China) Investment Co., Ltd.
Jul. 2011 Vice President-Officer in charge of Specialty Tire Business, Bridgestone Corporation
Sep. 2012 Vice President-Officer in charge of Overseas Region Tire Business; Chief Officer, Overseas Region Tire Business, Bridgestone Corporation
Jul. 2014 Vice President-Officer, Bridgestone Corporation; Director, COO, Bridgestone Asia Pacific Pte. Ltd.
Mar. 2015 Vice President-Officer, Bridgestone Corporation; Director, COO, Bridgestone South Africa (Pty) Ltd.
Jun. 2019 Outside Director, Yamato Kogyo Co., Ltd. (to present)</td><td>Years of office as Director: 7 years

Attendance at Board of Directors meetings: 100% (6/6)

Number of the Company's shares owned: 600 shares</td></tr>
<tr><td colspan="3">[Reasons for nomination as candidate for Outside Director and overview of expected role]
Kunitoshi Takeda has extensive experience and advanced insights accumulated over many years of involvement in overseas business projects for Bridgestone Corporation. He has appropriately supervised management since becoming an Outside Director of the Company in June 2019, and the Company therefore proposes his re-election as Outside Director. In addition to supervising the Company's management in his role if elected as Outside Director, he is expected to provide advice to encourage the sustained growth and enhance medium- to long-term corporate value of the Company. The Company also plans to delegate him as chair of the Nomination and Remuneration Committees.</td></tr>
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<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company</th><th></th></tr>
<tr><td rowspan="10">7</td><td rowspan="9">Motomu Takahashi
(June 12, 1953)
(73 years of age)
[Reelection]
[Outside]
[Independent]</td><td>Apr. 2009</td><td>Managing Officer, Mitsui & Co., Ltd.; Executive Vice President, Mitsui & Co. (U.S.A.), Inc.</td><td rowspan="9">Years of office as Director: 5 years

Attendance at Board of Directors meetings: 100% (6/6)

Number of the Company’s shares owned: 1,200 shares</td></tr>
<tr><td>Apr. 2010</td><td>Managing Officer, Chief Operating Officer, Iron & Steel Products Business Unit, Mitsui & Co., Ltd.</td></tr>
<tr><td>Apr. 2011</td><td>Executive Managing Officer, Chief Operating Officer, Iron & Steel Products Business Unit, Mitsui & Co., Ltd.</td></tr>
<tr><td>Apr. 2014</td><td>Senior Executive Managing Officer, Mitsui & Co., Ltd.; President & CEO, Mitsui & Co. (U.S.A.), Inc.</td></tr>
<tr><td>Apr. 2015</td><td>Executive Vice President, Mitsui & Co.; President & CEO, Mitsui & Co. (U.S.A.), Inc.</td></tr>
<tr><td>Jun. 2016</td><td>Representative Director, Executive Vice President, Mitsui & Co., Ltd.</td></tr>
<tr><td>Apr. 2017</td><td>Member, APEC Business Advisory Council Japan</td></tr>
<tr><td>Jun. 2017</td><td>Counselor, Mitsui & Co., Ltd.</td></tr>
<tr><td>Jun. 2021</td><td>Outside Director, Yamato Kogyo Co., Ltd.
(to present)</td></tr>
<tr><td colspan="4">[Reasons for nomination as candidate for Outside Director and overview of expected role]
Having served in such roles as Representative Director Executive Vice President of Mitsui & Co., Ltd., Motomu Takahashi has extensive management experience and an outstanding track record in and knowledge of the iron and steel sector. He has appropriately supervised management since becoming an Outside Director of the Company in June 2021, and the Company therefore proposes his re-election as Outside Director. In addition to supervising the Company’s management in his role if elected as Outside Director, he is expected to provide advice to encourage the sustained growth and enhance medium- to long-term corporate value of the Company. The Company also plans to continue to delegate him as member of the Nomination and Remuneration Committees.</td></tr>
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<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company</th><th></th></tr>
<tr><td rowspan="5">8</td><td rowspan="4">Pimjai Wangkiat
(December 29, 1963)
(62 years of age)
[Reelection]
[Outside]
[Independent]
[Female]</td><td>Jan. 2005</td><td>Deputy Corporate Director, Corporate Planning, The Siam Cement Public Co., Ltd.</td><td rowspan="4">Years of office as Director: 4 years

Attendance at Board of Directors meetings: 100% (6/6)

Number of the Company’s shares owned: 0 shares</td></tr>
<tr><td>Jun. 2007</td><td>Corporate Director, Corporate Organization Development, The Siam Cement Public Co., Ltd.</td></tr>
<tr><td>Jan. 2019</td><td>Corporate Director & Advisor, The Siam Cement Public Co., Ltd.</td></tr>
<tr><td>Jun. 2022</td><td>Outside Director, Yamato Kogyo Co., Ltd.
(to present)</td></tr>
<tr><td colspan="4">[Reasons for nomination as candidate for Outside Director and overview of expected role]
Pimjai Wangkiat has been involved in corporate planning and business development at Siam Cement Group in Thailand for many years and has extensive experience and advanced insight as a management executive. She has appropriately supervised management since becoming an Outside Director of the Company in June 2022, and the Company therefore proposes her re-election as Outside Director. In addition to supervising the Company’s management in her role if elected as Outside Director, she is expected to provide advice to encourage the sustained growth and enhance medium- to long-term corporate value of the Company.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company</th><th rowspan="2">Number of the Company’s shares owned:
5,913 shares</th></tr>
<tr><td rowspan="2">9</td><td>Yoshikazu Kotera
(July 29, 1969)
(56 years of age)
[New election]</td><td>Apr. 1993 Joined Yamato Kogyo Co., Ltd.
Aug. 2003 Yamato Holding Corporation (U.S.A)
Jul. 2014 General Manager, Corporate Planning Department, Yamato Kogyo Co., Ltd.
Jun 2017 Director, General Manager, Operations Department, Yamato Steel Co., Ltd.
Jun. 2020 Managing Director in charge of Quality Assurance Department, Production Management Department, and Operations Department, Yamato Trackwork System Co., Ltd.
Jun. 2023 Managing Executive Officer in charge of Finance and Accounting Department and Risk Management Department, Yamato Kogyo Co., Ltd.
Dec. 2025 Managing Executive Officer in charge of Global Business Department, Yamato Kogyo Co., Ltd. (to present)

(Significant Concurrent Positions Outside the Company)
Yoshikazu Kotera is scheduled to be appointed as Director of Hyoki Kaiun Kaisha, Ltd. if his appointment is approved at the Ordinary General Meeting of Shareholders scheduled for June 25, 2026.</td></tr>
<tr><td colspan="3">[Reasons for nomination as candidate for Director]
Yoshikazu Kotera has extensive experience and advanced insights gained from his involvement in corporate planning, business strategy, finance, and other operations at the Company and its subsidiaries. As Managing Executive Officer in charge of Global Business Department, he has appropriately executed important matters of business. The Company has determined that he is an appropriate person for the realization of sustained improvement of the Company’s corporate value, and proposes his election as a new Director.</td></tr>
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<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company</th><th rowspan="2">Number of the Company’s shares owned:
0 shares</th></tr>
<tr><td rowspan="2">10</td><td>Hitoshi Mano
(September 3, 1963)
(62 years of age)
[New election]
[Outside]
[Independent]</td><td>Apr. 2011 General Manager, Production Control Department, Nissan Motor Co., Ltd.
Apr. 2015 Vice President, Nissan Motor do Brasil Ltda.
Apr. 2017 Deputy Chief Officer, Production Planning Headquarters, Nissan Motor Co., Ltd.
Apr. 2020 Managing Executive Officer in charge of Production Planning Headquarters and Supply Chain Management Headquarters, Nissan Motor Co., Ltd.
Apr. 2023 Senior Executive Officer in charge of Production Planning Headquarters, Supply Chain Management Headquarters, and Global BCP Management, Nissan Motor Co., Ltd.
Apr. 2025 Advisor, Nissan Motor Co., Ltd.</td></tr>
<tr><td colspan="3">[Reasons for nomination as candidate for Outside Director and overview of expected role]
Hitoshi Mano has extensive experience and advanced insights accumulated over many years of involvement in corporate planning, production control, supply chain management, and other operations at Nissan Motor Co., Ltd., as well as in corporate management of its overseas subsidiary, and the Company therefore proposes his election as a new Outside Director. In addition to supervising the Company’s management in his role if elected as Outside Director, he is expected to provide advice to encourage the sustained growth and enhance medium- to long-term corporate value of the Company. The Company also plans to delegate him as member of the Nomination and Remuneration Committees.</td></tr>
</table>

Proposal No. 3 Determination of Remuneration for Performance-linked, Post-delivery Restricted Share-based Remuneration for Directors

The total amount of remuneration for the Company's Directors was approved to be up to ¥720 million per year (including up to ¥70 million per year for Outside Directors) at the 104th Ordinary General Meeting of Shareholders held on June 29, 2023. In addition, at the 102nd Ordinary General Meeting of Shareholders held on June 29, 2021, shareholders approved, separately from the aforementioned Directors' remuneration, that the total amount of monetary remuneration claims to be paid to the Company's Directors (excluding Outside Directors and Part-time Directors; hereinafter "Eligible Directors") for the allotment of restricted shares would be up to ¥100 million per year, and the maximum number of restricted shares to be allotted for each fiscal year would be 30,000 shares.

This time, the Company reviewed its officer remuneration system and decided to discontinue the existing restricted share-based remuneration plan and introduce a performance-linked, post-delivery restricted share-based remuneration plan (hereinafter the "Plan") under which the Company will deliver to Eligible Directors such number of the Company's common shares subject to a specified transfer restriction period and provisions under which the Company may acquire such shares without consideration (hereinafter "Restricted Shares") as will be determined based on the level of achievement of performance targets and other relevant factors during a predetermined single fiscal year (hereinafter the "Performance Evaluation Period"). The purpose of the Plan is to ensure that Eligible Directors share the benefits and risks of fluctuations in the Company's share price with shareholders, and to further enhance their motivation to contribute to sustained increases in the Company's share price and corporate value.

Accordingly, after comprehensive consideration of the degree of contribution of Eligible Directors and other relevant factors, the Company proposes to set the total amount of monetary remuneration claims to be paid to Eligible Directors as remuneration under the Plan, separately from the aforementioned Directors' remuneration, at a maximum of ¥150 million for each Applicable Period (as defined in 3. below; the same applies hereinafter). Furthermore, the payment of the performance-linked, post-delivery restricted share-based remuneration is determined after comprehensive consideration of various factors, including the degree of contribution of Eligible Directors. Given that the dilution ratio is negligible, with the ratio of the maximum number of Restricted Shares to be allotted for each Applicable Period specified in 2. below to the total number of issued shares (as of March 31, 2026) being approximately 0.08% (rounded to the second decimal place), we believe that the details of such remuneration are reasonable.

If this proposal is approved, the Board of Directors plans to amend the policy on determining the remuneration, etc. of individual Directors at its meeting to be held following the conclusion of this Ordinary General Meeting of Shareholders, ensuring consistency with the approved details, as described in this proposal (Reference 1). As this proposal aligns with the revised policy, we believe that its details are reasonable.

Currently, the Company has ten Directors (including four Outside Directors and two Part-time Directors). If Proposal No. 2 is approved, there will be ten Directors (including four Outside Directors and one Part-time Director), and the number of Eligible Directors will be five.

Subject to the approval of this proposal as originally proposed, the Company will discontinue the existing restricted share-based remuneration plan for Eligible Directors and will not make any further allotments of Restricted Shares thereunder; provided, however, that Restricted Shares already granted will remain in effect.

[Overview of the Plan]

1. Allotment and payment of Restricted Shares
The Company will pay monetary remuneration claims to Eligible Directors as remuneration, etc. within the total amount specified above, based on the level of achievement of performance targets and other relevant factors during the Performance Evaluation Period. Each Eligible Director will receive an allotment of Restricted Shares by making an in-kind contribution of the entirety of such monetary remuneration claims.

The payment of monetary remuneration claims will be subject to each Eligible Director's consent to the in-kind contribution described above and the execution of a Restricted Share Allotment Agreement containing the provisions set forth in 4. below (provided, however, that no transfer restrictions shall be imposed on shares delivered to Eligible Directors pursuant to 3. (ii) below).

2. Total number of Restricted Shares
The total number of Restricted Shares to be allotted to Eligible Directors shall be capped at 50,000 shares per Applicable Period. However, on or after the date of the resolution on this proposal, if a stock split of the Company's common shares (including a gratis allotment thereof), a reverse stock split of the Company's common shares, or other similar events require an adjustment to the total number of Restricted Shares to be allotted, such total number of Restricted Shares may be reasonably adjusted.

The amount to be paid in for Restricted Shares shall be determined by the Company's Board of Directors, within a range not particularly favorable to Eligible Directors who will subscribe for such Restricted Shares, based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors regarding the issuance or disposal of such Restricted Shares (or, if no transaction is executed on that day, the closing price on the immediately preceding trading day).

3. Requirements for delivery, etc.
The principal requirements for delivery, etc. are as follows:
(i) After establishing in advance the base number of shares and the method for calculating the level of achievement of performance targets, the Company shall deliver Restricted Shares to Eligible Directors after the end of the Applicable Period, in a number determined based on the level of achievement of performance targets during the Performance Evaluation Period and the length of service during the period commencing on the date of the Company's first Ordinary General Meeting of Shareholders held after the commencement date of the Performance Evaluation Period and ending on the date of the Company's first Ordinary General Meeting of Shareholders held after the expiration of the Performance Evaluation Period (hereinafter the "Applicable Period").

(ii) If an Eligible Director retires or resigns from the position of Director of the Company or any other position designated by the Board of Directors for justifiable reasons (excluding resignation, or retirement due to death, injury, illness, etc.) prior to the date of delivery of shares under the Plan, the Company's Board of Directors shall reasonably determine the timing of delivery of remuneration, and shall deliver to such Eligible Director such number of shares as reasonably determined by the Board of Directors, within the total amount and total number of shares specified above as remuneration, etc. under the Plan.

If an Eligible Director retires or resigns from the position of Director of the Company or any other position designated by the Board of Directors due to death, injury, illness, etc. prior to the date of delivery of shares under the Plan, the Company's Board of Directors shall reasonably determine the timing of delivery of remuneration, and shall pay to such Eligible Director (or, in the case of retirement due to death, the heir succeeding to such Eligible Director) an amount of money reasonably determined by the Board of Directors, within the total amount specified above as remuneration under the Plan.

(iii) If, prior to the date of delivery of shares under the Plan, a proposal concerning a merger agreement in which the Company will become the disappearing company, a share exchange agreement or a share transfer plan in which the Company will become a wholly-owned subsidiary, or any other proposal relating to reorganization, etc. is approved at the Company's General Meeting of Shareholders (or by the Company's Board of Directors, if approval by the General Meeting of Shareholders is not required for such reorganization, etc.) (limited to cases where the effective date of such reorganization, etc. is scheduled to occur prior to the date of delivery of shares under the Plan), the Company's Board of Directors shall reasonably determine the timing of delivery of remuneration, and shall pay to the Eligible Directors an amount of money reasonably determined by the Board of Directors.

(iv) If an Eligible Director becomes subject to any forfeiture event deemed necessary to achieve the purpose of the restricted share-based remuneration plan (as determined by the Board of Directors), such as retiring or resigning from the position of Director of the Company or any other position designated by the Board of Directors without justifiable reasons (such as death), engaging in certain misconduct, etc., no Restricted Shares or money shall be delivered or paid to such Eligible Director under the Plan.

4. Overview of Restricted Share Allotment Agreement

Upon the allotment of Restricted Shares, a Restricted Share Allotment Agreement shall be entered into between the Company and each Eligible Director who will receive the allotment of Restricted Shares under the Plan (hereinafter the "Allottee"). This agreement shall include the following provisions:

(1) Transfer Restriction Period

The Allottee may not transfer, pledge, create a security interest by way of transfer, make a lifetime gift of, bequeath, or otherwise dispose of the Restricted Shares allotted to him/her (hereinafter the "Allotted Shares") to any third party (hereinafter collectively, the "Transfer Restrictions") during the period from the date of delivery of Restricted Shares to the date on which the Allottee retires or resigns from the position of Director of the Company or any other position designated by the Board of Directors (hereinafter the "Transfer Restriction Period").

(2) Acquisition of Restricted Shares without consideration

If the Allottee retires or resigns from the position of Director of the Company or any other position designated by the Board of Directors prior to the expiration of the Transfer Restriction Period, the Company shall automatically acquire the Allotted Shares without consideration, unless the Board of Directors determines that there are justifiable reasons for such retirement or resignation.

(3) Lifting of Transfer Restrictions

Upon the expiration of the Transfer Restriction Period, the Company shall lift the Transfer Restrictions on all of the Allotted Shares held by the Allottee at that time.

(4) Treatment in the event of reorganization, etc.

If, during the Transfer Restriction Period, a proposal concerning a merger agreement in which the Company will become the disappearing company, a share exchange agreement or a share transfer plan in which the Company will become a wholly-owned subsidiary, or any other proposal relating to reorganization, etc. is approved at the Company's General Meeting of Shareholders (or by the Company's Board of Directors, if approval by the General Meeting of Shareholders is not required for such reorganization, etc.) (limited to cases where the effective date of such reorganization, etc. is scheduled to occur prior to the expiration of the Transfer Restriction Period), the Company shall, by resolution of the Board of Directors, lift the Transfer Restrictions on all of the Allotted Shares held by the Allottee as of the date of such approval, effective immediately prior to the effective date of such reorganization, etc.

Reference 1: Policy on determining the remuneration, etc. of individual Directors (proposed amendments)

a. Basic policy

- The remuneration, etc. of individual Directors shall promote the execution of their duties in accordance with the Group's "Mission, Vision, Yamato SPIRIT" and the priority strategies set forth in the "Vision 2030."
- To become a "company with stronger governance" and a "company that continuously engages in constructive dialogue with shareholders and investors and commits to corporate value enhancement," the remuneration, etc. shall motivate the achievement of specific management targets set forth in the priority strategies, etc.
- To ensure that the remuneration, etc. functions as a sound incentive for the sustained growth of the Group, the proportions and levels of performance-linked remuneration (linked to short-term results, the status of execution of duties, etc.) and share-based remuneration (linked to corporate value) shall be appropriately set.
- The remuneration, etc. shall provide treatment commensurate with the Company's officers, taking into consideration the scale of social roles and responsibilities assumed by the Group, trends among competitors including the steel industry, trends among companies of similar scale in corporate value, and changes in the business environment.

b. Remuneration composition and remuneration levels

- The remuneration of Directors (referring to Directors excluding Outside Directors and Part-time Directors) shall consist of fixed “base remuneration” and “representative director remuneration,” and variable “performance-linked remuneration” and “share-based remuneration.”
- The proportions of “base remuneration and representative director remuneration, performance-linked remuneration, and share-based remuneration” for the execution of business operations, based on the standard amounts, shall be set at 50%:35%:15% for the President and 50%:40%:10% for other Directors.
- The remuneration levels shall be set at appropriate amounts, taking into account the responsibilities of the Company’s individual Directors, future changes in the business environment, and other relevant factors, with reference to objective officer remuneration survey data, etc.
- The remuneration of Outside Directors and Part-time Directors shall consist solely of fixed “base remuneration.”

c. Performance-linked remuneration

- The amount of monetary remuneration to be paid to individual Directors as performance-linked remuneration shall vary within the range of 0% to 200% of the standard amount for each position, depending on the status of achievement of financial targets, strategic targets, improvement targets, etc.

d. Performance-linked, post-delivery restricted shares (Restricted Shares)

- The Company’s common shares shall be delivered ex post facto, depending on the level of achievement of management indicators emphasized by the Company as of the expiration of the performance evaluation period, after setting a transfer restriction period. The performance evaluation period shall be one year (each fiscal year).

e. Remuneration determination procedures

- To ensure the transparency and objectivity, matters concerning remuneration, etc. for individual Directors shall be determined by the Board of Directors after deliberation and recommendations by a voluntary Remuneration Committee composed mainly of Independent Outside Directors. In its deliberations, the Remuneration Committee shall take into account changes in the business environment, opinions of shareholders and investors, etc. and shall appropriately obtain information necessary for deliberations from the standpoint of transparency and objectivity.
- Regarding the targets for the level of achievement of individual targets and their evaluation in the process of determining the amount of performance-linked remuneration for individual Directors, the Representative Director and President, delegated by the Board of Directors, shall prepare a draft following interviews with respective Directors, and the Representative Director shall determine them after deliberation by the Remuneration Committee. The determined targets for the level of achievement of individual targets and their evaluation results shall be appropriately reported to the Board of Directors to ensure the objectivity and fairness of the evaluation. The final amount of performance-linked remuneration to be paid to individual Directors shall be drafted by the Representative Director and finalized by the Board of Directors after deliberation by the Remuneration Committee.
- In addition, in the event that the Company’s performance deteriorates, or an accident, misconduct, or any other event occurs that is deemed serious enough to damage the Company’s corporate value, etc., the remuneration, etc. of Directors may be reduced or not be paid if the Board of Directors so determines.

Reference 2:
The Company plans to provide a similar performance-linked, post-delivery restricted share-based remuneration to its Executive Officers.

[Reference] Structure of the Board of Directors and the Audit & Supervisory Board After the Approval of Proposal No. 2

If Proposal No. 2 is approved as proposed, the structure of the Board of Directors after the Board meeting following the Ordinary General Meeting of Shareholders will be as follows.
The 10 Directors will include four Independent Outside Directors (40%) and one woman (10%), and the five members of the Nomination and Remuneration Committees will include four Independent Officers (Directors and Audit & Supervisory Board Members) (80%).

	Name	Attributes	Positions and Committee Memberships, etc., to be Assumed	Age	Years in Office	Number of the Company's Shares Owned (as of Mar. 31, 2026)	Experience, Knowledge and Expertise
Board of Directors	Mikio Kobayashi	Male Executive	Representative Director, President; Chair of Sustainability Committee	69	14 years	16,275 shares	General management Global experience Business strategy/ marketing Sustainability
	Kazuhiro Tsukamoto	Male Executive	Representative Director, Managing Executive Officer in charge of General Affairs Department, HR Department, and IT Department; Member of Nomination Committee; Member of Remuneration Committee; Member of Sustainability Committee	65	9 years	5,760 shares	General management Global experience Business strategy/ marketing Sustainability Finance & accounting/ business investment
	Takenosuke Yasufuku	Male Executive	Director, Managing Executive Officer in charge of Sustainability Management Promotion Department; Member of Sustainability Committee	52	11 years	2,000 shares	General management Global experience Sustainability Legal affairs/ risk management
	Yoshikazu Kotera	Male Executive	Director, Managing Executive Officer in charge of Global Business Department; Member of Sustainability Committee	56	–	5,913 shares	Global experience Business strategy/ marketing Finance & accounting/ business investment Legal affairs/ risk management
	Nobuo Oki	Male Executive	Director, Executive Officer in charge of Technology Management Department	51	2 years	1,609 shares	Global experience Technology development/DX
	Damri Tunshevavong	Male Non-Japanese Non-executive	Director	72	15 years	0 shares	General management Global experience Technology development/DX Business strategy/ marketing
	Kunitoshi Takeda	Male Non-executive Independent Outside	Outside Director; Chair of Nomination Committee; Chair of Remuneration Committee; Member of Sustainability Committee	70	7 years	600 shares	General management Global experience Business strategy/ marketing Finance & accounting/ business investment
	Motomu Takahashi	Male Non-executive Independent Outside	Outside Director; Member of Nomination Committee; Member of Remuneration Committee; Member of Sustainability Committee	73	5 years	1,200 shares	General management Global experience Business strategy/ marketing Sustainability

	Name	Attributes	Positions and Committee Memberships, etc., to be Assumed	Age	Years in Office	Number of the Company's Shares Owned (as of Mar. 31, 2026)	Experience, Knowledge and Expertise
Board of Directors	Pimjai Wangkiat	Female Non-Japanese Non-executive Independent Outside	Outside Director	62	4 years	0 shares	General management Global experience Business strategy/ marketing Finance & accounting/ business investment
	Hitoshi Mano	Male Non-executive Independent Outside	Outside Director; Member of Nomination Committee; Member of Remuneration Committee; Member of Sustainability Committee	62	–	0 shares	General management Global experience Sustainability Legal affairs/ risk management
Audit and Supervisory Board	Kengo Nakaya	Male Non-executive	Audit & Supervisory Board Member (full-time)	59	6 years	3,300 shares	Global experience Finance & accounting/ business investment
	Shigeaki Katayama	Male Non-executive Independent Outside	Outside Audit & Supervisory Board Member (full-time); Member of Nomination Committee; Member of Remuneration Committee	69	7 years	2,500 shares	General management Global experience Business strategy/ marketing Finance & accounting/ business investment
	Mikio Nakajo	Male Non-executive Independent Outside	Outside Audit & Supervisory Board Member	63	7 years	1,100 shares	Legal affairs/ risk management

[Reference] The Company’s Criteria for Determining the Independence of Outside Officers

The Company has specified the criteria for determining the independence of Outside Directors and Outside Audit & Supervisory Board Members (collectively referred to as “Outside Officers” below) and candidates for Outside Officer as follows, and deems that they have independence and that there is no risk of a conflict of interest with general shareholders if none of the following items applies.

1. A person who is an executive (Note 1) of the Company or the Company’s subsidiaries (collectively referred to as “the Group” below) or has been an executive of the Group in the past ten years (however, in the case of a person who was a non-executive Director, Audit & Supervisory Board Members or Accounting Advisor of the Group in the past ten years, the ten years before appointment to these positions)
2. A person for which the Group is a major transaction partner (Note 2), or an executive thereof
3. A person who is a major transaction partner of the Group (Note 3), or an executive thereof
4. A consultant, accounting expert or legal expert who has obtained a large sum of money or other property (Note 4) other than officer remuneration from the Group (if the person who obtained the property is an organization such as a corporation or an association, a person who belongs to said organization)
5. A person who belongs to an audit firm conducting statutory audits of the Group
6. A person who has received a donation or grant exceeding a certain amount (Note 5) from the Group (if the person who obtained the donation or grant is an organization such as a corporation or an association, an executive of said organization)
7. An executive of major financial institution or other large creditor (Note 6) that is essential for the Group’s financing and is depended upon to a degree that it is irreplaceable, or the parent company or a subsidiary thereof
8. A major shareholder (Note 7) of the Company, or if the major shareholder is a corporation, an executive of the corporation
9. An executive of a company of which the Company is a major shareholder
10. An executive of a company that has accepted a director (regardless of whether full-time or part-time) from the Group, or the parent company or a subsidiary thereof
11. A person who has fallen under 2 through 10 above in the past three years
12. A close relative (Note 9) of a person who falls under 1 through 11 above (limited to persons in a significant position (Note 8))
13. Notwithstanding the provisions of the preceding items, a person otherwise found to have special grounds that could cause a conflict of interest with the Company

(Notes)

1. An executive refers to an executive prescribed in Article 2, Paragraph 3, Item (vi) of the Regulations for Enforcement of the Companies Act, and includes not only executive directors but also employees. Audit & Supervisory Board Members are not included. Note that outside Audit & Supervisory Board Members include non-executive directors.
2. A person for which the Group is a major transaction partner is a business partner group (meaning a corporate group made up of a direct business partner, the parent company and subsidiaries thereof, and subsidiaries of the parent company; the same applies below) providing products or services to the Group, for which the transaction amount in the most recent fiscal year exceeds 2% of the annual consolidated net sales of that group.
3. A major transaction partner of the Group is a transaction partner group to which the Group provides products or services and the transaction amount for the most recent fiscal year exceeds 2% of the annual consolidated net sales of the Group.
4. A large sum of money or other property refers to money or other economic benefit exceeding ¥10 million other than officer remuneration in the most recent fiscal year (if the person who obtained the property is an organization such as a corporation or an association, money or other property exceeding 2% of the total revenue of the organization in the most recent fiscal year).
5. A donation or grant exceeding a certain amount refers to a donation or a grant exceeding the higher of either an average of ¥10 million per year for the three most recent fiscal years or 2% of the total revenue for the most recent fiscal year.
6. A major financial institution or other large creditor refers to a financial institution or creditor from whom the total amount of borrowings or the total amount of credit in the most recent fiscal year exceeds 2% of the total consolidated assets of the Company.
7. A major shareholder refers to a shareholder holding 10% or more of voting rights.
8. Persons in a significant position refer to directors (excluding outside directors), executives, executive officers, employees in a senior management position of general manager or higher, in addition to certified public accountants who belong to an audit firm or an accounting firm, attorneys who belong to a law firm, officers such as councilors, directors and auditors who belong to incorporated foundations, incorporated associations, incorporated schools and other corporations, and other persons objectively and rationally deemed to have equivalent importance.
9. A close relative refers to a spouse or a person within two degrees of kinship.

Business Report (from April 1, 2025 to March 31, 2026)

1. Status of the Group's Business
   (1) Business progress and results

During the fiscal year ended March 31, 2026 (the fiscal year under review), exports of low-priced steel products remained at high levels due to overproduction in China. Amid this situation, slump in steel demand and softness of steel market conditions lingered in regions other than the U.S., resulting in challenging conditions as a whole. On the other hand, the U.S. business has been driving the consolidated performance, as it managed to secure high earnings supported by robust demand, as well as upward trends in the market backed by strengthened tariff measures by the U.S. government. With regard to the Middle East business, we signed the share sale and purchase agreement in June 2025 and recognized an additional loss of ¥5.8 billion (including a ¥4.9 billion loss in equity in earnings of affiliate and ¥0.9 billion in extraordinary losses). We completed the share transfer (and reversed foreign currency translation adjustment of ¥22.2 billion in relation to the sale of shares of relevant equity-method affiliates) in February 2026.

As a result of the above, net sales for the fiscal year under review were ¥160,389 million (down 4.7% year on year). On the profit front, operating profit was ¥4,495 million (down 60.9% year on year), ordinary profit was ¥65,235 million (up 19.9% year on year) and profit attributable to owners of parent was ¥62,389 million (up 96.0% year on year).

	Million yen	Year-on-year change
Net sales	160,389	down 4.7%
Operating profit	4,495	down 60.9%
Ordinary profit	65,235	up 19.9%
Profit attributable to owners of parent	62,389	up 96.0%

Results by segment during period under review are explained below.

Steel (Japan) Net sales 52,981 million yen -11.0% year on year

Major products	H-beam, channel, I-beam, sheet pile, patterned H-beam, rolled steel for shipbuilding, cast steel products, structural components for ships, heavy-duty machining

In Japan, the stagnation in demand for structural steel continued resulting from shortage of construction capacity and persistently high construction costs. Amid rising steel scrap prices influenced by the weakness of the yen, coupled with rising costs, manufacturers intensified their stance on raising prices to improve profitability from the second half of the fiscal year onward. This resulted in signs of a pickup in the structural steel market; however, it has yet to fully improve. At Yamato Steel Co., Ltd., although we announced early price increases on certain products and strove to secure orders by implementing integrated production and sales operations to meet short delivery schedules, increases in various costs such as electricity costs and a further deterioration in metal margins due to rising steel scrap prices resulted in a year-on-year decline in both sales and profit in terms of performance.

As a result, net sales were ¥52,981 million (a decrease of ¥6,533 million in comparison with the previous year), and operating profit was ¥1,494 million (a decrease of ¥4,467 million in comparison with the previous year).

Steel (Thailand) Net sales 68,520 million yen -0.9% year on year

Major products	H-beam, channel, I-beam, sheet pile, equal angle

At our Thai consolidated subsidiary Siam Yamato Steel Co., Ltd. (SYS), demand for structural steel in Thailand is recovering, led mainly by public works projects such as flood control projects and private-sector projects such as data centers. Driven by stronger sales including exports, sales volume increased year on year. On the other hand, domestic selling prices that had been declining due to sluggish demand and the influx of low-priced Chinese steel, have finally bottomed out in the third quarter of the fiscal year under review, yet falling below the year-earlier level. Export selling prices continued to trend downward, due to severe competition from Chinese steel coupled with a stronger baht, leading to a decline in metal margins and a year-on-year decline in both sales and profit in terms of performance.

As a result, net sales were ¥68,520 million (a decrease of ¥594 million in comparison with the previous year), and operating profit was ¥4,236 million (a decrease of ¥1,108 million in comparison with the previous year).

Following the acquisition of an additional 5.82% of the shares of SYS in March 2026, our investment ratio to SYS rose to 70.00% from 64.18%.

Steel (Indonesia) Net sales 25,033 million yen –10.5% year on year

Major products	H-beam, channel, equal angle

At our Indonesian consolidated subsidiary PT Garuda Yamato Steel (GYS), demand for structural steel has been weak due to a significant reduction in infrastructure investment budgets as a result of budget revisions under the new administration together with temporary stagnation in private investment during the period due to the impact of negotiations on tariff measures with the U.S. Although demand for structural steel remained sluggish, we have secured relatively high metal margins among our bases in ASEAN by expanding sales of earthquake-resistant construction steel material, among other efforts. However, the influx of low-priced Chinese steel has intensified, causing severe competition with domestic and overseas manufacturers to continue.

As a result, net sales decreased by ¥2,933 million year on year (the period from the second quarter onward was included in the previous fiscal year) to ¥25,033 million, and operating profit decreased by ¥2,761 million year on year to ¥1,025 million. Note that the segment profit includes amortization of intangible assets of ¥181 million and amortization of goodwill of ¥1,025 million associated with the business combination.

From the fiscal year under review, the functional currency for GYS was changed from U.S. dollar to Indonesian rupiah.

Trackwork Materials Net sales 9,674 million yen +10.9% year on year

Major products	Turnouts, expansion joints, NEW crossings, glued insulated joint rail, anti-derailing guards, tie plates, bolts

Net sales were ¥9,674 million (an increase of ¥948 million in comparison with the previous year), and operating profit was ¥1,731 million (an increase of ¥300 million in comparison with the previous year).

Other Businesses Net sales 4,180 million yen +41.9% year on year

Net sales were ¥4,180 million (an increase of ¥1,235 million in comparison with the previous year), and operating profit was ¥365 million (an increase of ¥68 million in comparison with the previous year).

Overview of Major Overseas Locations with Affiliates Accounted for by the Equity Method

(United States)
At Nucor-Yamato Steel Company (NYS), demand for structural steel has been robust, particularly for large-scale construction projects related to data centers and stadiums. Sales volume increased year on year, driven by strengthening the production and sales of high-value-added products in addition to the impact of strengthened tariff measures implemented by the U.S. government. While steel scrap prices remained stable at low levels, selling prices continued to trend upward since the beginning of the fiscal year supported by order backlogs remaining at high levels, and metal margins also improved. As a result, profit increased year on year in terms of performance.

(Vietnam)
At POSCO YAMATO VINA STEEL JOINT STOCK COMPANY (PY VINA), as the economy in Vietnam remains firm, the domestic demand for structural steel is on a recovery trend. However, severe competition from low-priced imported products, such as Chinese steel, continues. Export sales to South Korea and other countries have been stagnant, affected by sluggish demand in export destinations. In terms of performance, profit increased year on year, but remained at a level that secures profitability.

(South Korea)
At YK Steel Corporation (YKS), due to the prolonged downturn in the construction and real estate industries, demand for rebars in South Korea fell sharply, leading to a significant decline in production and sales volume. In terms of performance, a decrease in sales volume and a decline in selling prices led to a deterioration in metal margins, resulting in a decrease in profit year on year.

(2) Issues to address
(Forecast for the Fiscal Year Ending March 31, 2027)
With regard to forecast for the fiscal year ending March 31, 2027, as tensions in the Middle East continue to escalate, uncertainty in the global economy heightens, as represented by concerns about rising oil prices and logistics disruption. In China, a recovery in domestic demand is unlikely in the near future due to the prolonged downturn in the real estate industry, and exports of low-priced steel products from China are expected to remain at high levels.

In our bases other than the U.S., the business environment surrounding the Group will remain generally challenging. Meanwhile, the U.S. business will be only minimally affected by the external environment, such as rising tensions in the Middle East and a downturn in the Chinese economy, and will continue operating in a business environment where we can maintain stable high profitability. In each of our locations, we will implement countermeasures against low-priced Chinese steel and will continue to strive to secure sales volume, maintain metal margins, and reduce costs.

(Billion yen)

	Consolidated results of the fiscal year ended March 31, 2026	Consolidated forecast for the fiscal year ending March 31, 2027
Net sales	160.3	166.0
Operating profit	4.4	4.5
Ordinary profit	65.2	68.0
Profit attributable to owners of parent	62.3	47.0

(Management issues)
Through its global steel business, the Group will continue initiatives aimed at realizing a sustainable society going forward, in accordance with its mission of contributing to the advancement of global society and the realization of rich regional communities.

As geopolitical risks have come to the fore, the business environment surrounding the Group is becoming increasingly uncertain. While responding to such changes swiftly and flexibly, the Group will forge ahead with the priority strategies described in the “Vision 2030.” In preparation for realizing carbon neutrality and the circular economy, in terms of “strengthening of core structural steel business” we will expand sales in growing regions such as Asia, and maintain and enhance profitability of each location through advanced operational know-how and cutting-edge technology. In terms of “entry into new steel, infrastructure and green business areas,” through an active program of M&A and other measures both in Japan and overseas we will embrace the challenge of expanding the product portfolio, strengthening the value chain, and acquiring technology, while focusing even more tightly on developing and securing the professional personnel needed to support these initiatives.

Vision 2030:

Achieve and solidify the 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

- Enhance the environmental superiority of electric furnaces business through the accelerated introduction of green technology/energy
- Collaboration with companies owning 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 operational know-how and cutting-edge technology

Entry into new steel, infrastructure and green business areas

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

Development and securing of professional personnel to embrace new challenges

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

(3) Status of capital investment

During the period under review, the Company conducted capital investment totaling ¥12,843 million, primarily for investments in the renewal of the rolling mill in the Steel (Japan) segment and renewal and maintenance investments in the Steel (Thailand) segment.

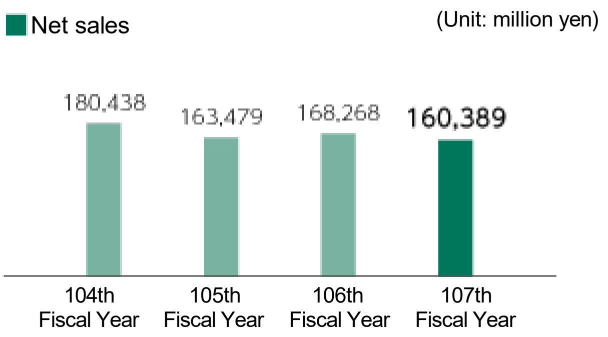
(4) Status of fund-raising

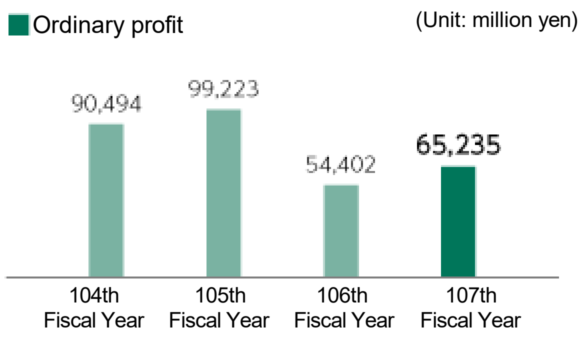
No financing through capital increases or the issuance of bonds took place during the period under review.

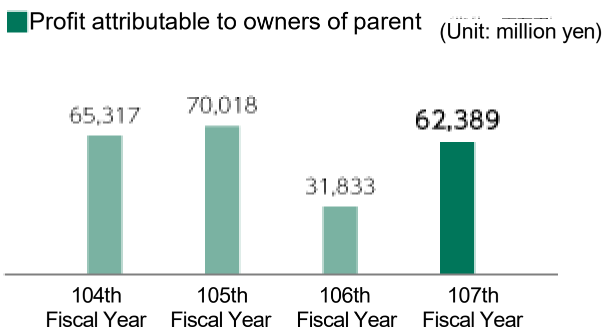
(5) Status of assets and profit/loss

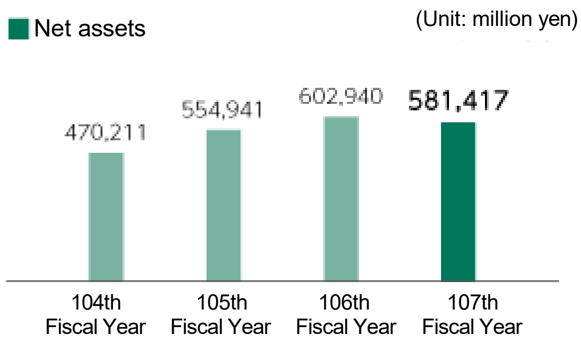
Item	104th Fiscal Year (from April 1, 2022 to March 31, 2023)	105th Fiscal Year (from April 1, 2023 to March 31, 2024)	106th Fiscal Year (from April 1, 2024 to March 31, 2025)	107th Fiscal Year (from April 1, 2025 to March 31, 2026)
Net sales (Million yen)	180,438	163,479	168,268	160,389
Ordinary profit (Million yen)	90,494	99,223	54,402	65,235
Profit attributable to owners of parent (Million yen)	65,317	70,018	31,833	62,389
Basic earnings per share (Yen)	1025.49	1,099.15	502.51	1024.60
Total assets (Million yen)	515,000	608,783	657,481	633,540
Net assets (Million yen)	470,211	554,941	602,940	581,417

(Note) Earnings per share are calculated using the average number of shares issued during the period (excluding treasury shares).









2. Status of the Group (as of March 31, 2026)

(1) Major sales offices and factories

(The Company)

Name	Location of head office	Sales offices and factories
Yamato Kogyo Co., Ltd.	Himeji-shi, Hyogo	—

(Consolidated subsidiaries and affiliates accounted for by the equity method)

Name	Location of head office	Sales offices and factories
Yamato Steel Co., Ltd.	Himeji-shi, Hyogo	Tokyo Branch (Minato-ku, Tokyo) Osaka Branch (Nishi-ku, Osaka)
Yamato Trackwork System Co., Ltd.	Himeji-shi, Hyogo	Tokyo Branch (Minato-ku, Tokyo) Osaka Branch (Nishi-ku, Osaka) Kyushu Sales Office (Hakata-ku, Fukuoka-shi)
Siam Yamato Steel Co., Ltd.	Thailand	—
PT Garuda Yamato Steel	Indonesia	—
Yamato Kogyo America, Inc.	United States	—
Yamato Holding Corporation	United States	—
Yamato Kogyo (U.S.A.) Corporation	United States	—
Yamato Korea Holdings Co., Ltd.	South Korea	—
Yamato Shoji Co., Ltd.	Himeji-shi, Hyogo	—
Matsubara Techno Co., Ltd.	Kako-gun, Hyogo	—
Nucor-Yamato Steel Company	United States	—
Arkansas Steel Associates LLC	United States	—
Posco Yamato Vina Steel Joint Stock Company	Vietnam	—
YK Steel Corporation	South Korea	—
Hyoki Kaiun Kaisha, Ltd.	Kobe-shi, Hyogo	Tokyo branch (Chuo-ku, Tokyo) Osaka branch (Suminoe-ku, Osaka-shi) Himeji branch (Shikama-ku, Himeji-shi) Other branches
Salix Products Pty Ltd.	Australia	—

*The Tokyo branch of Hyoki Kaiun Kaisha, Ltd. relocated to Minato-ku, Tokyo, effective May 7, 2026.

(2) Major lenders

There were no significant borrowings.

In order to enable stable, flexible and efficient financing for future demand for funding, the Company has concluded a specified commitment line contract (syndication type commitment line contract) with three financial institutions.

(3) Status of major subsidiaries and affiliates

(Subsidiaries)

Name	Share capital or investments in capital	The Company's percentage of voting rights (including indirect holdings)	Main businesses
Yamato Steel Co., Ltd.	¥450 million	100.00%	Business related to the manufacture and sale of steel products and heavy industry products
Yamato Trackwork System Co., Ltd.	¥310 million	100.00%	Businesses related to the manufacture and sale of trackwork materials
Siam Yamato Steel Co., Ltd.	THB 3,000 million	70.00%	Businesses related to the manufacture and sale of steel products
PT Garuda Yamato Steel	IDR 6,375,951 million	80.00%	Businesses related to the manufacture and sale of steel products
Yamato Kogyo America, Inc.	USD 13,000	100.00%	Management of Yamato Holding Corporation and Yamato Kogyo (U.S.A.) Corporation
Yamato Holding Corporation	USD 46,000	100.00%	Investment in joint venture Nucor-Yamato Steel Company (25.00%)
Yamato Kogyo (U.S.A.) Corporation	USD 14,000	100.00%	Investment in joint venture Nucor-Yamato Steel Company (24.00%) Investment in joint venture Arkansas Steel Associates LLC (50.00%) Investment in Yamato Korea Holdings Co., Ltd. (75.00%)
Yamato Korea Holdings Co., Ltd.	KRW 5,937 million	100.00%	Business related to leasing of real estate Investment in joint venture YK Steel Corporation (30.00%)
Yamato Shoji Co., Ltd.	¥38 million	81.82%	Business related to transportation, medical waste processing and leasing of real estate
Matsubara Techno Co., Ltd.	¥20 million	100.00%	Manufacture and sale of counterweights Design, manufacture, installation and sale of plant equipment

(Note) The figures in parentheses under "Main businesses" indicate the percentages of investment in the respective companies.

(Affiliates)

Name	Share capital or investments in capital	The Company's percentage of voting rights (including indirect holdings)	Main businesses
Nucor-Yamato Steel Company	USD 185 million	49.00%	Businesses related to the manufacture and sale of steel products
Arkansas Steel Associates LLC	USD 26 million	50.00%	Business related to the manufacture and sale of steel products and trackwork materials
Posco Yamato Vina Steel Joint Stock Company	VND 8,345,225 million	49.00%	Businesses related to the manufacture and sale of steel products
YK Steel Corporation	KRW 5,924 million	30.00%	Businesses related to the manufacture and sale of steel products
Hyoki Kaiun Kaisha, Ltd.	¥612 million	20.50%	Business related to shipping, port transportation, and warehousing
Salix Products Pty Ltd.	AUD 100	50.00%	Business related to design and sale of trackwork materials

(4) Status of employees

1) Status of employees of corporate group

Number of employees	Change from end of previous fiscal year
2,463	Decreased by 122

(Note) The number of employees is the number of personnel employed and excludes temporary employees.

2) Status of employees of the Company

Number of employees	Change from end of previous fiscal year	Average age	Average years of service
130	Increased by 24	38.6	9.3 years

(Note) The number of employees is the number of personnel employed and excludes temporary employees and seconded employees.

3. Matters Regarding the Company's Shares (as of March 31, 2026)

(1) Total number of authorized shares: 171,257,770 shares
(2) Total number of issued shares: 62,000,000 shares (including 1,301,834 treasury shares)
(3) Number of shareholders: 12,037
(4) Status of major shareholders (top ten)

Shareholder name	Number of shares held	Percentage of shares held
Hiroyuki Inoue	7,662 thousand shares	12.62%
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,371 thousand shares	10.50%
Inoue Real Estate Ltd.	4,642 thousand shares	7.65%
Mitsui & Co., Ltd.	4,573 thousand shares	7.53%
Custody Bank of Japan, Ltd. (Trust Account)	4,180 thousand shares	6.89%
SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation Pension Trust Account)	2,837 thousand shares	4.67%
STATE STREET BANK AND TRUST COMPANY 505001	2,055 thousand shares	3.39%
Kimiko Inoue	1,739 thousand shares	2.87%
Mizuho Bank, Ltd.	1,675 thousand shares	2.76%
SEC CARBON, LIMITED	1,307 thousand shares	2.15%

(Note) The percentages of shares are calculated by excluding treasury shares.

(5) Other important matters regarding shares

(i) Acquisition of treasury shares

The Company acquired treasury shares, pursuant to Article 156 of the Companies Act of Japan, as applied with necessary modifications under Article 165, Paragraph 3 of the same Act.

Acquisition pursuant to the resolution of the Board of Directors' meeting held on October 31, 2024

Type of shares repurchased:	Shares of common stock of the Company
Total number of shares repurchased:	3,000,000 shares
Total amount of repurchase price:	25,136,604,400 yen
Repurchase period:	From November 1, 2024 to October 31, 2025

Acquisition pursuant to the resolution of the Board of Directors' meeting held on October 31, 2025

Type of shares repurchased:	Shares of common stock of the Company
Total number of shares repurchased:	1,000,000 shares
Total amount of repurchase price:	11,259,368,800 yen
Repurchase period:	From November 4, 2025 to March 24, 2026

(ii) Cancellation of treasury shares

The Company cancelled treasury shares, pursuant to Article 178 of the Companies Act of Japan as follows.

Cancellation pursuant to the resolution of the Board of Directors' meeting held on October 31, 2025

Type of shares cancelled:	Shares of common stock of the Company
Total number of shares cancelled:	3,000,000 shares
Date of cancellation:	November 17, 2025
Total number of shares outstanding after cancellation:	62,000,000 shares

(6) Status of shares granted to the Company's officers as consideration for the execution of duties in the fiscal year under review

The details of share-based remuneration granted during the fiscal year under review are as follows.
The Company has introduced a restricted share-based remuneration system for the Company's Directors other than Outside Directors and Part-time Directors for the purpose of sustained improvement of corporate value by increasing shared value with shareholders through the holding of shares.

Item	Number of shares	Number of recipients of shares
Directors (excluding Outside Directors and Part-time Directors)	2,914 shares	5

(Note) In addition to the above, 2,076 shares have been granted to one Executive Officer of the Company, and to five Directors of subsidiaries of the Company.

4. Matters Regarding Company Officers

(1) Status of company officers (as of March 31, 2026)

Name	Current position and responsibilities in the Company	Significant concurrent positions outside the Company
Hiroyuki Inoue	Chairman	
Mikio Kobayashi	Representative Director, President	
Kazuhiro Tsukamoto	Representative Director, Managing Executive Officer in charge of General Affairs Department, HR Department, IT Department, and Sustainability Management Department	
Nobuo Oki	Director, Executive Officer in charge of Technology Management Department	
Damri Tunshevavong	Director	
Takenosuke Yasufuku	Director	Representative Director and President, KOBE SHU-SHIN-KAN BREWERIES, LTD.
Kiyoshige Akamatsu	Director	
Kunitoshi Takeda	Director	
Motomu Takahashi	Director	
Pimjai Wangkiat	Director	
Kengo Nakaya	Audit & Supervisory Board Member (full-time)	
Shigeaki Katayama	Audit & Supervisory Board Member (full-time)	
Mikio Nakajo	Audit & Supervisory Board Member	Representative Partner, Sawada Nakajo Mori Law Office; Outside Director (Audit and Supervisory Committee Member), MORESCO Corporation

(Notes)
1. Directors Kiyoshige Akamatsu, Kunitoshi Takeda, Motomu Takahashi and Pimjai Wangkiat are Outside Directors specified under Article 2, Item (xv) of the Companies Act.
2. Audit & Supervisory Board Members Shigeaki Katayama and Mikio Nakajo are Outside Corporate Auditors specified under Article 2, Item (xvi) of the Companies Act.
3. Directors Kiyoshige Akamatsu, Kunitoshi Takeda, Motomu Takahashi and Pimjai Wangkiat, and Audit & Supervisory Board Members Shigeaki Katayama and Mikio Nakajo have been registered with the Tokyo Stock Exchange as independent officers.
4. Audit & Supervisory Board Member Shigeaki Katayama has many years of experience in financial institutions, and has considerable knowledge related to finance and accounting.
5. The following Director resigned during the fiscal year under review.

Name	Position, responsibilities, and significant concurrent positions at the time of resignation	Date of resignation
Tomofumi Osaki	Director, Managing Executive Officer in charge of Global Business Department Director, Hyoki Kaiun Kaisha, Ltd.	Oct. 31, 2025

(2) Overview of content of agreements limiting liability

The Company has entered into agreements limiting liability with Damri Tunshevavong, Takenosuke Yasufuku, Kiyoshige Akamatsu, Kunitoshi Takeda, Motomu Takahashi, Pimjai Wangkiat, Kengo Nakaya, Shigeaki Katayama and Mikio Nakajo pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. The limit on liability for compensation for damages pursuant to the agreements is the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act.

(3) Overview of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, and damages arising from being held liable for the execution of duties by the insured and being subject to claims seeking such liability are covered by the insurance policy. However, damages, etc. caused by acts conducted while aware of a violation of laws and regulations are excluded from coverage to ensure the appropriateness of execution of duties of the insured is not impaired.

The insured under the insurance policy are the Directors, Audit & Supervisory Board Members and Executive Officers of the Company and certain subsidiaries, and the Company bears the cost of all insurance premiums.

(4) Remuneration, etc. for company officers

1) Total amount of remuneration, etc. of Directors and Audit & Supervisory Board Members

Type of officer	Total amount of remuneration, etc. (Million yen)	Total amount of remuneration, etc. by type (Million yen)					Number of recipients
		Monetary remuneration			Non-financial remuneration, etc.		
		Total	Base remuneration	Performance-linked remuneration, etc.			
Directors (Outside Directors)	451 (64)	426 (64)	271 (64)	155 (–)	24 (–)		11 (4)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	65 (38)	65 (38)	65 (38)	– (–)	– (–)		3 (2)

(Note) The non-financial remuneration, etc. consists of the Company’s restricted share-based remuneration, which is set to no more than ¥100 million annually and separately from the amount of up to ¥720 million in monetary remuneration.

2) Matters regarding resolutions of the General Meeting of Shareholders on remuneration, etc. of Directors and Audit & Supervisory Board Members

The amount of remuneration of the Company’s Directors was approved to be up to ¥720 million per year (including up to ¥70 million per year for Outside Directors) in the 104th Ordinary General Meeting of Shareholders held on June 29, 2023. The number of Directors as of the conclusion of the relevant General Meeting of Shareholders was 11 (including four Outside Directors).

Furthermore, the Company introduced a “restricted share-based remuneration system” at the 102nd Ordinary General Meeting of Shareholders held on June 29, 2021, which resolved to make the total amount of monetary claims paid to Directors pursuant to the system up to ¥100 million per year apart from the above remuneration limit. The number of Directors eligible for share-based remuneration as of the conclusion of the relevant General Meeting of Shareholders was five (excluding Outside Directors and Part-time Directors).

The amount of remuneration of Audit & Supervisory Board Members was resolved to be up to ¥75 million per year in the 98th Ordinary General Meeting of Shareholders held on June 29, 2017. The number of Audit & Supervisory Board Members as of the conclusion of the relevant General Meeting of Shareholders was three.

3) Matters concerning the policy on determining the remuneration, etc. of individual Directors

The policy on determination of the remuneration, etc. of individual Directors is specified as follows.

- Remuneration of the Company’s Directors (excluding Outside Directors and Part-time Directors) is paid at a fixed time every month as monthly remuneration made up of fixed portion of remuneration determined based on comprehensive consideration of the responsibility to supervise management of the Company in addition to the responsibility to contribute to Group management and position, etc., and the performance-linked portion of remuneration determined according to the level of achievement of performance targets and individual evaluations, etc. The total amount of remuneration of Directors was specified as being up to ¥720 million per year at the 104th Ordinary General Meeting of Shareholders held on June 29, 2023. Furthermore, at the 102nd Ordinary General Meeting of Shareholders held on June 29, 2021, as part of the review of the officer remuneration system, a decision was made to pay remuneration for the granting of restricted shares to eligible Directors for the purpose of providing the Company's Directors (excluding Outside Directors and Part-time Directors) an incentive for the sustained enhancement of the Company's corporate value and further promoting the sharing of value with shareholders, and the total amount of monetary claims paid to eligible Directors under the system is specified as being up to ¥100 million per year apart from the above remuneration limit. Remuneration for granting restricted shares is allocated at a fixed time every year. The amount of remuneration of individual Directors is determined within the remuneration limit resolved by the General Meeting of Shareholders by the Representative Director, President delegated by the Board of Directors based on deliberation and recommendations of the Remuneration Committee.

- The indicator for performance-linked remuneration is consolidated ordinary profit, etc. and the standard value is set based on the consolidated ordinary profit under the annual business plan, with a coefficient table being set with a minimum of 0 and a maximum of 2.0 according to annual performance. The coefficient is used as a multiplier for the standard amount of performance-linked remuneration for each position to calculate individual performance-linked remuneration every year.
- The percentages of payment of fixed remuneration, performance-linked remuneration and restricted share-based remuneration vary depending on the fiscal year's performance and position, but are generally designed to be 50% fixed remuneration, 40% performance-linked remuneration and 10% restricted share-based remuneration.
- A voluntary Remuneration Committee chaired by an Outside Director has been established to ensure the transparency and objectivity of determination of remuneration of Directors, and the Remuneration Committee conducts reviews of the officer remuneration system (such as reviews of remuneration levels, performance evaluation KPIs and standard values) with consideration for the management environment and general remuneration levels, and deliberates upon the remuneration of Directors and makes recommendations to the Board of Directors based on consultation with the Board of Directors.

The policy on determination of remuneration, etc. is determined by the Board of Directors based on deliberation in the Remuneration Committee. When determining the details of remuneration, etc. of individual Directors for the fiscal year under review, the Remuneration Committee conducted multifaceted consideration of the original proposal including consistency with the determination policy, and the Board of Directors respected these recommendations and found them to be in line with the determination policy.

4) Matters concerning performance-linked remuneration, etc.

The indicator for performance-linked remuneration is consolidated ordinary profit, etc. and the reason for choosing this indicator is to clarify responsibility to the Group's overall performance. The standard value is set based on the consolidated ordinary profit under the annual business plan, with a coefficient table being set with a minimum of 0 and a maximum of 2.0 according to annual performance. The coefficient is used as a multiplier for the standard amount of performance-linked remuneration for each position to calculate individual performance-linked remuneration every year. The actual result of the indicator for performance-linked remuneration (consolidated ordinary profit) in the fiscal year under review (using the figures for the fiscal year ended March 31, 2025) was ¥54.4 billion (coefficient 1.1).

5) Matters concerning the delegation of determination of the remuneration, etc. of individual Directors

The determination of specific details of individual remuneration of Directors within the amount of remuneration, etc. resolved by the General Meeting of Shareholders is delegated to Representative Director, President Mikio Kobayashi by resolution of the Board of Directors. The reason for delegation to the Representative Director, President is because it was determined that he has the greatest knowledge of the Group such as the environment surrounding the Group and the management condition of the Group, and is capable of comprehensively determining the amounts of remuneration of officers. Steps have been taken to ensure authority is exercised appropriately without making arbitrary decisions due to decisions being made after deliberation by the voluntary Remuneration Committee chaired by an Outside Director.

(5) Matters regarding outside officers

1) Significant concurrent positions and relationships with entities where such positions are held Audit & Supervisory Board Member Mikio Nakajo concurrently serves as Representative Partner of Sawada Nakajo Mori Law Office and an Outside Director who is an Audit and Supervisory Committee Member of MORESCO Corporation, but there are no significant transactions or special relationships with these.

2) Status of the main activities of outside officers

Item	Name	Status of main activities
Outside Directors	Kiyoshige Akamatsu	He attended all six meetings of the Board of Directors held in the fiscal year under review. He provided advice primarily on management issues and key investment strategic matters based on his extensive experience as a management executive and his broad perspective, contributing to ensuring the validity and appropriateness of the Boar of Directors' decision-making. In addition, as the chair of the voluntary Nomination Committee and Remuneration Committee, he fulfilled the supervisory role in the process for nominating officers and determining the remuneration of officers.
	Kunitoshi Takeda	He attended all six meetings of the Board of Directors held in the fiscal year under review. He provided advice primarily on management issues and key investment and strategic matters based on his extensive experience and broad perspective gained through overseas operations, contributing to ensuring the validity and appropriateness of the Board of Directors' decision-making. In addition, as a member of the voluntary Nomination Committee and Remuneration Committee, he fulfilled the supervisory role in the process for nominating officers and determining the remuneration of officers.
	Motomu Takahashi	He attended all six meetings of the Board of Directors held in the fiscal year under review. He provided advice primarily on management issues and key investment and strategic matters based on his extensive experience as a management executive and outstanding expertise in the steel industry, contributing to ensuring the validity and appropriateness of the Board of Directors' decision-making. In addition, as a member of the voluntary Nomination Committee and Remuneration Committee, he fulfilled the supervisory role in the process for nominating officers and determining the remuneration of officers.
	Pimjai Wangkiat	She attended all six meetings of the Board of Directors held in the fiscal year under review. She provided advice primarily on management issues and key investment and strategic matters based on her extensive experience as a management executive and broad perspective in business planning and business development, contributing to ensuring the validity and appropriateness of the Board of Directors' decision-making.
Outside Audit & Supervisory Board Members	Shigeaki Katayama	He attended all six meetings of the Board of Directors held in the fiscal year under review, and provided advice for ensuring the validity and appropriateness of the Board of Directors' decision-making. Similarly, he attended all 14 meetings of the Audit & Supervisory Board held in the fiscal year under review, exchanged opinions on audit results and conducted discussion of important matters related to auditing by leveraging his many years of experience in the financial sector and broad expertise in finance and accounting.
	Mikio Nakajo	He attended all six meetings of the Board of Directors held in the fiscal year under review, and provided advice for ensuring the validity and appropriateness of the Board of Directors' decision-making. Similarly, he attended all 14 meetings of the Audit & Supervisory Board held in the fiscal year under review, exchanged opinions on audit results and conducted discussion of important matters related to auditing by leveraging his professional experience and extensive experience as a lawyer.

(Note) Six meetings of the Board of Directors and 14 meetings of the Audit & Supervisory Board were held in the fiscal year under review.

5. Matters Regarding the Accounting Auditor

(1) Name of accounting auditor

PricewaterhouseCoopers Japan LLC

(2) Amount of remuneration, etc. of accounting auditor for the fiscal year under review

(Million yen)

Amount of remuneration for services under Article 2, Paragraph 1 of the Certified Public Accountants Act	72
Total amount of money or other economic benefits to be paid by the Company and the Company's subsidiaries	72

(Note) The audit agreement between the Company and the accounting auditor does not differentiate between the amount of remuneration for auditing under the Companies Act and the amount of remuneration for auditing pursuant to the Financial Instruments and Exchange Act. Therefore, the above amounts are stated as the totals for these.

(3) Matters regarding audits of subsidiaries

The Company's subsidiaries located overseas are audited by certified public accountants or audit firms other than PricewaterhouseCoopers Japan LLC.

(4) Consent on the amount of remuneration, etc. of the accounting auditor

The Audit & Supervisory Board has provided consent under Article 399, Paragraph 1 of the Companies Act for the remuneration, etc. of the accounting auditor as a result of comparing the audit plan and results for the previous fiscal year and confirming the audit time and remuneration, and verifying the appropriateness of the scheduled audit time and remuneration for the fiscal year under review based on the Practical Guideline on Coordination with Accounting Auditors published by Japan Audit & Supervisory Board Members Association.

(5) Policies for determination of dismissal or refusal of reelection of the accounting auditor

If it is found that there is an impediment to the appropriate execution of duties of the accounting auditor, the Audit & Supervisory Board determines the content of a proposal for the dismissal or refusal of reelection of the accounting auditor for the General Meeting of Shareholders.

If it is found that any of the items under Article 340, Paragraph 1 of the Companies Act applies to the accounting auditor, the Audit & Supervisory Board will dismiss the accounting auditor based on the consent of all Audit & Supervisory Board Members. In this case, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board Members will report the dismissal of the accounting auditor and the reason of dismissal in the first General Meeting of Shareholders held after the dismissal.

(Note) The amounts stated in this Business Report are rounded down to the nearest unit represented.

Consolidated Financial Statements
Consolidated Balance Sheets (As of March 31, 2026)

(Unit: million yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	310,145	Current liabilities	22,426
Cash and deposits	219,383	Notes and accounts payable - trade	9,099
Notes receivable - trade	2	Current portion of long-term borrowings	744
Accounts receivable - trade	23,174	Accounts payable - other	4,641
Merchandise and finished goods	24,189	Accrued expenses	3,522
Work in process	1,060	Income taxes payable	730
Raw materials and supplies	28,275	Advances received	1,473
Other	14,083	Provision for bonuses	919
Allowance for doubtful accounts	(24)	Other	1,295
		Non-current liabilities	29,696
Non-current assets	323,395	Deferred tax liabilities	20,919
Property, plant and equipment	115,942	Retirement benefit liability	3,173
Buildings and structures	20,970	Other	5,602
Machinery, equipment and vehicles	53,858	Total liabilities	52,122
Tools, furniture and fixtures	789	Net assets	
Land	29,489	Shareholders' equity	432,554
Construction in progress	7,796	Share capital	7,996
Other	3,037	Capital surplus	101
Intangible assets	15,862	Retained earnings	438,530
Goodwill	12,192	Treasury shares	(14,074)
Other	3,669		
Investments and other assets	191,590	Accumulated other comprehensive income	109,190
Investment securities	46,877	Valuation difference on available-for-sale securities	8,279
Investments in capital	122,413	Deferred gains or losses on hedges	2
Long-term accounts receivable-other	12,966	Foreign currency translation adjustment	100,057
Retirement benefit asset	2,119	Remeasurements of defined benefit plans	851
Other	7,298	Non-controlling interests	39,672
Allowance for doubtful accounts	(84)		
		Total net assets	581,417
Total assets	633,540	Total liabilities and net assets	633,540

Consolidated Statements of Income (from April 1, 2025 to March 31, 2026)

(Unit: million yen)

Item	Amount	
Net sales		160,389
Cost of sales		138,074
Gross profit		22,315
Selling, general and administrative expenses		17,819
Operating profit		4,495
Non-operating income		
Interest income and dividend income	9,481	
Equity in earnings of affiliates	47,490	
Foreign exchange gains	2,991	
Other	1,107	61,071
Non-operating expenses		
Interest expenses	208	
Loss on disaster	13	
Other	108	331
Ordinary profit		65,235
Extraordinary income		
Gain on sale of non-current assets	12	
Gain on sale of investment securities	16,821	16,834
Extraordinary losses		
Loss on retirement of non-current assets	467	
Provision for loss on litigation	111	
Loss on transfer of receivables	914	
Other	86	1,580
Profit before income taxes		80,490
Income taxes - current	14,848	
Income taxes - deferred	1,711	16,560
Profit		63,929
Profit attributable to non-controlling interests		1,539
Profit attributable to owners of parent		62,389

Non-consolidated Financial Statements

Balance Sheets (As of March 31, 2026)

(Unit: million yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	66,860	Current liabilities	1,522
Cash and deposits	56,873	Accounts payable - other	855
Accounts receivable - trade	411	Accrued expenses	303
Accounts receivable - other	8,748	Income taxes payable	23
Other	833	Provision for bonuses	186
Allowance for doubtful accounts	(7)	Other	153
Non-current assets	121,656	Non-current liabilities	5,156
Property, plant and equipment	5,565	Long-term accounts payable - other	807
Buildings	1,917	Deferred tax liabilities	4,102
Structures	193	Retirement benefit liability	229
Machinery and equipment	3	Other	17
Vehicles	17	Total liabilities	6,678
Tools, furniture and fixtures	139	Net assets	
Land	1,385	Shareholders' equity	173,711
Construction in progress	1,882	Share capital	7,996
Other	25	Retained earnings	179,227
		Legal retained earnings	1,999
Intangible assets	48	Other retained earnings	177,228
		Reserve for specific purpose	42
Investments and other assets	116,042	General reserve	26,090
Investment securities	14,088	Retained earnings brought forward	151,095
Shares of subsidiaries and affiliates	90,614	Treasury shares	(13,512)
Long-term accounts receivable - other	10,555		
		Valuation and translation adjustments	8,126
Other	868	Valuation difference on available-for-sale securities	8,126
Allowance for doubtful accounts	(84)		
		Total net assets	181,838
Total assets	188,516	Total liabilities and net assets	188,516

Statements of Income (from April 1, 2025 to March 31, 2026)

(Unit: million yen)

Item	Amount	
Operating income		83,065
Operating expenses		
Selling, general and administrative expenses		4,505
Operating profit		78,559
Non-operating income		
Interest income and dividend income	2,163	
Foreign exchange gains	2,596	
Other	157	4,917
Non-operating expenses		
Interest expenses	187	
Commission expenses	45	
Other	10	243
Ordinary profit		83,234
Extraordinary income		
Gain on sale of investment securities	16,339	16,339
Extraordinary losses		
Loss on retirement of non-current assets	6	
Loss on valuation of shares of subsidiaries and associates	4,485	
Loss on transfer receivables	914	
Other	251	5,658
Profit before income taxes		93,915
Income taxes - current	(540)	
Income taxes - deferred	137	(403)
Profit		94,319