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August 7, 2026

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Representative:	Eiichi Tanaka, President and Representative Director
Listing:	Tokyo Stock Exchange, Prime Market
Stock code:	5451
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Notice Regarding Capital and Business Alliance with Nakayama Steel Works and Subscription for Third-party Allotment of Treasury Shares to Be Disposed of

The Board of Directors of YODOKO, Ltd. (the "Company") approved a resolution today (August 7, 2026) to enter into a capital and business alliance agreement with Nakayama Steel Works, Ltd. ("Nakayama Steel Works") pursuant to Article 370 of the Companies Act (the "Capital Business Alliance"). The Company also resolved to subscribe for treasury shares to be disposed of by Nakayama Steel Works through a third-party allotment, subject to the securities registration statement to be filed by Nakayama Steel Works becoming effective (the "Transaction"), as described below.

The Transaction will result in the acquisition of 5% or more of the voting rights and therefore constitutes an "act of buying up specified by Cabinet Order as being equivalent to a tender offer" under Article 167, Paragraph 1 of the Financial Instruments and Exchange Act and Article 31 of the Order for Enforcement of the Financial Instruments and Exchange Act.

1. Reasons for and purpose of the Capital Business Alliance

The Company and Nakayama Steel Works have established a stable relationship through transactions involving electric arc furnace (EAF) steel products manufactured by Nakayama Steel Works. Under the "YODOKO Group Medium-Term Management Plan 2028," the Company has identified basic strategies that include growth by strengthening alliances with external partners and more environmental products and higher sales of these products. Nakayama Steel Works is one of Japan's leading companies that manufactures EAF steel sheets. Furthermore, the company has experience and expertise involving blast furnaces and basic oxygen furnaces. By using these skills, Nakayama Steel Works is increasing the adoption of EAF steel products, which have low CO2 emissions. The Company believes that combining the technologies and resources of both companies will enable it to make a significant contribution to the realization of a decarbonized and circular society and, through the implementation of the basic strategies described above, further enhance the corporate value of the YODOKO Group.

Against this backdrop, the Company continued discussions with Nakayama Steel Works for using collaboration of the two companies to create business synergies after signing the basic agreement as announced in the "Notice Regarding Basic Agreement for Business Alliance with Nakayama Steel Works" dated December 12, 2025. As a result, a decision was made to enter into the Capital Business Alliance to further strengthen alliance with Nakayama Steel Works and leverage the strengths of both companies for achieving the wider adoption of high-value-added EAF steel products, thereby enhancing the corporate value of the YODOKO Group.

2. Details of the alliance

(1) Overview of the business alliance

Subject to the securities registration statement to be filed by Nakayama Steel Works becoming effective, the Company plans to subscribe for a third-party allotment of treasury shares to be disposed of by Nakayama Steel Works.

i. Total value of shares to be acquired	4,899,762,000 yen
ii. Total number of shares to be acquired	7,357,000 shares
iii. Shareholdings after the third-party allotment (planned)	10.95 %
iv. Method of acquisition	Through subscription for a third-party allotment of treasury shares to be disposed of by Nakayama Steel Works
v. Completion date	Early October 2026 (tentative)

(2) Details of the business alliance

The Company and Nakayama Steel Works will combine their respective technologies and resources to collaborate in the development of new EAF steel products and the expansion of their market. The specific scope and terms of the business alliance will be discussed between the two companies; however, with the aim of expanding the applications of EAF steel, the two companies intend to explore collaboration in the following areas, among others:

- Development of high-value-added EAF steel products by leveraging the respective strengths of both companies through a vertically integrated division of roles across the upstream and downstream value chain
- Collaboration to expand the applications of existing EAF steel products
- Expansion of transaction volumes and establishment of a stable supply of EAF hot-rolled coils produced at newly commissioned EAF facilities
- Collaboration to promote the realization of carbon neutrality

3. Profile of Nakayama Steel Works

(1)	Name	Nakayama Steel Works, Ltd.	
(2)	Location	1-1-66, Funamachi, Taisho-ku, Osaka	
(3)	Representative	Nobuhiko Naito, Representative Director and President	
(4)	Business	1. Manufacture and sale of steel and steel products 2. Design, fabrication and sale of steel fish/fish farming reefs and other marine steel structures 3. Manufacture, sale and repairs of steel rolls and valves and other mechanical devices 4. Real estate transactions, leasing, brokerage and management 5. All businesses associated with the preceding items	
(5)	Capital	20,040 million yen (as of the end of March 2026)	
(6)	Established	December 1923	
(7)	Major shareholders and shareholding ratio (as of March 31, 2026) (Note 1)	Hanwa Co., Ltd.	14.86%
		AIR WATER INC.	8.72%
		The Master Trust Bank of Japan, Ltd. (Trust Account)	7.07%
		Osaka Gas Co., Ltd.	3.54%
		MARUICHI STEEL TUBE LTD.	2.39%
		Amagasaki Seikan Co., Ltd.	2.35%
		BNYMSANV RE BNYMIL RE WS ZENNOR JAPAN EQUITY INCOME FUND (Standing proxy: MUFG Bank, Ltd.)	1.95%
		Nakayama Shareholding Association	1.58%

	NIPPON STEEL TRADING CORPORATION	1.50%
	DIMENSIONAL ETF TRUST-DIMESIONAL INTERNATIONAL SMALL CAP VALUE ETF (Standing proxy: Citi Bank, N.A., Tokyo Branch)	1.10%

(8) Relationships between the Company and Nakayama Steel Works	Capital	Not applicable.
	Personnel	Not applicable.
	Business	The Company purchases steel from Nakayama Steel Works and sells materials and supplies to this company.
	Related parties	Not applicable.

(9) Consolidated results of operations and financial position for the past three years (Note 2)

Year ended	March 2024	March 2025	March 2026
Consolidated net assets (Millions of yen)	104,553	106,810	109,149
Consolidated total assets (Millions of yen)	152,087	149,148	152,371
Consolidated net assets per share (Yen)	1,930.54	1,971.57	2,013.26
Consolidated net sales (Millions of yen)	184,445	169,329	148,306
Consolidated operating profit (Millions of yen)	12,327	8,436	4,911
Consolidated ordinary profit (Millions of yen)	12,244	8,119	4,806
Profit attributable to owners of parent (Millions of yen)	8,904	5,695	2,462
Consolidated net income per share (Yen)	164.43	105.14	45.44
Dividend per share (Yen)	50.00	40.00	14.00

Note 1. Major shareholders and shareholding ratio (as of March 31, 2026) information is from the Major Shareholder List in the 132nd Annual Securities Report that was submitted by Nakayama Steel Works to the director-general of the Kanto Local Finance Bureau on June 24, 2026.

Note 2: The above figures are quoted from Nakayama Steel Works' 132nd Annual Securities Report.

4. Schedule for the Capital Business Alliance

(1) Signing date of capital and business agreement: August 7, 2026

(2) Scheduled date of payment for third-party allotment and acquisition of shares: Early October 2026 (tentative)

5. Outlook

The Company believes that the Capital Business Alliance and the Transaction will have only a negligible effect on its consolidated results of operations for the fiscal year ending in March 2027. An announcement will be made promptly if there is information that requires disclosure.