



Our Steel, Your Future

Integrated Report 2025

Yamato

Corporate highlights (as of March 31, 2025)

The Yamato Kogyo Group is a global organization originating in Himeji, Japan with business operations around the world. Group employees come together as one to build a system that handles everything from the local manufacture to sale of steel and are engaged in manufacturing to support the world's social infrastructure.

Established

1944

No. of employees
(consolidated)

2,585

The Group's total
sales volume*1

5.45
million tons

ROE

5.9%

Operating profit margin

6.8%

Equity ratio

84.8%

Ordinary profit

¥54.4
billion

Overseas ratio*2

69.8%

Our businesses



Steel

Our integrated production system covers the entire process of steel production, from steelmaking to rolling. The former involves the use of a large electric arc furnace or continuous casting machine to produce semi-finished products, while the latter features reheating furnaces and rolling mills to form the steel into a variety of products.

Heavy Industry

With one of the highest market shares in Japan, we specialize in stern frames, the production of which requires high precision and technical ability. One of our major strengths is our integrated production line, which can manufacture everything from large castings to machined parts, as well as fabricated products.

Trackwork Mater

With industry-leading equipment technology, we contribute to railw through our trackwork materials b what Yamato Kogyo was founded technology and experience that w accumulated over the course of m century are highly regarded and t customers both in Japan and over

The main products we provide to society



H-beams

The unsung heroes supporting large structures



Sheet piles

When linked together into a steel wall, sheet piles can prevent the in-and-outflow of water and sediments



Stern frames

Supporting the rudder and propellers of ships, stern frames keep ships stable



Rolled steel for shipbuilding

Strong, reliable steel for ship structures, bridges, and container tanks



Turnouts

Switching rails so trains can change direction



Anti-deviation

A safeguard "what if..." shinkansen

Our locations around the world (as of March 31, 2025)



*1 Calculated with the total sales volume of Group companies defined as 100%. Includes semi-finished products, direct reduced iron (DRI) and intra-Group transactions.

*2 The portion of the entire Group's total ordinary profit that comes from overseas locations.

(Note) The numbers shown below the location names signify the Group's investment ratio.

CONTENTS

● Featured Articles

01 Corporate highlights

Our value creation story

- 03 Our founding spirit, history, and corporate philosophy
- 07 Working toward a circular economy
- 09 Message from the President
- 11 The foundations of Yamato Kogyo's growth
- 13 Value creation process

Growth strategy

- 15 Message from the Managing Executive Officer in charge of the Finance and Accounting Department and Risk Management Department
- 17 Vision 2030
- 19 Special feature 1: Hardening the structural steel business

Our business

- 21 Message from the Managing Executive Officer in charge of the Global Business Department
- 23 Global expansion
- 25 Japan
- 27 North America
- 29 ASEAN and East Asia

Sustainability

- 33 Message from the Managing Executive Officer in charge of the General Affairs Department, HR Department, IT Department, and Sustainability Management Department
- 35 Special feature 2: Human capital management
- 37 Sustainability management
- 39 Medium-Term Sustainability Plan
- 41 Environment
- 49 Social
- 55 Community contribution
- 57 Governance
- 67 Messages from external directors

Financial and corporate information

- 69 10-year financial and non-financial summary
- 71 Corporate profile, dividend policy, and status of shares

● **Disclaimer:** Forward-looking statements such as earnings forecasts in this report are based on information currently available to the Group and certain assumptions deemed reasonable, and are not intended to guarantee that the Group will achieve them. Actual business results may differ substantially from these forecasts due to a variety of factors.

● **Caution:** Total values and breakdowns in the tables and graphs in this report may appear to be incongruous due to the rounding of fractions.

● **Period covered by the report:** April 1, 2024 to March 31, 2025. Some more recent information from 2025 is also included in the report.

● **Reference guidelines:** Integrated Reporting Framework by the IFRS Foundation; Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation by Japan's Ministry of Economy, Trade and Industry; The GRI Standards

● **Reporting period (fiscal year):** Yamato Kogyo, its domestic subsidiaries, and its associates operate on a fiscal year running from April to the following March, while overseas subsidiaries and associates use the calendar year.

Our founding spirit, history, and corporate philosophy

Our heritage, passed down through history

In 2024, Yamato Kogyo celebrated 80 years since its founding. Supported by the strong convictions that we have inherited from those who came before us, we will march onwards as we set our sights on reaching the 100-year milestone.

November
1944
Founding

With capital of ¥198,000, Asaji Inoue established Yamato Kogyo Co., Ltd. in Mikunino-mura, Shikama-gun, Hyogo Prefecture (now part of the city of Himeji) as Kawanishi Aircraft Co.'s subcontract factory for the Himeji area, with him as the company's representative.

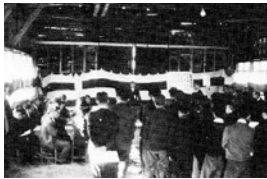


1945

As the Second World War drew to a close, the company pivoted to the production and repair of trackwork materials for Japan National Railways and private railway companies.

1949

Ichikawa Plant completed.



1951

Secured a contract to export railroad turnouts to Thailand and exported turnouts for the first time.



1956

Electric arc furnace became operational.

1958

Commenced production of cast steel products at Nibuno Plant.

1960

Completed construction of a rolling mill at Nibuno Plant, making Yamato Kogyo the only integrated manufacturer of trackwork materials in Japan capable of rolling materials such as tie plates and joint plates.

1961

Operation of a 40-ton electric arc furnace began at the newly built Aboshi Plant.

1962

Company stock listed on the First Section of the Tokyo and Osaka Stock Exchange.

1966

Nibuno Plant and Ichikawa Plant relocated and consolidated at the company headquarters (Aboshi Plant).



1969

Newly established the Heavy-duty Machining Department.



1975

Universal mill became operational.



1944–1980

From founding: the challenge of becoming an integrated steel-making and rolling manufacturer



Founder
Asaji Inoue

“ The roots of Yamato Kogyo, which have grown our business and nurtured our people The Spirit of Our Founders ”

Founder Asaji Inoue believed that it would be misguided to solely pursue one's own interests in business. Instead, one should walk hand in hand with employees, business partners, and society, never forgetting to be grateful to them. Even amid the material shortages following the Second World War, he made every effort to ensure his employees received their wages, and during the recession of 1965, he used his personal funds to protect the company and its employees. When conducting business, he made sure to listen to customers, working closely with them to ascertain their needs and open up new paths. The basis for this approach was the Five Principles of Water, which has also served as the spiritual backbone of the Company. The image of water contained in these principles represent the fundamental mode of being that we have always sought to emulate. Like water, we are always moving forward, overcoming obstacles and growing stronger. This indomitable will and considerate spirit, which always takes the other party's perspective into account, has carried over into the corporate philosophy that continues to sustain Yamato Kogyo to this day.

The Five Principles of Water

1. Water moves itself and others.
2. Water never stops, always seeking a way forward.
3. When water encounters an obstacle, its power is multiplied a hundredfold.
4. Water cleanses itself and the impurities of others, accepting both good and evil.
5. Water fills the oceans, then evaporates to become vapor. It rises to form clouds, then falls in the form of hard, translucent hail. Through it all, it never loses its essence.

1987

Established Nucor-Yamato Steel (NYS) in partnership with Nucor, which is among the most profitable electric furnace manufacturers in the United States.



(Front row from left to right)
Hiroyuki Inoue, then-Representative Director and President of Yamato Kogyo
Ken Iverson, then-Chairman of Nucor

1989

Established Arkansas Steel Associates (ASA) in the United States, in partnership with Sumitomo Corporation.

1991

Four-strand combination beam blank/bloom type continuous casting machines became operational.

1992

Established Siam Yamato Steel (SYS) with the Siam Cement Group, the biggest ethnic conglomerate in Thailand, Mitsui & Co. and Sumitomo Corporation as partners.



1996

130-ton direct current electric arc furnace became operational.

2002

The trackwork materials business was spun off, and Yamato Trackwork System was established.

Established Yamato Korea Steel (currently YK Steel [YKS]) in South Korea.

2003

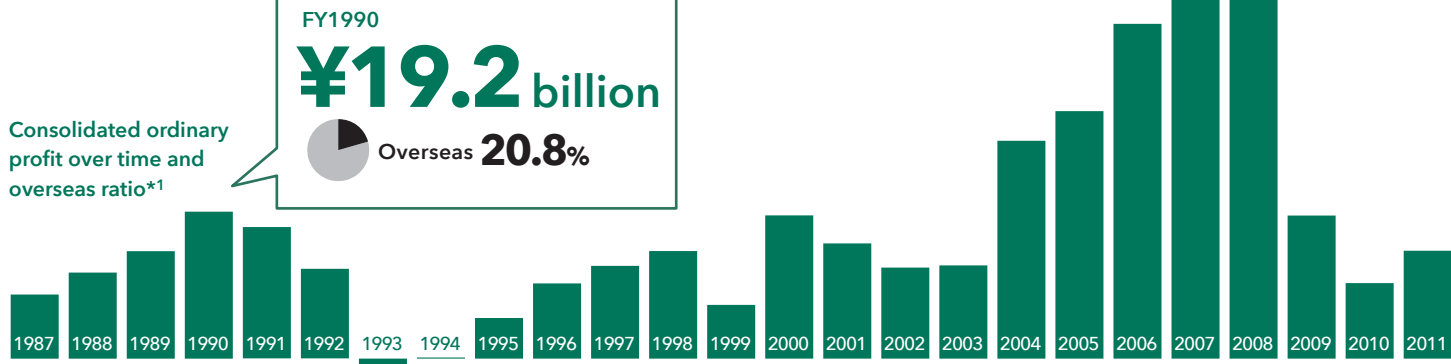
The steel and heavy industrial products businesses were spun off, and Yamato Steel was established. Yamato Kogyo was converted to a holding company.

2009

Established United Steel Company (SULB) (currently SULB Company) in Bahrain, in partnership with Foulath

2011

Established United SULB Company (Saudi Sulb) in Saudi Arabia



1981-2011

Leaping onto the world stage as a pioneer of global expansion



Current Chairman
Hiroyuki Inoue

“ Hand in hand with the world in a spirit of fairness Joint Ventures First ”

One cannot talk about the growth of Yamato Kogyo without addressing the way we have taken on challenges in global markets, starting with the United States. Inheriting the spirit of our founder, Asaji Inoue, the second president (and current Chairman), Hiroyuki Inoue, took the company in a bold new direction for a new era. The Japanese steel industry of the 1980s was a closed market, bound by the established order and practices of the incumbent major manufacturers. Yamato Kogyo faced additional headwinds in the form of Japan's voluntary restrictions on exports to the United States. It was our defiant desire to rebel against this unfair situation that drove us to globalize.

We emphasized fairness as we embarked into the wider world, and when making joint ventures overseas, we have continued to maintain a basic stance of keeping the “joint venture first.” Above all, we value our partnerships, entrusting local partners with management and marketing while we focus on manufacturing and unreservedly sharing our technical expertise. This is how we have built relationships of trust with our partners. This “JV first” approach has accelerated our growth, generating sustainable profits and expansion, forming the foundation of our current position as a global company.

*1 The portion of the entire Group's total ordinary profit that comes from overseas locations.

2020

Established Posco Yamato Vina Steel (PY VINA) in Vietnam in partnership with Posco, the biggest steel producer in South Korea.



In order to enhance its competitiveness in the South Korean bar steel industry, Yamato Kogyo partnered with Daehan Steel, a company well-versed in the South Korean steel industry, and made YKS a joint venture company.

FY2024

¥54.4 billion



Overseas **69.8%**

2024

Established Garuda Yamato Steel (GYS) in partnership with Hanwa, which has a broad range of steel businesses in Indonesia, and Gunung Raja Paksi, a major private electric furnace steel producer with over 50 years' operating experience in Indonesia.



Garuda Yamato Steel closing ceremony

(From left to right)

Then-Executive Committee Member of Gunung Raja Paksi **Kimin Tanoto**
President Director of Garuda Yamato Steel **Tony Taniwan**
Representative Director and President of Yamato Kogyo **Mikio Kobayashi**
Managing Director of Siam Yamato Steel **Jaydsada Plungmanee**
Then-Director and Chairman of Hanwa **Yasumichi Kato**

Completed the new head office with a design based on the Yamato Platform concept. It will be a place where people can casually drop by to meet others and exchange information, knowledge, and experiences.



November
2024
**80th
Anniversary**

2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 (FY)

2012-

Becoming a leading steel company for the future



Toward the next era

Preserving Our Traditions and Creating New Value



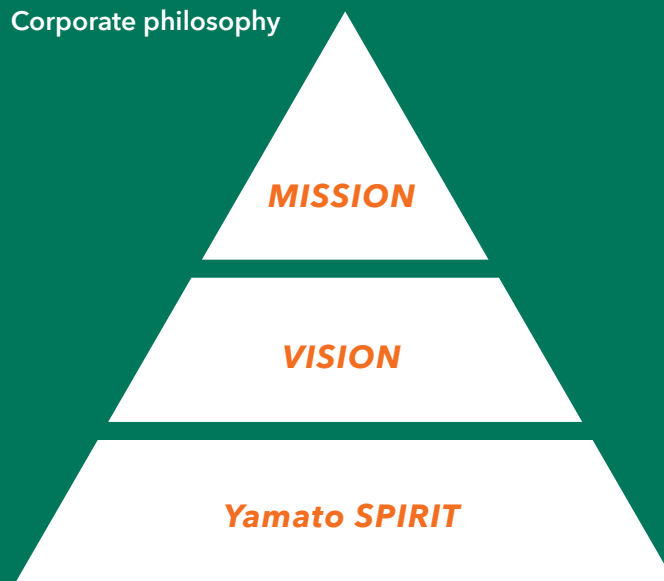
Since its inception, the Group has worked with steel, the material upon which we have built our society. Essential for bridges, structures, and all manner of infrastructure, steel is also easy to recycle, making it a sustainable material that occupies a key role in the development of a circular economy. At the Group we consider it our duty to contribute to the development of an international society and flourishing local communities through the steel we produce.

Having celebrated our 80th anniversary, we are now moving forward to the next stage with our Vision 2030 to become a company that achieves and solidifies its position as the global leader (volume and profitability) in structural steel, and continues to embrace challenges in new business areas. To achieve this, it is essential to maintain a posture that embraces change and continues to take on new challenges, while also creating an open workplace where every employee feels secure enough to take on those challenges.

Going forward, we will continue to achieve further growth and contribute to society by taking on challenges, never forgetting our roots as a manufacturing company as we move forward into the next 100 years and beyond.

With the pioneering spirit that has moved us from our beginnings, we will continue to take on new challenges so that we may become a leading steel company, moving into the next era with our mission of “Our Steel, Your Future” ever before us.

Corporate philosophy



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

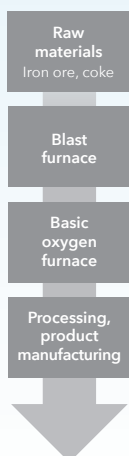
Pride	committed to being professionals of Steel and Trackwork business.
Manufacturing	committed to delivering world class products with the highest safety standards in mind.
Global	committed to being successful anywhere in the world.
Harmony	committed to being “One Team” beyond nationality, race, age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

Harnessing the power of electric furnaces to achieve a sustainable society

Ever since our first electric arc furnace became operational in 1956, our Group has been using the electric furnace process to produce steel products. Harnessing the unique recyclability of iron, we utilize the ferrous scrap in products that have reached the end of their service lives as a resource, allowing the iron to be reborn in the form of new steel products. In this way, we promote the circular economy and contribute to the realization of a sustainable society.

The electric furnace process

The electric furnace process is a method of making steel by using electric arc heat to melt the main raw material, ferrous scrap. Emitting just one fourth the CO₂ emissions of the blast furnace process, it is an environmentally friendly production process. Operational adjustments are easy, making it possible to flexibly scale production to meet demand. The entire process from raw material procurement to sales can be completed in the local area, promoting a circular economy as an initiative in local production for local consumption.



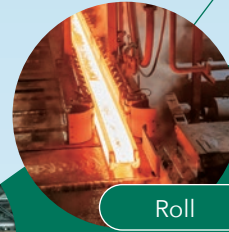
The blast furnace process

The blast furnace process is a method of producing steel with iron ore and coal (coke) as raw materials. A blast furnace (smelting furnace) is used to produce pig iron, which is then refined into steel in basic oxygen furnace. It is well suited for mass production through continuous operation and can produce high-quality steel.

Pressure process by passing through a rolling mill



Straighten

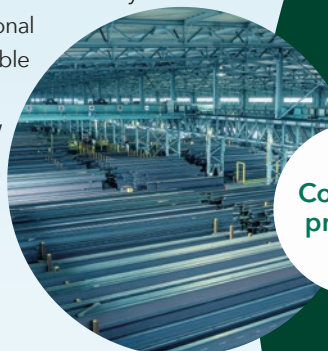


Roll



Reheat

Manufacture



Complete products

Shipped out as a variety of steel products

Distribute

Sell

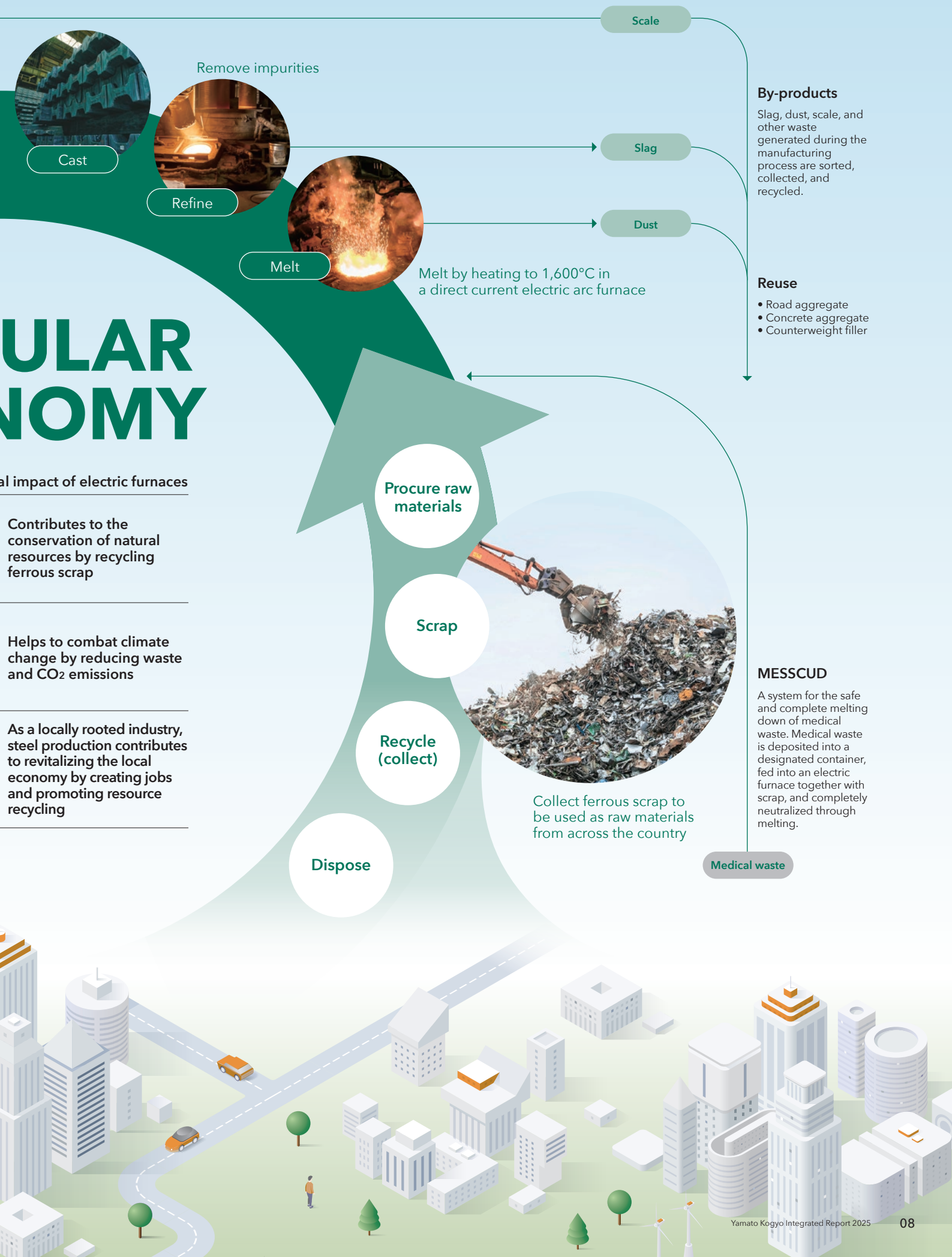
CIRC ECON

The characteristics and social contribution of the electric furnace process

Effectively using resources

Reducing environmental impact

Contributing to the community





All hands working in unison to take us to new heights

The environment we find ourselves in today

Global markets are weakening, despite the lucrative U.S. business

The emergence of geopolitical risks has plunged the world into unprecedented levels of uncertainty, while the combined impact of supply chain disruptions and rising resource and energy prices is affecting all sectors of the economy, and not just the steel industry.

Drilling down into more specific parts of the world, competition with low-priced steel products from China has intensified, creating a difficult environment for our business in the ASEAN region. In Japan, labor shortages in the construction industry have caused delays and raised the costs of construction, leading to a slump in demand for steel materials. Demand for H-beams, our Group's flagship product, has also been sluggish in the civil engineering and construction sectors. The U.S. business, on the other hand, has benefited from favorable tariff policies, which have improved market conditions for structural steel, allowing us to maintain high profitability. However, uncertainty persists regarding future market conditions, and overall, global steel prices are expected to remain weak while competition remains fierce.

Our growth strategy for Vision 2030

A growth strategy to raise our competitiveness and make us the global leader in structural steel

Notwithstanding the challenging business environment, the Group is embarking on challenges that will enable it to grow, thereby achieving and securing its position as the global leader in structural steel.

Although the Group's structural steel production capacity is slated to shrink, as we plan to transfer all shares of our Middle East business, our growth target remains entirely unchanged at 8 million tons, as laid out in Vision 2030. In the ASEAN region, we acquired a new base in Indonesia in 2024. Combined with our bases in Vietnam and Thailand, this acquisition has established the foundation for a

production capacity of 3 million tons. We aim to regain profitability by leveraging synergies produced by the cooperation of these three bases in terms of procurement and sales. Additionally, we are currently searching for reliable partners with whom to secure new bases in India, a rapidly growing market.

In Japan, we seek to expand our domestic market share and increase our profitability, not only through equipment upgrades, but also by enhancing our collaboration with Hyoki Kaiun and integrating our operations with the JFE Steel Group.

Moreover, we have invested in ElectraSteel (Electra), a startup company that aims to develop new ironmaking technology, as of April 2025. One of our Group's key partners, Nucor, has also invested in Electra. We consider this significant, not only because the investment will enhance the sustainability of source iron procurement, but also because it will serve as a springboard for further strengthening our relationship with Nucor.

Following the major management decision to transfer all shares in the Middle East business, the Group has redefined its global strategy, including our approach to partnerships. In the future, we intend to raise our medium- to long-term corporate value by expanding our production bases in the rapidly growing Indian and ASEAN markets while forming strategic alliances that will strengthen our competitiveness.

Initiatives in sustainability management

Laying the foundations for sustainable growth based on people and safety

All strategies, no matter how exceptional, ultimately depend on people to carry them out. Our Group is convinced that the task of enhancing corporate value starts with the creation of an environment in which all employees can grow, secure in the knowledge that they are free to take on challenges. In order to achieve this, it is imperative that we first reexamine our existing practices and assumptions from the bottom up and lay the foundations for change.

With these issues in mind, I personally have maintained a particular focus on safety and digital transformation (DX). Having designated FY2025 as both Year One of the Era of Safety and Year One of the Era of DX, the Group is rapidly implementing various measures, such as establishing a new organization to oversee health and safety, digitalizing our operations and making them more visible, and so on.

In addition, we are also working to develop a corporate culture that encourages employees to challenge themselves. As part of this effort, we completed a new office building in November 2024 to house our Japanese consolidated subsidiaries of Yamato Steel, Yamato Trackwork System, and Yamato Shoji, adopting a single-floor, hot-desking arrangement to facilitate communication across departments and positions. Furthermore, our worldwide connections are

growing stronger, as we expand the scope of our overseas training programs, especially for younger employees.

These investments in people and safety are the embodiment of our MISSION, VISION, and Yamato SPIRIT. All of our actions will be based on this foundation, as we pass down the indomitable spirit we have inherited since our founding to continue to build an open organization, protecting what needs to be protected and having the courage to change what needs to be changed.

On the environmental front, we have set a target of reducing CO₂ emissions by 46% by 2030. Fulfilling this goal will require the adoption of innovative technologies, but challenges remain in terms of public awareness of the necessary costs, the stability of alternative energy supplies, and the balance between environmental value and economic efficiency. In addition, in light of the possibility that CO₂ emissions could increase as production volumes rise over the long term, we believe that it is necessary to think strategically about carbon offsetting. Our consolidated subsidiary in Indonesia, Garuda Yamato Steel, helps to improve the safety of buildings in an earthquake-prone area by manufacturing and selling superbly earthquake-resistant H-beams. Through these products that support the safety and security of local communities, we are contributing to sustainability in our own way.

Message to our stakeholders

Enhancing our corporate value by converting changes and challenges to breakthroughs in growth

At the Yamato Kogyo Group, we consider it our responsibility to fulfill our duty of solving social issues and creating a prosperous future, as encapsulated in our mission statement: "our steel, your future." In order to realize these goals, it is critical for us to grow through changes and challenges. In this day and age of uncertainty, we will continue steadfastly promoting our growth strategy, viewing risk not as something to be feared but as an opportunity for rapid progress.

Taking pride in our 80-year history as a manufacturer, all Group employees will work together in unison to sustainably take us to our 100th year and beyond.



Representative Director, President
Yamato Kogyo Co., Ltd.

Leveraging our technology and people to further our growth



Technical prowess

Proud and passionate about manufacturing that supports advanced operational technologies

Our Group is enhancing its global competitiveness by sharing its advanced operational technologies that were developed in Japan to Group companies overseas, flexibly integrating and evolving them in accordance with the local characteristics of each region. Furthermore, by sharing and horizontally deploying knowledge related to the introduction of cutting-edge technologies and proactive capital investment at overseas bases across the entire Group, we maintain advanced technological levels and achieve high performance.

We are continuously collaborating across the Group to make high value-added products and develop environmentally friendly products for the sake of achieving sustainable growth.

Key points

- Advanced operational technologies and state-of-the-art equipment for structural steel
- Horizontal deployment of technology and information within the Group
- Green superiority of electric furnaces



Human resources

Creating the future of the Yamato Kogyo Group with the power of the people behind our technologies

As our employees develop, they create new added value, and the sum total of this growth is the source of our company's sustainable growth.

The Group is steadily transferring technologies and ensuring their adoption at overseas bases by developing talent with trust-based leadership and strong guidance skills. In addition, based on the belief that "the global business is supported by all of our employees," we provide opportunities to engage in overseas business regardless of department or job title, and focus on developing professionals with international competitiveness through a variety of initiatives.

Key points

- Developing talented individuals with leadership and guidance skills
- The global business is supported by all of our employees
- Development and securing of professional personnel carrying on new initiatives

global strategy



Global expansion

Global expansion and community-based business driven by demand

We began our global expansion in the 1980s, ahead of our competitors in Japan. Starting in the United States in 1987, we expanded into Thailand, South Korea, Vietnam, and other markets with reliable demand and growing regions with promising infrastructure investment. These actions solidified our position as a global company.

In addition, we have established a system of local production for local consumption, integrating manufacturing and sales at each of our bases, thereby supporting the social infrastructure of each country and region, and ultimately contributing to sustainable growth.

Key points

- Leading the Group as a growth driver
- Driven by demand to expand bases
- A system that integrates the full range of operations from manufacturing to sales at each of our locations



Partnership

A strategy of creating and growing together based on a spirit of fairness and relationship of trust

A key feature of the way our Group expands globally is our use of joint ventures (JVs) in which we provide technical support while our partners, which are leading companies familiar with local business practices and market conditions, focus on management support. Under the "JV First" principle, which calls for us to thoroughly pursue the best course of action for the joint venture, our Group shares manufacturing technology without reservation.

We have inherited this philosophy and the spirit of fairness and integrity as values that remain unchanged to this day, forming the foundation of our strong relationships of trust with our partner companies.

Key points

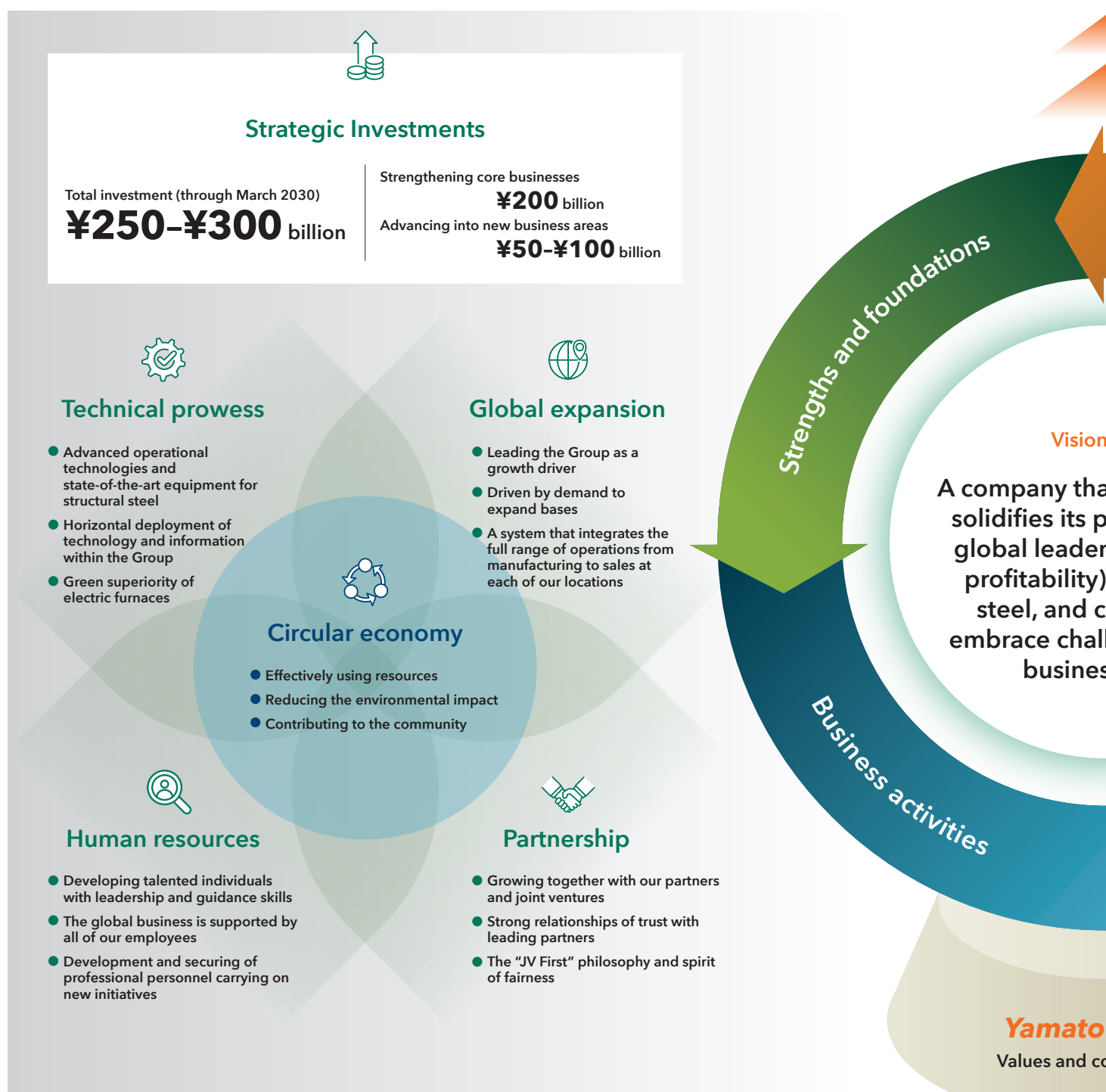
- Growing together with our partners and joint ventures
- Strong relationships of trust with leading partners
- The "JV First" philosophy and spirit of fairness

Value creation process

The Yamato Kogyo Group has formulated Vision 2030 based on its aspirations for the future.

It is implementing a circular economy based on its unique strengths in technological capability, human resources, global expansion, and partnerships. As a manufacturer of the steel that holds up the world's infrastructure, we aim to create new value and achieve both a sustainable society and sustainable growth.

Our Steel, Y
Creating more value for



*1 Calculated with the total sales volume of Group companies defined as 100%. Includes semi-finished products, direct reduced iron (DRI) and intra-Group transactions.

*2 The portion of the entire Group's total ordinary profit that comes from overseas locations.

VISION

Your Future

for an even richer society.

VISION

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

Important KPIs for management (as of March 31, 2025)

The Group's total sales volume*1

5.45 million tons

Operating profit margin

6.8%

Ordinary profit

¥54.4 billion

ROE

5.9%

Equity ratio

84.8%

Overseas ratio*2

69.8%

The main products we provide to society

Large vessels

Stern frames

Supporting the rudder and propellers of ships, stern frames keep ships stable

Large buildings

H-beams

The unsung heroes supporting large structures

Rivers and ports

Sheet piles

When linked together into a steel wall, sheet piles can prevent the in-and-outflow of water and sediments

Railroads

Turnouts

Switching rails so trains can change direction

2030

at achieves and position as the (volume and in structural continues to challenges in new ss areas

Outcomes

Outputs

SPIRIT

ode of conduct

In pursuit of medium- to long-term value creation based on sound financial health

Fiscal 2024 recap

Aiming for higher profitability and an ROE of over 10%

Fiscal 2024 was marked by a convergence of factors that put earnings under pressure: a global slump in steel demand, weakening market conditions for structural steel, and ongoing competition from low-cost Chinese steel, particularly in the ASEAN region. Even under these challenging conditions, we managed to secure an increase in revenue, with net sales reaching ¥168,268 million (up 2.9% year-on-year). Operating profit, on the other hand, fell to ¥11,493 million (down 33.5% year-on-year) due to the deteriorating business environment. Furthermore, due to the impact of impairment losses related to the Middle East, ordinary profit decreased significantly to ¥54,402 million (down 45.2% year-on-year), while profit attributable to owners of parent fell sharply to ¥31,833 million (down 54.5% year-on-year). Although ROE for the current period is 5.9%, our U.S. operations, which have served as a pillar of our earnings, have remained stable and maintained high profitability, and over the last five years, we have managed to secure an average ROE of over 10%.

Most recently, while we continue to face issues with Chinese imports, the reciprocal tariffs aimed at strengthening U.S. manufacturing are also causing concern over their impact on the global economy, including Asia. Meanwhile, our newly established base in Indonesia is steadily building its foundation, and we expect stable growth at our base in the United States, aided in part by tariff measures. At each of our locations, we will seek measures to counter the Chinese imports, while we prioritize efforts to improve profitability in the ASEAN region. Our management will focus on capital efficiency, balancing growth investments with shareholder returns as we aim to ensure that ROIC continues to exceed WACC over the medium to long term.

Investment strategy

Accelerating upfront investment in growth areas as we stand on solid financial ground

As part of our growth strategy aimed at achieving Vision 2030, we are progressively executing strategic investments totaling ¥250–¥300 billion. As a first step toward strengthening our core structural steel business and in anticipation of medium- to long-term market expansion and policy support, we invested roughly ¥50 billion to establish

Garuda Yamato Steel, our new company in Indonesia in May 2024. We will continue to work on generating solid results.

In Japan, we are currently investing a total of approximately ¥40 billion in equipment and facility upgrades to make our existing locations more competitive, including ¥5 billion that we have already invested in June 2024 to upgrade a straightener. We will continue to gradually proceed with the enhancement of production capabilities, including the renewal of state-of-the-art, digital-enabled rolling mills and the replacement of reheating furnaces to support carbon neutrality. Additionally, we are working to improve our logistics capabilities to build a stable supply system and will boost competitiveness through effective measures such as building our own domestic coastal vessels and strengthening our collaboration with Hyoki Kaiun. Furthermore, in the United States, Thailand, Vietnam, and Indonesia, we will replace and upgrade aging equipment, introduce labor-saving measures, and take steps toward automation, in order to achieve organic growth through strategic capital investment while closely monitoring the business environment. With regard to our entry into new steel, infrastructure and green business areas as described in Vision 2030, we also invested in ElectraSteel (Electra) in April 2025. This U.S.-based startup possesses next-generation ironmaking technology, and we are supporting its technological development to secure our future sources of iron.

These strategic investments are all in the implementation phase, having leveraged our healthy financial base with an adequacy ratio of 84.8%, as well as cash reserves. We will continue to generate cash through our growth investments, optimizing our capital structure and clarifying our cash position to further deepen our financial strategy to the next level.

Risk management

Adopting the “bad news first” policy to enhance our risk management system

In accordance with our Basic Policy on Risk Management and Business Crisis Management Regulations, and under the supervision of the Board of Directors, the Group has prepared mechanisms to autonomously identify, evaluate, and respond to risks. In 2023, we created a new Risk Management Department within Yamato Kogyo to standardize processes throughout the Group and make improvements using the PDCA cycle.

Risk management must go beyond mechanical tasks and become ingrained in the spontaneous actions of all employees. In 2024, we conducted risk training for executives and managers, sharing insights on the relationship between risk response and enhancing corporate value. We will thoroughly implement the “bad news first” policy to enable the swift collection of information and rapid decision-making, including in overseas business. Going forward, we will continue to engage in dialogue not only with domestic consolidated subsidiaries but also with Group companies overseas to foster a risk culture.

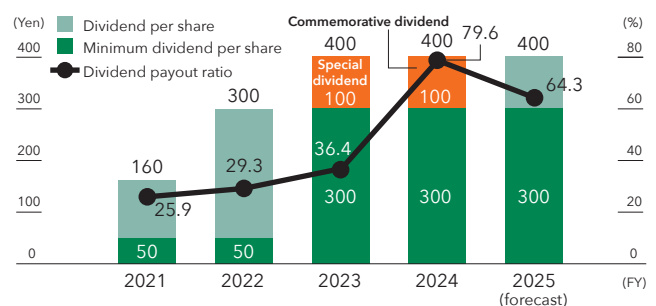
Enhancing corporate value

Offering substantial shareholder returns in line with our basic policy of maintaining stability and continuity

Yamato Kogyo considers the enhancement of corporate value to be its top management priority, and we therefore continuously endeavor to improve our investor relations.

When it comes to stock dividends, our fundamental policy is to distribute profits based on performance, as we strive to maintain continuous and stable dividends. In light of the fact that we recorded record-high profits for the third fiscal year in a row, we issued a special dividend of ¥100 in fiscal 2023, while in fiscal 2024, we added a commemorative dividend of ¥100 to mark our 80th anniversary, resulting in an annual dividend of ¥400. In fiscal 2025, we will continue to emphasize stability in dividends and plan to pay a regular dividend of ¥400. Regarding the repurchase of treasury shares, in addition to the repurchase of 3 million shares for ¥25.1 billion under the October 2024 resolution, we set a new maximum budget of ¥12.0 billion in October 2025 for the repurchase of up to 1 million shares, and are carrying out buybacks through March 24, 2026.

Dividends and dividend payout ratio (as of October 31, 2025)



In terms of dialogue with capital markets, we have been making greater efforts to share information about our business strategy and Vision 2030. We held overseas roadshows in Europe in fiscal 2024, as well as the United States this fiscal year. In addition, we are holding more individual consultations with each passing year, with 118 such conversations in fiscal 2024. We engage in frequent, in-depth discussions with our stakeholders, regularly reporting the valuable feedback we receive to our Board of Directors and Management Committee, where we hold serious discussions based on the content. We will continue to maintain our financial health as we balance our growth investments with shareholder returns, living up to the expectations of the capital markets and our stakeholders.

Akihiko Hanamoto

Executive Officer in charge of the Finance and Accounting Department and Risk Management Department

Striving for Vision 2030

Vision 2030

A company that achieves and solidifies its position as the global leader (volume and profitability) in structural steel, and continues to embrace challenges in new business areas

Ongoing efforts to realize carbon neutrality and a circular economy

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

Key business strategies

Strengthening of core structural steel business

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

Entry into new steel, infrastructure and green business areas

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

Development and securing of professional personnel carrying on new initiatives

Roadmap to achieve Vision 2030

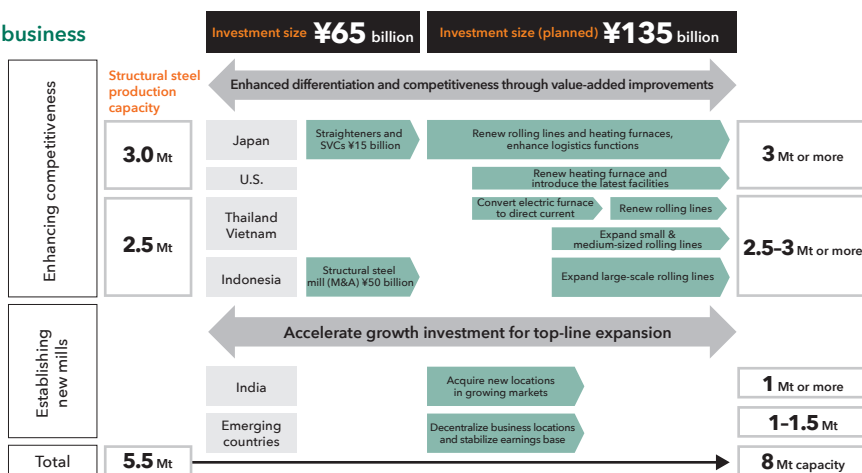
-FY2024

FY2025-2029

2030

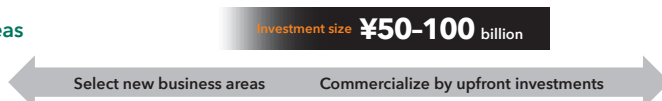
Strengthening of core structural steel business

- Expansion of sales in growing regions such as Asia
- Maintaining and enhancing profitability through advanced operational know-how and cutting-edge technologies



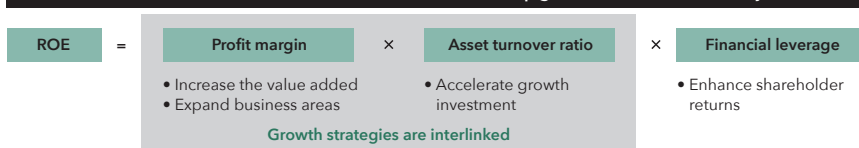
Entry into new steel, infrastructure and green business areas

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



Financial strategy

Maintain **ROE of 10%** or more & back up growth investments flexibly



Development and securing of professional personnel carrying on new initiatives



Taking steps toward achieving Vision 2030

The Group formulated Vision 2030 in November 2023 in a new attempt to enhance its corporate value. We are pressing ahead with our key business strategies of strengthening our core structural steel business and entering into new steel, infrastructure and green business areas to achieve our future vision of becoming “a company that achieves and solidifies its position as the global leader (volume and profitability) in structural steel, and continues to embrace challenges in new business areas.” In terms of our investments, in addition to expanding profits, we will also aggressively pursue measures that will contribute to the achievement of carbon neutrality and the realization of a circular economy. Furthermore, we will focus our efforts into developing the human resources that will form the foundation of our growth and, from the perspective of human capital management, create an environment in which diverse talent can perform to the best of their abilities. ➡ p. 35

Strengthening of core structural steel business

Reconstructing our global production system and enhancing profitability

In order to strengthen our competitiveness in the global market, we aim to increase production while further enhancing our profitability. In addition to securing a high share in the structural steel markets of new regions, we intend to capture approximately 30% of the global structural steel market (excluding China, which is outside our target scope) by expanding exports to regions where we do not have a presence and strengthening collaboration within the Group. These efforts will solidify our position as the global leader in structural steel.

Although the Group’s structural steel production capacity will shrink, as we plan to transfer all shares of our Middle East business, we remain committed to building an 8 million ton structural steel production capacity by 2030. In fiscal 2024, we invested approximately ¥50 billion to establish our new base in Indonesia through M&A. Combined with enhancing the competitiveness of our existing bases, we will secure new locations, including in India, which is a strong candidate, to expand our production base, thereby driving the reconstruction of our business portfolio toward global sustainable growth. ➡ p. 19

Boosting our competitiveness in Japan

We have plans to update the facilities in our rolling lines with an investment of approximately ¥40 billion, scheduled for completion by mid-2030. This is expected to raise production capacity by roughly 20%, allowing us to expand our market share and boost profitability.

With a view to enhancing our competitiveness, we have begun exploring ways to collaborate with the JFE Steel Group and are discussing how to integrate our structural steel businesses in a way that leverages the strengths of both companies. Furthermore, as a means of strengthening our logistical capabilities, not only do we have a capital and business alliance with Hyoki Kaiun, we have also built our own domestic coastal vessels and started operating them in August 2025.

➡ pp. 26, 52

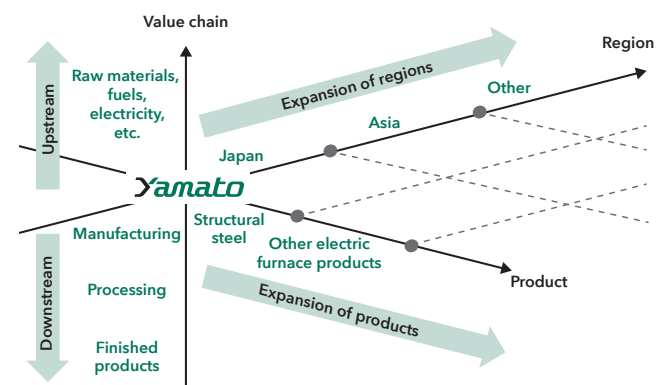
Entry into new steel, infrastructure and green business areas

Capitalize on the strengths of our core business to create new value

Our Group challenges itself to create new high-value-added businesses by leveraging its strengths of its global reach, technological prowess, networking ability, and green superiority of electric furnaces.

In order to propel this approach forward, we have adopted the basic stances of partner strategy, global expansion, and affinity with the core (structural steel) business. By focusing on sectors that have some connection to structural steel and that also contribute to infrastructure development and the reduction of environmental impact, we aim for steady returns while minimizing investment risk.

At present, we are continuing to investigate and consider ways to expand into peripheral areas based on our core (structural steel) business along the three axes of regions, products, and value chains. In terms of the product axis, we are considering expanding our lineup to include steel plate and steel pipe, which are in the same construction and civil engineering fields as structural steel. On the value chain axis, we are emphasizing upstream and downstream sectors such as raw materials, energy, and processing. As we enter these new domains, we will employ flexible and diverse approaches, including M&A and collaborations with startups, to generate new value.



Our green strategy aimed at carbon neutrality and future commercialization

As one of our moves to expand into new business areas, we have invested in ElectraSteel (Electra), a U.S.-based company possessing clean iron technology. With the ongoing shift from blast to electric furnaces as decarbonization efforts gather steam, concerns are mounting over the risk of a supply-demand crunch and soaring prices for ferrous scrap in the future. In response, we aim to diversify our future sources of iron and optimize costs by taking a stake in Electra and participating in their technological development. Furthermore, through this investment, we will strengthen and develop our partnership with Nucor, one of Yamato Kogyo’s key partners in the U.S. business, who has also supported Electra with capital since its founding.

Special feature

1

Hardening the structural steel business

Investing for the

We are accelerating aggressive investments both at home and abroad to strengthen our structural steel business, the core driver of growth for our Group.

Production capacity up **20%** after upgrading the entire rolling line (Japan)

Upcoming equipment upgrades (planned)

- Upgrading the rolling mills themselves with the introduction of digital technology
To be operational in mid-2028
- Other automation upgrades
Gradual implementation from FY2024 to FY2028
- Upgrading reheating furnaces (for carbon neutrality)
To be operational in mid-2030

Adopting cutting-edge equipment in domestic bases, as the mother factory fulfills its proper role

Drawing on its firm financial base, the Group plans to invest a total of ¥250–¥300 billion in growth initiatives by 2030. We will enhance our role as the mother factory supporting global expansion, growing the technological capabilities of the entire Group.



Straightening machine rollers. By updating our machinery, we have improved the dimensional and formal stability of large products

Yamato Steel, the core of the steel business, is pressing forward with the renewal of rolling mill equipment and the introduction of cutting-edge technology through an investment of approximately ¥40 billion.

2024 saw the straightener upgraded to the latest model, which has reduced dimensional inconsistencies and stabilized the shapes of large products. We have further upgrades planned to introduce equipment that can not only automate and digitalize operations, but also reduce the environmental impact.

We will proceed with a series of upgrades through 2030, with the goal of enhancing our competitiveness in the domestic market and further expanding our market share. Various benefits are expected, besides improving production capacity and quality, such as

future

The new straightener at the Yamato Steel rolling mill, installed in 2024

After rolling and cooling, products are passed through the rollers of a straightener to make final adjustments to their shape

the expansion of product varieties, improved safety, higher yields, lower intensity, and labor savings.

GYS in Indonesia becomes fully operational Further expansion into new locations under consideration

Garuda Yamato Steel (GYS) in Indonesia became a consolidated subsidiary of our Group in 2024. We are working together with Thailand's Siam Yamato Steel and Vietnam's Posco Yamato Vina Steel in manufacturing, sales, and purchasing to build a 3 million ton capacity as part of the ASEAN structural steel strategy.

In terms of manufacturing, we will combine our Group's technology and expertise to upgrade our mills and improve production. On the sales

front, GYS launched a steel brand offering superior earthquake resistance and will deliver products with high seismic resistance and safety, thereby strengthening its brand power while also supporting regional development. Furthermore, anticipating expanding demand there, we have selected India as a candidate for a new base and have begun exploring entry through a joint venture.

Our investments to strengthen our core structural steel business



TAHAN GEMPA PLUS launch event

Yamato Steel's great project The road toward replacing our straightener



With the goal of enhancing the safety of our straightener and improving product quality, we undertook a major equipment renewal project—the first in 30 to 40 years. With the old straightener deteriorating while products grew larger, we made the decision to replace the existing machine with a new model. Overcoming linguistic and cultural barriers in our cooperation with foreign manufacturers, we successfully completed the project without incident through meticulous dialogue and collaboration both within and outside the Company. This project has given us valuable insights applicable to future upgrades of rolling mills, laying a foundation for future growth.

Full details of the project, which will serve as a stepping stone for tackling new challenges in the future, can be found on our recruitment site.

[https://www.yamatokogyo.co.jp/recruit/people/story/\(Japanese\)](https://www.yamatokogyo.co.jp/recruit/people/story/(Japanese))

represent a forward-looking approach to tackling future challenges. We intend to forge ahead without pause, cutting open the path to the future.

TAHAN GEMPA PLUS is a brand of high tensile strength H-beams with superior earthquake resistance, manufactured and sold by GYS. ➡ p. 31



Illustration of TAHAN GEMPA PLUS product
WIDE FLANGE (WF) HIGH TENSILE

Growing a network based on trust and taking the first step toward the next generation



Summary of fiscal 2024

Reexamining relationships with partners and rebuilding our growth strategy

FY2024 saw our Group make a decision of unprecedented significance, which was to transfer all of its shares in an equity-method affiliate related to our Middle East Business. In the process leading up to this decision, we asked ourselves, “How can we continue to collaborate with reliable partners to manufacture products in a satisfactory way?” And thus, we took the opportunity to reexamine the essence of our Group’s joint venture strategy and our manufacturing philosophy. We are convinced that this experience has served as an irreplaceable learning opportunity for rebuilding our guidelines for future global expansion.

In the ASEAN region, the post-merger integration (PMI) of Garuda Yamato Steel, which was established in 2024, is progressing smoothly. Despite difficult market conditions, we are taking firm steps toward our goal of achieving a production capacity of 3 million tons.

India is coming under focus as our next key strategic region. We are carefully assessing local conditions and considering the feasibility of entering the market on the premise of collaboration with reliable partners. In addition, as a venture into a new business area, we have invested in the startup company ElectraSteel (Electra), which possesses a technology for electrolytically extracting high-purity iron from low-grade iron ore. This investment is part of our effort to diversify our sources of iron and optimize costs. Our joint venture partner Nucor has also invested in Electra, and we expect that this collaboration will go beyond technical cooperation, leading to the development of deeper and more layered relationships.

Financial capital strategy

Organically connecting bases to create a network model

Starting in fiscal 2024, the Global Business Department introduced a system of country and regional managers to

allow the organization to respond flexibly to changes in key businesses. In addition, while the department previously focused on overseas operations, it has expanded its scope of responsibility to include the strategic functions of domestic operating companies within Japan, thereby evolving into a global core department that formulates and executes business strategies while maintaining a bird's-eye view of the entire Group.

The twin pillars of our financial capital strategy and human capital strategy uphold the Group's business strategy. The financial capital strategy aims to achieve sustainable growth through Yamato becoming the global leader in structural steel in terms of both production capacity and profitability, as laid out in Vision 2030. To this end, we are working to reduce our dependence on North America while strengthening our revenue base by developing growth markets such as those in the ASEAN nations and India, while rebuilding and adding value to our domestic mother bases.

Going forward, it will be critical to evolve into a network model linking knowledge and resources between bases, in addition to the "distributed regional model." We will boost the comprehensive competitiveness of the entire Group by sharing and coordinating information on trends in scrap iron procurement, technological directions, and management practices across the entire company. The Global Business Department will act as a hub, further unlocking the growth potential of the Group.

Human capital strategy

Developing globally competent human resources through challenges and learning opportunities

Regarding our human capital strategy—the second pillar upholding the Group's business strategy—we are focusing our efforts on developing global human resources, with a particular emphasis on nurturing practical human resources through practical experience at multiple locations.

Overseas assignments truly require more than just language skills. They also necessitate the ability to think and act appropriately in the local environment. Our Group attaches great importance to developing professionals who can independently identify local challenges and autonomously devise solutions—skills developed through overseas assignments and practical experience accumulated in multiple locations. We aim to shift toward a business management framework that goes beyond reporting local figures to one that also proactively identifies issues on the ground and generates results. By establishing such a cyclical development model in which trained

personnel return to the head office to nurture the next generation, we will further enhance the depth and cohesion of the entire organization.

Strengths of the Yamato Kogyo Group

Maintaining a stance of trusting and empowering our employees in the field

Underpinning the Group's global strategy are our locally optimized field capabilities, as well as the unwavering trust we have built with our joint venture partners that makes these capabilities possible. These also serve as the driving force behind our mechanisms of financial and human capital.

By nature, the electric furnace business is a regionally localized industry, and the reason we have been able to maintain a strong presence in each region is due to our consistently held management philosophy of "trusting and empowering our employees in the field."

This way of "trusting and empowering" is not simply a division of roles, but has its essence in relationships that respect and complement each other's strengths. The employees of our joint venture partners are professionals who sincerely devote themselves to onsite manufacturing, at times demonstrating a more dynamic perspective and decision-making ability than even we do. Yamato Kogyo, for its part, has accumulated global expansion expertise and know-how.

I experienced firsthand the sense of unity and pride among our employees through dialogue with them. I am confident that these on-site capabilities, backed by trust, will continue to provide the strength of the Group in the future.

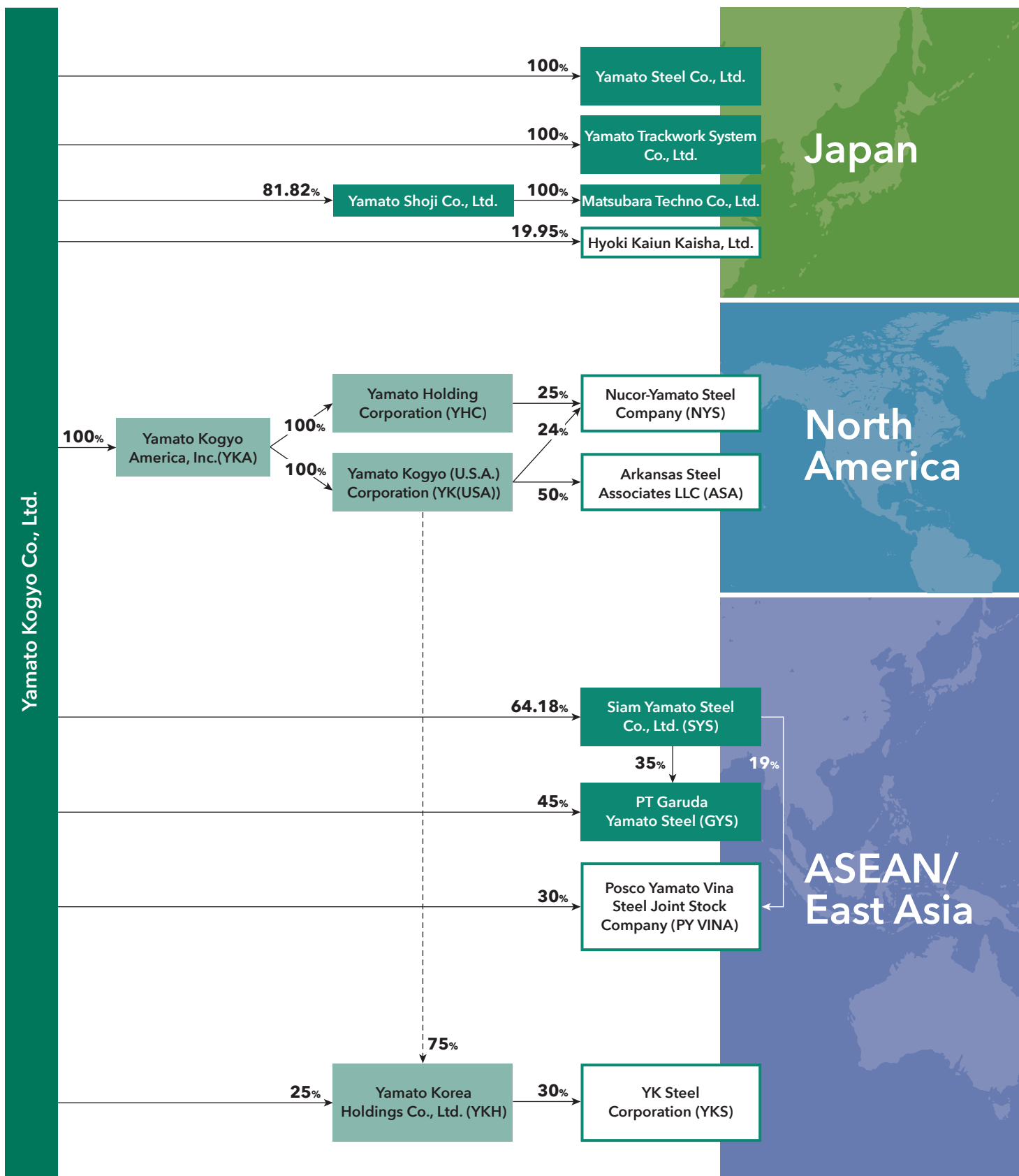
Yoshikazu Kotera

Managing Executive Officer in charge of the Global Business Department

Leveraging domestic and international collaboration to

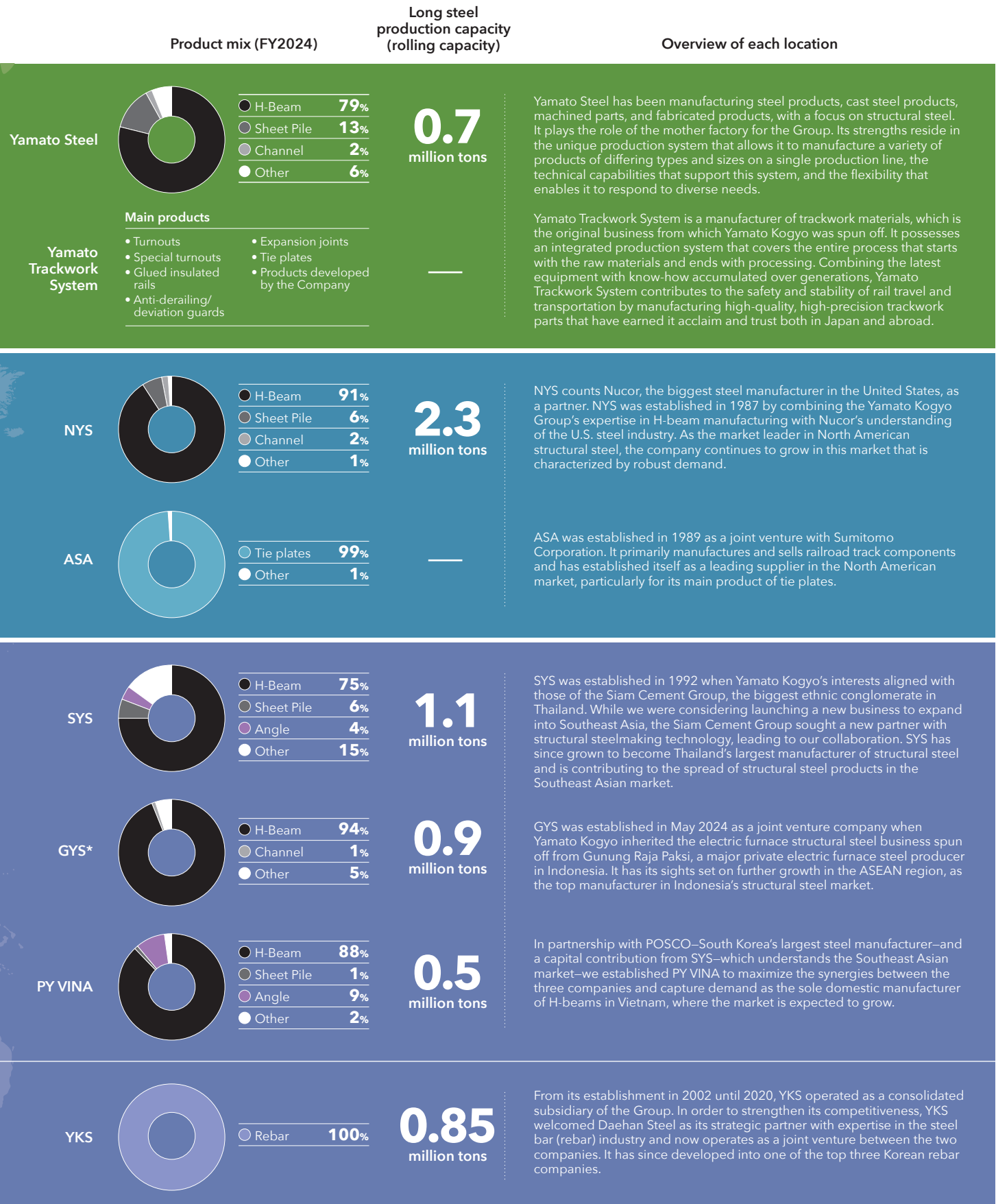
Our corporate structure

■ Consolidated subsidiaries ■ Equity-method affiliates ■ Holding companies (consolidated)



(Note) We plan to transfer all shares of our Middle East business during the fiscal year ending March 31, 2026.
*Included from 2Q FY2024

unlock new opportunities for the Yamato Kogyo Group



Improving our position in Japan by expanding production capacity and product range

Yamato Steel is planning and executing the renewal of its rolling line (straightener, rolling mills, reheating furnace) and aims to increase its production capacity –which currently stands at 700,000 tons– by 20%.

Although domestic demand for structural steel continues to decline, the Company will work to make the investments profitable by increasing production of large-size H-beams and sheet piles, which were previously the domain of blast furnaces before they started to withdraw from those product lines. At present, we are mainly selling H-beams to fabricators in the construction industry, as well as to general contractors and leasing companies in the public works sector, with project-related sales accounting for roughly 80% and stockiest sales accounting for around 20%. With an aim of raising the project-related sales ratio and expanding sales of sheet piles, we are working to build a solid position in Japan. In addition, we are planning to install a solar power generation system (PPA) and a bio-coke business, as we actively work to reduce CO₂ emissions.

Fiscal 2024 recap

Underperformance due to adverse business conditions

Demand for structural steel in Japan has been stagnant due to construction delays resulting from labor shortages and rising costs in the Japanese construction industry. Moreover, the influx of low-cost Chinese imports has had a significant impact, making it difficult to secure sufficient order volumes and maintain prices, despite the various measures we have taken, such as reflecting the higher costs in our sales prices, shortening delivery times by coordinating the work of our manufacturing and sales departments, and going after civil engineering projects to capture new demand. Production also halted for over a month in order to allow for the renewal of a straightener of the rolling line. These and other factors resulted in year-on-year declines in both revenues and profits.

Fiscal 2025 outlook

Addressing stagnant demand by enhancing competitiveness through collaboration

The market for structural steel is forecast to deteriorate further amid expectations of sustained stagnation in construction demand, driven by insufficient construction capacity and persistently high construction costs. In addition, although public works budgets for civil engineering projects have not declined, actual demand has decreased due to persistently high construction costs.

Considering the challenging business environment, we anticipate a decline in profits compared to the preceding year. Going forward, we will continue to pour more effort into sales, including through our collaboration with the JFE Steel Group in the H-beam business.

Message from the president of Yamato Steel

Honing our next-gen operational techniques

Yasuhiko Yamauchi
Representative Director, President



In addition to ensuring that we meet the demand for our products, primarily H-beams, we at Yamato Steel are pushing forward with efforts to introduce state-of-the-art rolling equipment and establish operational techniques that leverage AI and digital technology. We are also contributing to the achievement of carbon neutrality through efforts such as the sale of the eco-friendly steel brand +Green and the promotion of our bio-coke business. We will continue to work toward achieving sustainable growth and social responsibility by improving quality, minimizing the risk of occupational accidents, and enhancing equipment maintenance.

Message from the president of Yamato Trackwork System

Spreading safety and reliability throughout society

Motoyoshi Maruyama
Representative Director, President



As a leading manufacturer of the trackwork materials that underpin safe and stable rail travel and transportation, Yamato Trackwork System has always operated on a “safety first” basis while improving quality, upgrading core systems, and enhancing equipment maintenance structures. With 2025 as the first year of our new medium-term management plan, all employees will embody the Yamato SPIRIT and Yamato Way, viewing reform as a personal matter as we challenge ourselves to create new value, upholding the safety and development of railways.

Yamato Steel Topics

Leading the entire Group from the front lines of environmental action

Following continuous efforts to conserve energy and rationalize its own operations, Yamato Steel has managed to lower its GHG emissions per product unit to first-class levels within Japan. Moreover, as a way of contributing to emissions reductions beyond our own value chain, we launched the +Green line of eco-friendly steel products in April 2024. Following its adoption as a

building material in the Mitsui Fudosan Logistics Park Amagasaki I building project in June of the same year, the brand has steadily built up its track record in sales. On another front, coke is used as a secondary material in electric furnaces, and while it is usually made from coal, we are considering partially replacing the coke used in our furnaces with carbon-neutral bio-coke.

Furthermore, we have plans to not only install our own bio-coke production equipment, but also to commercialize it. On top of these initiatives, we have plans to lower our environmental impact through the use of state-of-the-art equipment, including upgrading our reheating furnace to incorporate burners that can operate on carbon-free fuels such as hydrogen and ammonia.



The logistics facility made with +Green steels



Bio-coke, before and during combustion
(Source: Kindai University Bio-Coke Research Institute)

Enhancing competitiveness through partnership

In January 2025, we concluded a capital and business alliance with Hyoki Kaiun, a company that operates shipping services both in Japan and overseas, as well as a port and warehouse business. The objective is to strengthen our logistics capabilities through the effective application of human resources and equipment, with an eye on the trends in domestic maritime logistics.

We will also entrust the operation of the first of our own domestic coastal vessels to Hyoki Kaiun.

In March 2025, we decided to launch a collaboration with the JFE Steel Group, introducing Yamato Steel as a supplier for some JFE Steel H-beams from April. Discussions are currently underway to integrate operations.



Yamato80, the first domestic coastal vessel to be owned by Yamato Steel

Yamato Trackwork System Topics

Contributing to the development of rail infrastructure overseas

Yamato Trackwork System has assembly spaces large enough to allow for the precise assembly of large turnouts without needing to disassemble them. It is now supplying large turnouts for India's first high-speed rail project. The company is also contributing to the development of rail infrastructure overseas through its technology and experience.

Quality and efficiency with automation

We are working to automate our manufacturing processes. When it comes to producing bolts, we have automated the cutting and bolthead molding processes, as well as hot and cold rolling. As always keeping safety as our top priority, we have achieved a stable level of quality and improved production efficiency. Going forward, we will continue our efforts to incorporate automation and digital transformation in our manufacturing processes.



Automatic bolthead molding system

A look back at our partnerships

Global collaboration built on trust and technology

Decades ago, Yamato Kogyo recognized a kindred spirit in Nucor, an American steel manufacturer that not only boasted top-tier profits, but also demonstrated a continual willingness to take on new challenges while following a management policy that ensured fair treatment for its workers. The two companies concluded a partnership and founded Nucor-Yamato Steel in 1987. At the time, Yamato Kogyo had a slight edge in H-beam technology, while Nucor offered rational concepts such as facility designs that leveraged vast areas of land. We combined the respective strengths of each company to explore new approaches to manufacturing.

With the NYS business progressing smoothly, we established Arkansas Steel Associates (ASA) in 1989. By utilizing ASA's integrated system that covers the entire production process starting with raw materials and ending with finished products, we have managed to achieve the specialized production of tie plates. These joint ventures have endured because expatriate and local employees have established deep ties, having recognized each other's sincere commitment to manufacturing.

Fiscal 2024 recap

Secured stable revenue throughout the year, based on large-scale construction projects

Demand remained stable, primarily driven by large-scale construction projects related to semiconductors, electric vehicles, and data centers. However, sales leveled off in the second half of the year as distributors held off on making purchases ahead of the presidential election. The structural steel market continued to weaken, partly due to the impact of some imports, and while metal margins remained at a high level throughout the fiscal year, they narrowed slightly compared to the previous period. In terms of performance, profits declined year on year, but we have nevertheless secured a stable and high level of profitability.

Fiscal 2025 outlook

Maintaining profitability while keeping an eye on the potential fallout from tariffs

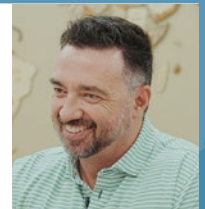
While there are concerns about the impact of the new administration's reciprocal tariffs on the U.S. economy, demand for large H-beams and sheet piles is expected to remain stable due to large-scale construction projects such as semiconductor factories, data centers, and stadiums, as well as infrastructure investments. The additional tariffs on steel products have led to competition with imported materials due to the rush to purchase products before tariffs went into effect. Higher ferrous scrap prices have also had an impact. Nevertheless, we expect a year-on-year increase in profits by maintaining high metal margins.

Message from the General Manager of NYS

Continuing to push the envelope as the most value-adding structural steel mill in the Western Hemisphere

As a joint venture combining the strengths of Nucor's corporate culture and Yamato Kogyo's structural steel manufacturing technology, NYS has achieved significant results to date. Since launching operations in 1988, we have remained the largest, most advanced, and most profitable structural steel mill in the Western Hemisphere, with over 1,000 people currently on our payroll. We place the utmost priority on the safety, health, and well-being of our employees, upholding a culture of mutual respect and support, while striving to become the world's safest steel manufacturer.

In recent years, we have worked on three large-scale projects, all with an eye toward sustainable manufacturing. Since FY2017, we have adopted a quenching and self-tempering (QST) system in the U.S. We upgraded the rolling mills at our Mill 2 plant in FY2020, and we are currently renovating the reheating furnace at Mill 1. By converting to more energy-efficient equipment, we will reduce scale and lower our greenhouse gas (GHG) emissions.



Zach Moon

General Manager of Nucor-Yamato Steel and Vice President of Nucor

NYS Topics

A highly profitable structure built on environmental awareness and cutting-edge technology

NYS continues to pursue various initiatives, such as promoting production efficiency through aggressive capital expenditures, developing new high-value-added products, expanding the production of large-size products, and reducing its carbon footprint.

A prime example of its high-value-added products is the AEOS™ (Agile, Efficient, Optimized, Sustainable) brand of high-strength, high-weldability products. Compared to conventional products, AEOS reduces

steel usage by up to 25% and eliminates the need for preheating before welding, contributing to reductions in construction periods and man-hours. In 2024, NYS maintained its focus on expanding its lineup of products compliant with the same specifications, leading to increased adoption in major U.S. cities such as New York and Chicago. AEOS is recognized as a product that helps to reduce the environmental impact and supports the sustainable growth of cities.

Additionally, NYS is leaning into its strengths, enhancing the production of large-sized steel products, while also improving safety and developing human resources, all while continuing to push for improved worksites, higher quality, and the establishment of a future-oriented organizational structure.

As a leader in the U.S. steel industry, NYS will contribute to society by continuing to pursue greater customer satisfaction and a lower environmental impact.



AEOS: High strength with superior weldability



AEOS-equipped properties: The Spiral in New York (left) and the Salesforce Tower Chicago (right)

ASA Topics

The entire Group working in unison to decarbonize and reduce emissions

As a Group of steel manufacturers, addressing climate change is an issue of vital importance to us. In this regard, ASA has joined the Global Steel Climate Council (GSCC), an international organization working to decarbonize the steel industry, and is actively participating in international efforts to reduce GHG emissions. Other companies in the Group are also members, such as Yamato Kogyo and SYS, while Nucor, Yamato Kogyo's joint venture partner in NYS, participates as a founding member.

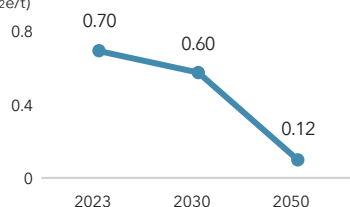
ASA has established Science-Based Emissions Targets (SBET) and obtained GSCC certification. With 2023 as the base year, they have set reduction targets for 2030 and 2050. Their ambitious targets are aligned with

both the GSCC's Steel Climate Standard* and the goals of the Paris Agreement.

As part of its emissions reduction efforts, ASA leveraged Entergy Arkansas's Go ZERO program to convert 100% of its electricity usage to carbon-free sources from 2024, making it the first electric furnace manufacturer in the U.S. to achieve Scope 2 net zero emissions.

Science-Based Emissions Targets

Emissions intensity per ton of steel products (t-CO₂e/t)



Comments from the President & CEO of ASA

Achieving decarbonization based on certified targets

We at ASA are proud to announce our GSCC-certified emissions targets. Achieving these targets will allow us to produce high-quality U.S.-made steel while reducing GHG emissions. In the future, we will continue to develop innovative methods to further reduce our carbon impact. The management team at ASA is committed to providing the tools and resources necessary to achieve science-based emissions targets aligned with GSCC standards.

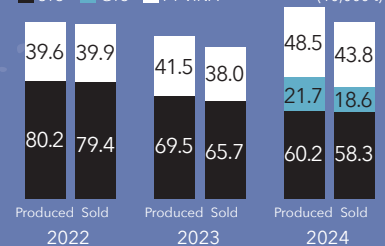
* An industrial standard showing GHG reduction targets and clarifying methods for measuring and reporting GHG emissions throughout the lifecycle of steel products, as well as targets aligned with the 1.5°C scenario.

Pursuing Vision 2030

Capturing the growing demand for structural steel and contributing to infrastructure development

Even from a global perspective, there is enormous potential for growth in Asia. The ASEAN region in particular is expected to exhibit growing demand for steel as the economy and infrastructure develop. With SYS as the mother factory for the ASEAN region, we will establish a framework centered on the company to enable swift collaboration among the three ASEAN bases to respond to local needs, thereby strengthening our market presence. Based on the experience and expertise accumulated over more than 30 years at SYS, we will maximize synergies across the three locations in manufacturing, sales, technology, purchasing, and management to grow our ASEAN business into a pillar of revenue second only to the United States.

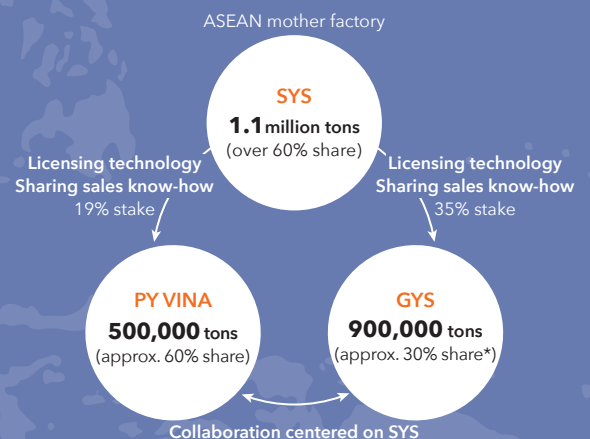
Crude steel production and sales volume (10,000 t)



* GYS was consolidated starting from the end of 1Q of the consolidated fiscal year 2024



Framework for ASEAN 3 million ton structural steel strategy



Maximize the synergies between the three locations to consolidate our position as the market leader in the region

(Note) Estimated value for the Group in FY2024
* Limited to sizes manufactured by GYS

In Vision 2030, our Group has set the goal of establishing an 8 million ton production capacity for structural steel. We aim to achieve approximately half of this capacity—4 million tons—in ASEAN and other developing regions of Asia. In accordance with this policy, we are pressing forward with efforts to build a 3 million ton structural steel production capacity as our structural steel strategy for the ASEAN region.

In May 2024, we invested approximately ¥50 billion in an M&A deal to establish GYS as our new location in Indonesia. Our joint venture partners consist of Gunung Raja Paksi (GRP), a major private electric furnace steel producer with over 50 years' operating experience in Indonesia, and Hanwa

Kogyo, whose strength lies in its sales network. Both GRP and Hanwa Kogyo are also shareholders, and they are strengthening their collaborative framework while maintaining close cooperation. Furthermore, over a dozen executives and engineers have been seconded from SYS to establish a support framework covering both technical and sales aspects. To bolster our sales capabilities, we will further improve our competitiveness by leveraging complementary combinations of steel grades and sizes through tie-ups with SYS products. We will accurately identify local needs and leverage the Group's combined strengths to enhance our market responsiveness.

ASEAN

SYS

Message from the Managing Director of SYS

Backed by the support and trust of Yamato Kogyo, we will lead the ASEAN region

When SYS was first established, personnel seconded from Yamato Kogyo came to give guidance on steel production methods, including the approach of continuous improvement, and teach us techniques to improve manufacturing efficiency and quality. We felt immense gratitude to Yamato Kogyo, especially during the particularly challenging early stages immediately after our establishment, as they accurately understood the local business situation and provided steadfast support.

At present, SYS is continuing to make efforts to serve as a hub for disseminating its extensive market experience and operational know-how, aiming to fulfill its role as the mother factory for ASEAN. We have proven strengths in the partnerships we have built with customers over the course of nearly 30 years, our insights into market dynamics in key ASEAN regions, and our unique manufacturing technologies and experience.

Our extensive market experience and proprietary manufacturing technology are also yielding returns across other Group locations. At PY VINA, we provided technical support for production challenges involving medium and large angle, enabling stable operations and significant profit improvement starting in 2023. Furthermore, by enhancing the sophistication of production volume calculations in the rolling process, we are also helping to improve productivity. These best practices are now being implemented at GYS, driving growth at every location.

The ongoing support from Yamato Kogyo and the trust in our operations within the ASEAN region form the foundation of our current relationships. We will continue to carve out the future, cherishing the principle that partnership and joint ventures always come first.



Jaydsada Plungmanee

Managing Director
Siam Yamato Steel

Fiscal 2024 recap

Demand for structural steel has been sluggish in Thailand due to delays in the government's implementation of its own budget and slow progress on private projects. Both the domestic and ASEAN markets have witnessed intensifying competition in terms of both volume and price due to the influx of low-cost steel products from China, resulting in lower sales compared to the previous period. The structural steel market continued to weaken in both domestic and export markets due to the impact of Chinese steel, and metal margins deteriorated due to falling sales prices. As a result, both revenues and profits have declined year on year.

Fiscal 2025 outlook

The Thai economy is on a path of gradual recovery, and as the government implements its budget, demand for structural steel is also showing signs of recovery, driven by public works projects such as flood control initiatives and private projects like data centers. On the other hand, the outlook remains uncertain, owing to factors such as the economic impact of U.S. tariffs. Amid the increasingly fierce competition with low-cost Chinese products in both the Thai domestic and ASEAN export markets, we are working to revise our sales strategy and strengthen our proposal capabilities to recover market share. However, the sales challenges are expected to persist for some time. As a result of these external factors, we expect profits to be down year on year.

SYS topics

SYS has now implemented the cutting-edge energy management solution Viridis Suite at its MTP Plant operating in the Map Ta Phut Industrial Estate in Rayong Province, Thailand. The Viridis Performance system integrated into this solution uses advanced AI models to analyze vast amounts of real-time data, enabling improved operational efficiency and reduced environmental impact without compromising production capacity.

This makes it possible to monitor and optimize energy consumption from operations and is expected to improve energy efficiency, reduce costs, and further lower CO₂ emissions.



An electric arc furnace (EAF) at the MTP Plant

Message from the President Director of GYS

With the power of our history and network, we will develop GYS for the next stage

GYS is a joint venture established by acquiring the structural steel business from Gunung Raja Paksi (GRP), a major private electric furnace manufacturer in Indonesia. GRP commenced operations in 1970 as Indonesia's first deformed steel bar manufacturer, at a time when imported materials dominated the market. In 1989, it became the first company in Southeast Asia to adopt H-beam manufacturing equipment, establishing itself as a major Indonesian private steel producer with a strong market presence. As a member of the founding family with many years of experience in the structural steel electric furnace business, I consider it my mission to guide GYS into its next phase of growth.

GYS plays a key role in Yamato Kogyo's goal of achieving a 3 million ton structural steel production capacity in the ASEAN region. Going forward, we will actively incorporate technology and quality standards on par with the Japanese market, along with pioneering green strategies within the Group. Leveraging the network of Hanwa Indonesia, we aim to grow our Indonesian operations to turn this country into one of the most valuable locations in the Group's portfolio.

Although Indonesia experienced a temporary dip in demand due to the presidential election, we believe that, in the long term, steel demand will resume its upward trend against the backdrop of economic growth. In addition to the development of the new capital city and the construction of warehouses and data centers, demand for renewable energy is also on the rise. We will promote product development tailored to customer needs, including the manufacture and sale of H-beams with superior earthquake resistance.



Tony Taniwan

President Director
Garuda Yamato Steel

Fiscal 2024 recap

With the presidential election as a backdrop, demand for structural steel weakened due to a temporary slowdown in government-led infrastructure investment and large-scale private projects. On the other hand, trade barriers curtailed the influx of low-cost imported materials, allowing the structural steel market to maintain high prices and secure high metal margins. Operating profit for the nine-month period since the consolidation reached ¥3.7 billion, with the operating profit margin exceeding 13%. Note that the operating profit includes ¥600 million in expenses from the revaluation of inventory assets due to the allocation of acquisition costs associated with the GYS business combination, ¥200 million in amortization of intangible assets, and ¥800 million in goodwill amortization. The integration process following the consolidation of the subsidiary is proceeding according to plan.

Fiscal 2025 outlook

In addition to the significant reduction in government-led infrastructure investment budgets, the impact of U.S. tariffs is also expected to prolong the stagnation in demand for structural steel. While certain trade barriers exist, inexpensive Chinese imports are nevertheless entering the market, intensifying competition with domestic and international manufacturers. Notwithstanding these circumstances, we are working to strengthen our sales capabilities, including by starting to manufacture and sell construction steel with high earthquake-resistance. However, both sales volume and prices are expected to remain weak, and we anticipate a year-on-year decline in profits.

GYS topics

In 2024, GYS launched a steel brand emphasizing seismic performance in earthquake-prone Indonesia, and has played a pioneering role in the country's structural steel market. In February 2025, GYS unveiled the TAHAN GEMPA PLUS brand of high-tensile H-beams (high-specification H-beams), which boast superior strength compared to conventional products and serve as construction steel with enhanced earthquake-resistance.

TAHAN GEMPA PLUS is intended for use in large-scale construction and infrastructure projects such as high-rise buildings, large factories, warehouses, and data centers. Conforming to both Japanese Industrial Standards (JIS) and American Society for Testing and Materials (ASTM) standards, it is a dual-grade steel, and GYS is the first company in Indonesia to manufacture and sell it. The improved strength allows for a reduction in the total amount of steel used, which lowers construction costs and shortens construction periods. Through the supply of highly earthquake-resistant products, we aim to further strengthen our brand power in the market while contributing to sustainable economic development.

The value of TAHAN GEMPA PLUS

- Safety through superior seismic performance
 - Cost reduction due to high tensile strength (cost reduction of up to 20%)
- High strength:** Yield point 345 N/mm² (approximately 1.4 times that of standard H-beams in Indonesia)
- Reduced construction time:** Higher strength reduces the amount of steel used, lowers construction costs, and shortens the construction period
- Weight reduction:** Higher strength enables smaller cross-sectional dimensions, resulting in lightweight construction

PY VINA

Message from the General Director of PY VINA

Leveraging the Yamato Kogyo Group's strengths to build a stable production system

Before it established a joint venture with the Yamato Kogyo Group, POSCO SS-Vina, the predecessor of PY VINA, recorded substantial losses for five consecutive years after commencing operations in Vietnam. This situation stemmed from a lack of cost competitiveness based on technological capabilities, coupled with intensifying competition with domestic mills in the rebar business and an oversupply situation.

Today, however, PY VINA is establishing itself as the sole structural steel mill in the Vietnamese market. If we are to become a company that will grow and develop further, there are challenges that must be overcome. We will tackle them through cooperation with each location in the Yamato Kogyo Group, including technical support from SYS.

Yamato Kogyo Group has built a solid competitive advantage by leveraging its two strengths: environmentally superior electric furnaces and markets. To date, we have consistently identified markets with high growth potential in the United States and Asia ahead of our competitors and strategically expanded our business. This ability to select markets and execute offers us a major advantage.

Vietnam has maintained stable GDP growth of over 5% annually, with foreign direct investment also expanding steadily. The population has already surpassed 100 million, and if the global economy shifts into a recovery phase, it is expected to be one of the regions that will ride the wave of growth the fastest. In these markets, PY VINA, as a member of the Yamato Kogyo Group, will pursue measures to contribute to achieving the goal of a 3 million ton production capacity in ASEAN.



Seo Kyeong Cheol

General Director
Posco Yamato Vina
Steel

Fiscal 2024 recap

Although demand for structural steel was severely impacted by typhoon damage in the second half of the fiscal year, the volume of sales increased year-on-year due to the capture of demand for transmission towers in the first half of the year. On the other hand, intensified competition with imported materials, including construction materials processed from Chinese steel sheets/plates, significantly reduced sales prices, resulting in a year-on-year decline in profits.

Fiscal 2025 outlook

The structural steel market appears to have bottomed out, with demand showing signs of a recovery, primarily due to government infrastructure investment. A genuine recovery, however, is still expected to take time. While efforts are being made to secure sales through exports to South Korea and other markets, the business environment has not yet improved. Profit is expected to rise year on year.

East Asia

YKS

Fiscal 2024 recap

The protracted and deepening downturn in the construction and real estate industries significantly dampened demand for rebars, resulting in persistent challenges to sales. Profits declined year on year due to the narrowing metal margins resulting from reduced sales and falling sale prices.

Fiscal 2025 outlook

While there are hopes for the new administration to revive the economy, the decline in rebars demand shows no sign of bottoming out, and the challenging business environment persists. Although we are producing in line with demand and working to improve market conditions, we anticipate a decrease in profits compared to the previous fiscal year.



Exterior view of YKS

A company that supports individual growth, where every employee feels fulfilled in their work

Our basic approach

The key to sustainable growth is to foster an environment that welcomes challenges

In order to achieve sustainable growth, Yamato Kogyo is focusing intently on creating an environment that welcomes challenges. If we are going to make our vision for 2030 a reality, we must first recognize and then bridge the gap between our current organizational capabilities and our ideal state. The key to do so lies in human capital management.

Yamato Kogyo is aggressively investing in human capital by bolstering recruitment and training, improving human resource systems and the working environment, and enriching employee benefits. However, what holds even greater importance than systems and mechanisms is to foster a culture that makes every employee seek challenges of their own volition. A prerequisite to building this culture is to be a company that ensures the physical and psychological well-being of its employees, making them look forward to coming to work every day. I believe that human resource management that makes those around you acknowledge, support, and accelerate the taking on of challenges holds the key to sustainable growth.

Progress and problems in human capital management, safety, and digital transformation

Pushing for fundamental reforms to create a more open organization

We have embarked on fundamental reforms aimed at creating a corporate culture that encourages employees to take the initiative and embrace challenges, starting with the establishment and dissemination of the Yamato Way, an approach to communication that all employees ought to practice.

The Yamato Way articulates the ideal forms of management and communication. It has been disseminated throughout the Company, and communication training is being provided in stages to all employees, including managers. Many participants have responded positively, and I feel that there is a growing awareness of the importance of

the quality of communication.

We have also introduced a peer bonus system whereby employees express their gratitude by awarding each other points. The ease with which gratitude can now be expressed has had a positive impact throughout the company. However, changes in organizational culture cannot be achieved overnight, and we are continuously working on establishing open communication.

In terms of occupational health and safety, we have designated 2025 as Year One of the Era of Safety and will reaffirm our stance of Safety First to the entire Group. With our health and safety management organization—newly established in January 2025—at the center, we will roll out the safety initiatives that have been implemented at each operating company, including Yamato Steel and Yamato Trackwork System, not only within the Group but also to our partner contractors. We will thoroughly implement the basic policy of “bad news first,” which ensures that all employees can feel secure in their workplaces by ensuring that unpleasant information is communicated quickly from worksites.

In addition, recognizing that digital transformation (DX) is indispensable to the achievement of both safety and productivity, we will begin work in FY2025 to formulate a DX strategy, with the initial goal being to create successful case studies from the worksite. We will also push for the establishment of a consistent IT system across the Group and implement a medium-term plan covering the next three to five years.

Initiatives to achieve carbon neutrality

Pursuing an effective strategy for carbon neutrality with an eye on the challenges ahead

In accordance with our Medium-Term Sustainability Plan and environmental vision, we are working to lower our CO₂ emissions. Although we are generally on track to achieve our targets for 2025, we recognize that it will be challenging to achieve the 46% reduction target we have set for 2030, as technological breakthroughs have become difficult to predict. In particular, we still face significant technical and financial hurdles before the practical application of next-generation energy sources such as hydrogen and ammonia, as well as the large-scale introduction of renewable energy sources and carbon-neutral fuels such as solar power and bio-coke, which will still require considerable time to implement. These are serious challenges not only for Yamato Kogyo, but also for the entire Japanese steel industry.

Notwithstanding these difficult circumstances, Yamato Kogyo has commenced sales of +Green, an environmentally friendly steel brand that represents one effective approach

to achieving substantial emissions reductions. This product has received positive feedback from customers, and we will strengthen our efforts to further explore market needs and grow demand. Going forward, we will continue to pursue multifaceted measures to achieve carbon neutrality, including the use of carbon credits if necessary.

Corporate governance

Enhancing both global governance and the foundations of our human resources

To improve the effectiveness of the Board of Directors, we have instituted a system whereby foreign directors can participate in monthly meetings of the Management Committee. Previously, foreign directors participated in just four board meetings per year, but we believe that their deeper involvement in strategic discussions will help to raise the quality of management decisions.

In addition, we have formulated a succession plan for directors and initiated specific measures to discuss the results of the Nomination Committee's considerations at meetings of the Board of Directors. Improving the quality and quantity of the talent pool remains an ongoing challenge.

With regard to governance, we have strengthened risk management, mainly through the Risk Management Department, while on the compliance front, we have improved the Whistleblower Desk to ensure that it is more appropriately structured. In addition, we have formulated and published a human rights policy and have positioned the implementation of human rights due diligence as a task for FY2025.

In these uncertain times of VUCA, it is essential to improve the strength of both individuals and organizations. I believe that this will only become more important in the future as we take steady steps forward to make Yamato Kogyo an even more attractive company.

Kazuhiro Tsukamoto

Representative Director
Managing Executive Officer in charge
of the General Affairs Department,
HR Department, IT Department,
and Sustainability Management Department

Special feature

2

Human capital management

As part of our efforts to realize Vision 2030, the Group practices human capital management to enable all employees to maximize their value and improve organizational capabilities.



The talent and human resource strategies to achieve Vision 2030

We recognize that human capital management is essential to increasing the corporate value of Yamato Kogyo. The essence of our human capital management lies in closing the gap between our current organizational capabilities on the one hand and the organizational capabilities required to achieve Vision 2030 on the other. In FY2024, we formulated both a talent strategy and a human resource strategy to accomplish this goal.

In January 2025, we established a Human Resource Business Partner (HRBP) section within the HR Department to work closely with individual departments and employees and create an environment where all Group employees can work together toward our goals.

Based on these strategies we formulated, we significantly reformed our human resource system and the organizational structure of our Group in April 2025. We aim to fulfill our human resource strategy by emphasizing appropriate management, communication, and individual talent development that prioritizes feedback, as well as by expanding employee support systems such as training programs, career development programs and employee benefit programs.



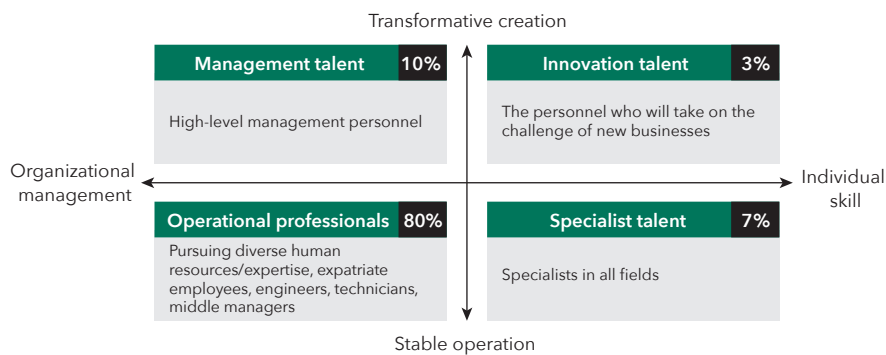
Achieving our talent strategy

We have reorganized our talent portfolio based on the idea that all employees are the “professional personnel carrying on new initiatives” as described in Vision 2030. We classify talent into the four categories shown in

the diagram below based on the skills required and whether the people will contribute to either organizational change or stability. We then expand each category to form dynamic talent portfolios that we use to develop personnel and the organization.

Talent portfolio

Development and securing of professional personnel carrying on new initiatives



Iori Komiya

Vice General Manager,
HR Department
Yamato Kogyo Co., Ltd.

In order for the Group to continue to deliver value to the wider society in this age of VUCA, it is essential to enhance the power of our organization and people. We believe that the mission of our HR Department is to create an environment where employees can work with a positive outlook and get the sense that they are developing every day, unfettered by established methods and conventional practices. The new human resource system has been designed and introduced to serve as a foundation from which to create a new era at Yamato Kogyo, with a focus on further improving engagement and encouraging the desire to grow. We will continue to refine this system in step with the evolving demands of the times.



The human resource strategy to achieve Vision 2030

In order to proactively support the growth of our employees, we are striving to foster a corporate culture that empowers personnel to leverage teamwork and perform at their best, based on five concepts.

A company's growth and competitiveness stem from the

systems and organizational development that enable individuals to work and live in ways that maximize their abilities. We will achieve Vision 2030 by enhancing the abilities of our employees and acquiring the organizational capabilities we require.

▶ p. 49



Five concepts of the talent strategy

	Values and the Code of Conduct	Dissemination and implementation of shared values and the Code of Conduct
	Engagement	Physical and psychological well-being Improving engagement
	Organizational development	Successful development of people and organizations that continue to take on challenges
	Talent management	Leveraging the talent that can maximize organizational capabilities
	Recruitment and development strategy	Promoting the recruitment and development of diverse professionals

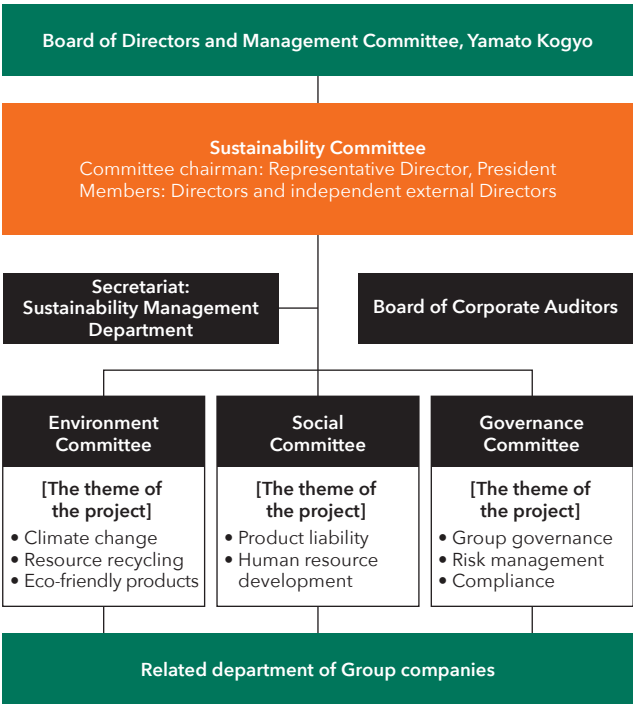
Sustainability management

Sustainability promotion structure

In August 2020, our Group established the CSR Committee (currently the Sustainability Committee), which is chaired by the Representative Director and President and consists of directors, including independent external directors, as Sustainability Committee members.

Under the Sustainability Committee, the environmental, social, and governance subcommittees are specifically promoting our Group’s sustainability initiatives, focusing on the themes outlined in the Medium-Term Sustainability Plan and actively promoting responses to risks and opportunities to support sustainable growth. In addition, we have established the Sustainability Committee Operating Rules to facilitate deliberations and decisions, and have established a secretariat to ensure a system for managing the status of sustainability activities. The Sustainability Committee met four times in fiscal 2024.

Sustainability promotion structure



Sustainability Policy

Under the mission of “our steel, your future,” Yamato Kogyo Group aims to create more value for an even richer society through our steel business. Based on this philosophy, we regard sustainability initiatives as an important management issue. We will support the development of each country and region and the future of its people, thereby contributing to the realization of a sustainable society through our business activities.

Identification of materiality and promotion of initiatives

To achieve sustainability management that balances the realization of a sustainable society with the sustainable growth and enhancement of the corporate value of our Group, we have identified themes that we consider highly important for our Group and stakeholders as materiality. Since materiality is an issue that should be prioritized as a medium- to long-term risk or opportunity, we incorporate it into our management strategy and Medium-Term Sustainability Plan and put this policy into practice through our business activities.

Our sustainability management

We define sustainability management as the “sustainable growth of a company while maintaining the environment and society, which are the foundation of our business” and are committed to the following points.

1. To continue to be demanded by the market over the long term

We will maintain and improve our competitiveness and realize a sustainable society by fully assessing the market and business environment and responding promptly and appropriately based on future projections.

2. To maintain supply (raw materials, human resources, and intellectual property) over the long term

We will practice a circular economy through our recycling business, which utilizes steel scrap as a resource and revives it as new steel products. We will develop human resources so that our professionals with a diverse range of skillsets can work as “One Team” beyond race, age, or gender, and sustainably create high-added-value products and services.

As professionals in the Steel and Trackwork business, we will further advance our manufacturing technologies in these businesses to solve social and environmental issues and create economic value.

3. To be trusted by society

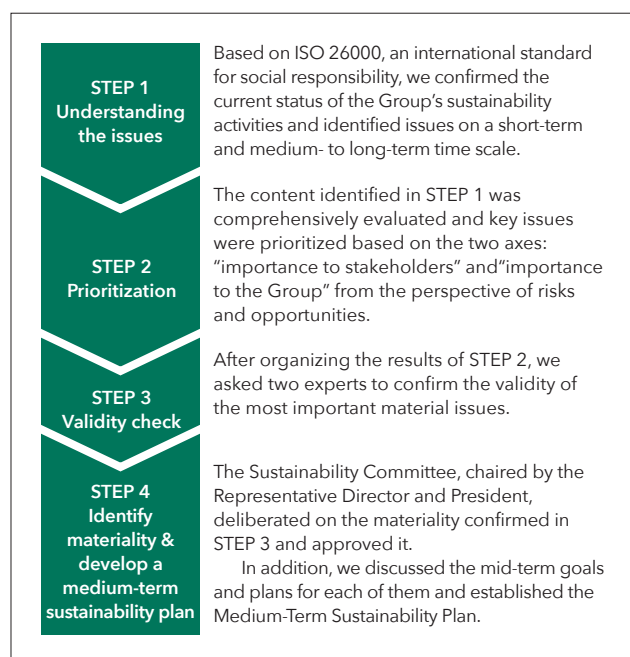
We will provide world-class products and services with the highest safety standards in mind.

We will be honest and maintain the highest level of ethical standards.

Identifying materiality

Believing in the importance of identifying issues that should be prioritized by our Group, we employed the process described below in fiscal 2021 to identify materiality (top-priority issues) in the areas of environment and society, while positioning governance as the foundation of our corporate management.

Materiality identification process



Internal understanding and penetration

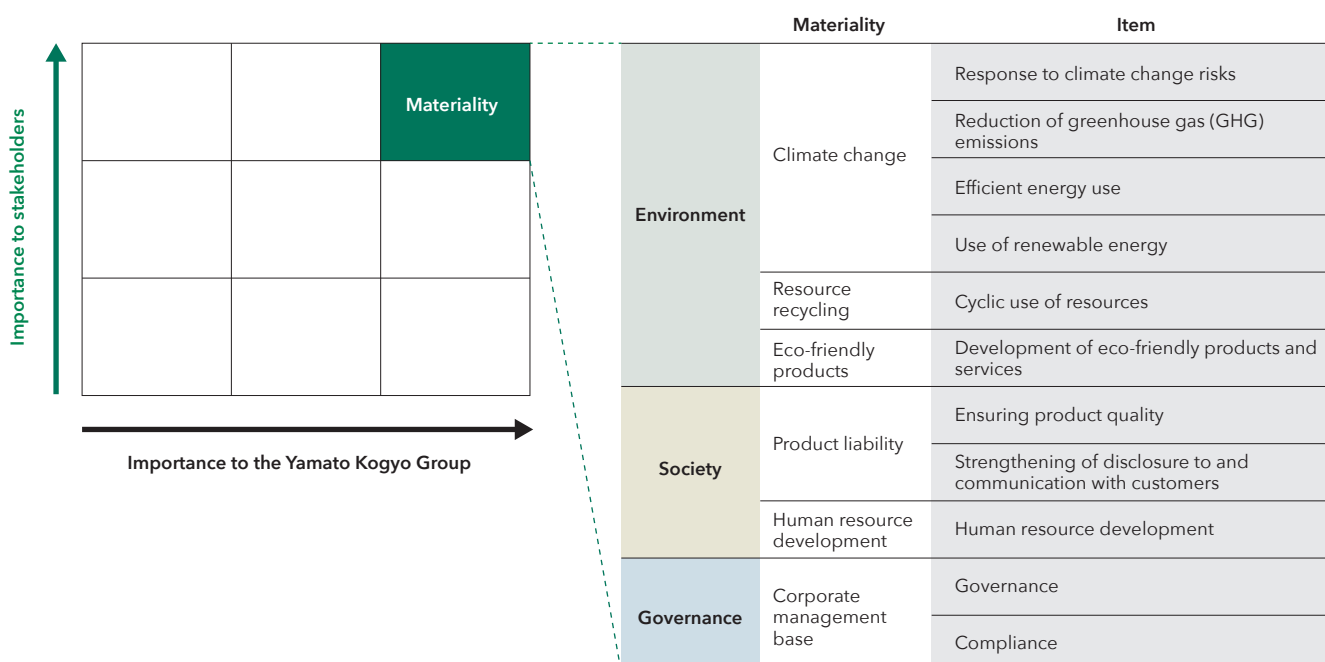
To foster awareness and enlightenment of social contribution, we provide training for employees on sustainability in general, including social contribution, through the establishment of a methodical education system, and we have posted the Employee Code of Conduct on our intranet so that employees can always check whether the standards for their behavior are appropriate.

To promote understanding of sustainability, we provide training opportunities for management and supervisors by inviting external lecturers and participating in external seminars as necessary. We also provide awareness-raising activities through in-house newsletters and a video message from the President.



An internal training session

Identified materiality



Medium-Term Sustainability Plan

About the identified materiality, we have set medium-term goals targeting fiscal 2025, as well as short-term annual targets to achieve these goals. Based on this plan, we will implement the PDCA cycle and promote the plan, as well as deepen the plan through deliberations by the Sustainability Committee.

Reports on specific initiatives and achievements can be found on our website.
https://www.yamatokogyo.co.jp/en/sustainability/plan/pdf/pdf_initiatives.pdf



Environment

Climate change



Vision	We will take measures towards a carbon-neutral society in 2050 by introducing innovative decarbonization technologies, promoting energy conservation and using renewable energy in sectors where this is feasible.	
Risks/opportunities for our Group	Opportunities - If CO₂ emissions are reflected in taxes, prices, etc., electric furnace products, which emit less CO₂ at the manufacturing stage than blast furnace products, could become more competitive than blast furnace products. Risks - The cost of raw materials, energy (such as electricity), water, etc., could rise or supplies could become unreliable. - Fuel prices could soar due to carbon pricing, etc., resulting in higher costs.	
Item	FY2025 Medium-term targets ^{*1}	FY2024 Annual targets ^{*1}
Response to climate change risks	We will disclose to the market the potential financial impact of transitional and physical risks relating to climate change in the period to fiscal 2025.	Continue to calculate the potential impact and disclose risk response costs if carbon pricing is introduced according to TCFD recommendations.
Reduction of greenhouse gas (GHG) emissions	We will reduce CO₂ emissions by 38% from the fiscal 2013 level.^{*2,*3}	- Continue to collaborate with specialist suppliers and university research institutes to capture the status of next-generation industrial furnace development using CO₂-free fuels (hydrogen, ammonia, etc.) and the status of CO₂-free fuel supply chain expansion. - Scope 1 and Scope 2 will disclose all GHG emissions of domestic consolidated subsidiaries and the overseas consolidated subsidiary, Siam Yamato Steel.
Efficient energy use	We will reduce CO₂ emission intensity by 20% from the fiscal 2013 level.^{*2,*3}	- Scope 1 and Scope 2 will establish a system for calculating all GHG emissions in our new site in Indonesia. - Scope 3 will be calculated and disclosed for Yamato Steel on a non-consolidated basis.
Use of renewable energy	We will introduce renewable energy in specified business areas by fiscal 2025.	Establish solar power generation equipment and its operating systems after installation.

Resource recycling



Vision	By enhancing and expanding systems that facilitate efficient recycling of scrap iron, we will contribute to the creation of a circular economy and realization of a sustainable society.	
Risks/opportunities for our Group	Opportunities - Because electric furnaces produce steel using scrap iron as a raw material, we can improve our competitiveness by emphasizing, to the public, our recycling activities and cyclic use of resources. Risks - By increasing the waste to reuse ratio, we can achieve a higher level of resource recycling. - If there are fewer buyers for waste products, it will become impossible to reuse waste, resulting in a lower recycling ratio.	
Item	FY2025 Medium-term targets ^{*1}	FY2024 Annual targets ^{*1}
Cyclic use of resources	- We will take up the challenge of reducing general waste emissions to zero. - We will improve our industrial waste recycling ratio by 5%.	- Continue to provide environmental education on waste and recycling, and expand the use of recycled fuels such as plastics to reduce general waste. - Continuing to search for new markets to sell valuable resources and to consider processing methods to meet the market needs, to further reduce waste.

Eco-friendly products



Vision	We will develop products and technologies that help to reduce CO ₂ emissions and the environmental burden facing society as a whole.	
Risks/opportunities for our Group	Opportunities If CO₂ emissions are reflected in taxes, prices, etc., our competitiveness will improve. (Clients would be more likely to choose electric furnace products, which have lower CO₂ emissions and lower prices.)	
Item	FY2025 Medium-term targets ^{*1}	FY2024 Annual targets ^{*1}
Development of eco-friendly products and services	We will contribute to the reduction of CO₂ emissions by society as a whole by promoting the use of environmentally certified products and supplying products with low CO₂ emissions.	- Continue to explore the possibility of utilizing waste as a valuable resource with other industries. - Continue to implement PR activities to raise awareness of environmental certification.^{*4} - Establish a system to develop an optimal bio-coke production process. - Continue to study the development of products that contribute to reducing environmental burden.

^{*1}: Unless otherwise stated, descriptions under these items target the iron and steel products businesses that would have the greatest impact on the Group.

^{*2}: To conform with the Japanese government's reduction targets, we use the fiscal year ended March 2014 as the base year.

^{*3}: Scope 1 and 2 total. Because the electric furnace business is characterized by heavy use of electric power, it would be significantly impacted by any change in the generation mix of electric power companies.

^{*4}: SuMPO EPD and Climate Declaration

Social

Product liability



Ensuring product quality

Vision	We will remain aware of our responsibility to support social infrastructure through our iron and steel products, heavy engineering, and rail products' business. We will prioritize the provision of safe, dependable, high-quality, high-added-value products and services.	
Risks/opportunities for our Group	Risks	- Issues with product quality could have a major negative impact. - We could be exposed to reputational risk due to late deliveries by outsourcers or quality problems.
Item	FY2025 Medium-term targets*1	FY2024 Annual targets*1
Ensuring product quality	- We will reduce the number of complaints by 25% from the fiscal 2020 level. - As a company that plays an important role in rail and sea transportation, we will maintain the most thorough quality control and continue efforts to reduce serious accidents for which we are liable to zero.	With the reduction in blast furnace production, a higher sales ratio of large-scale products for specific projects is anticipated. Dedication to improving product quality and maintaining strict quality control standards remains a priority.

Strengthening of disclosure to and communication with customers

Vision	We will heed the voices of our customers and the public, offer added value, and work toward continual improvement.	
Risks/opportunities for our Group	Opportunities	- By improving customer satisfaction, we can increase the likelihood that customers will choose our products. - By disclosing product information only to the customers (as/when we are required to), the market may view this as selective disclosure and it may cause us loss of opportunities and reputational risks.
Item	FY2025 Medium-term targets*1	FY2024 Annual targets*1
Strengthening of disclosure to and communication with customers	We will clarify the needs and expectations of interested parties and work to improve customer satisfaction.	- To maintain the quality of large-scale products, stricter quality assurance measures are implemented, along with enhanced on-site guidance and employee training. - Enhance communication with customers and work to improve customer satisfaction through integrated production and sales initiatives.

Human resource development



Vision	We will enhance the loyalty of our employees by focusing on sustainability. We will evolve as a company capable of success in a global arena by rotating our workforce to achieve diverse skills and advanced technological skills and flexible planning capabilities needed to realize our corporate philosophy (MISSION, VISION, Yamato SPIRIT) throughout our entire group.	
Risks/opportunities for our Group	Opportunities	- By recruiting human resources with a diverse range of skillsets, we will be able to create high-added-value products and services. - Business expansion could lead to labor shortages without commensurate recruitment. - Competition to recruit talented people is escalating.
Item	FY2025 Medium-term targets*1	FY2024 Annual targets*1
Human resource development	- We will facilitate the training of our global talent through open communication and regular training updates within the Group, and by carrying out job transfers between Group companies as well as developing various career paths across groups. - We will globally roll out our steel-making technology through the introduction of the latest facilities and operational experience, thereby raising technological capabilities and driving DX across the entire group.	System development and implementation - Establish and enhance the new HR system and various policies, regular reviews will be conducted as needed. - Implement specific measures related to human capital management. - Ongoing implementation of engagement surveys and reflection in measures. Improvement of organizational capability - Implement cross-group job rotation. - Strengthen recruitment of new graduates and mid-career workers to enhance the workforce. - Implement overseas business trip training in collaboration with overseas joint ventures.

Governance

Corporate management base



Vision	We aim to maintain our position as a company trusted by the general public, strengthen our corporate governance, and become a sustainable company capable of responding with resilience to climate change and other major environmental threats.	
Risks/opportunities for our Group	Governance	Opportunities - By continually improving corporate governance, we can create a flexible and resilient management structure. - The dissemination of our corporate philosophy (MISSION, VISION, Yamato SPIRIT) fosters awareness of governance and leads to improved engagement and performance. Risks - We could lose the trust of the public and our business partners in the event of a lack of governance awareness and compliance violations.
	Compliance	Risks - As our business expands globally, our approach to regulatory compliance and response to ethical issues will determine whether we are likely to experience suspensions of operations or serious impairment to the reputation of our brand. - Compliance violations or lack of appropriate compliance awareness could damage our reputation with the market and our business partners.
Item	FY2025 Medium-term targets*1	FY2024 Annual targets*1
Governance	- We will continually implement corporate governance reforms. - We will disseminate our corporate philosophy across the entire group. - We will build a sustainability management structure for the entire group.	- Develop and implement a plan to address issues identified from assessments of the effectiveness of the Board of Directors. - Implement specific measures to improve employee engagement and plan new measures based on the results of the all-employee survey. - Review and implement measures that reflect feedback from investor and market stakeholder IR meetings in management meetings and business strategies. - Establish a plan-do-check-act (PDCA) cycle for risk management activities and operational rules and regulations according to the actual conditions of each group company in Japan and overseas.
Compliance	There will be no serious regulatory breaches.	- Focus on the following themes to strengthen compliance at group companies. - Prevention of insider trading - Human rights due diligence - Human rights in the supply chain - Anti-bribery and anti-corruption

Environmental management

Basic concept

The Yamato Kogyo Group has established company-wide targets and a promotion system to address environmental issues. In addition, all of our consolidated subsidiaries, both in Japan and globally, have acquired and are operating the ISO 14001 environmental management system, an international standard, to continuously improve environmental management.

Structure

We have established an Environmental Subcommittee under the Sustainability Committee chaired by the Representative Director and President of Yamato Kogyo to set environmental targets, check the status of achievement, and improve the environmental performance of the entire Group. In particular, issues that are important to management, such as climate change, are discussed at the Management Committee and further reported to the Board of Directors. The Board of Directors discusses and supervises the reported environmental issues.

Pollution prevention

Preservation of the water environment

Group companies in Japan endeavor to minimize the amount of wastewater discharged without wasting precious water resources by filtering and recycling industrial water. In addition, we take the risk of oil leaking from the factory into public waterways (rivers, etc.) extremely seriously, and have introduced a continuous automatic monitoring system using oil detection devices and pH detectors to manage drainage gates.

Total volume and pH of discharged wastewater (FY2024 results)

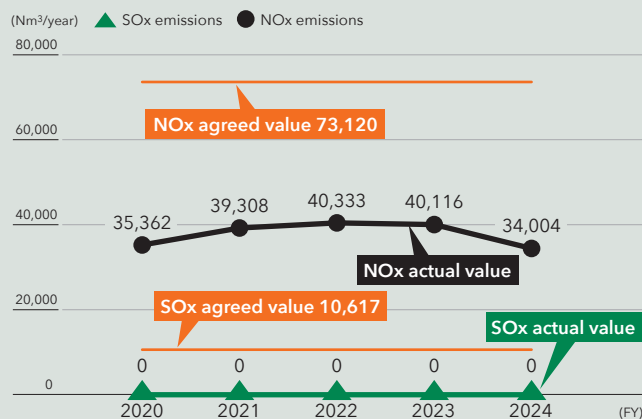
Total volume of discharged wastewater*1 (m ³ /day)	Annual average value per day	1,944
	Maximum value per day throughout the year	2,845
Hydrogen ion concentration (pH)	Minimum value per day throughout the year	6.7
	Maximum value per day throughout the year	8.4

*1 Drainage destination: Nishi Shioiri River; receiving destination: Ibo River (industrial water)

Prevention of air pollution

We have been striving to prevent air pollution by introducing energy-saving equipment and converting to different fuels, sulfur oxide (SOx) emissions have not only been below the value agreed with the city of Himeji for the past five years but have also remained at zero. Nitrogen oxide (NOx) emissions have likewise remained below the agreed value.

SOx and NOx emissions

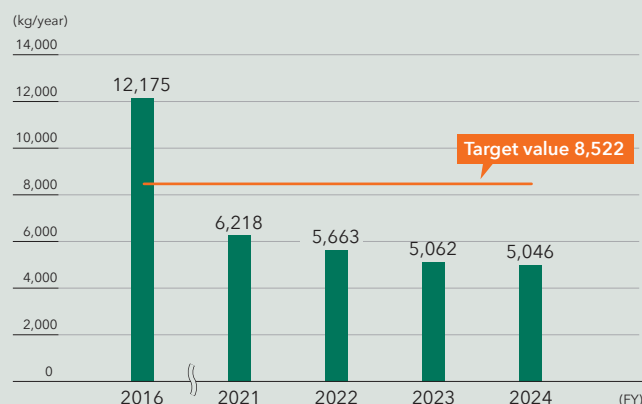


(Note 1) The data covers Yamato Steel and Yamato Trackwork System.

Appropriate management of chemical substances

The chemical substances released by our Group are properly managed following the Law of Pollutant Release and Transfer Register, SDS,*2 and other related laws and regulations. In addition to complying with the regulatory values, we are also working to reduce them.

Emissions of volatile organic compounds (VOCs)*3



*2 SDS (Safety Data Sheet): A safety data sheet containing information on the properties and handling precautions of chemical substances. Based on the legislation in other countries, businesses that handle chemical substances designated by government ordinances are required to provide SDS when conducting business transactions with other businesses.

*3 The above data covers the volatile organic compounds (VOCs) related to our Group from among the chemical substances defined as VOCs by the Enforcement Order of the PRTR Act.

(Note 2) The data covers Yamato Steel.

Climate change

Basic concept

Since our Group is engaged in businesses that consume a large amount of energy during manufacturing, there is a risk that various regulations and systems (carbon pricing, etc.) associated with the Paris Agreement, etc. will lead to higher costs for energy and raw materials. The occurrence of natural disasters due to extreme weather phenomena in recent years will lead to risks such as the instability of business continuity and supply. On the other hand, the growing awareness of climate change among society and customers provides an opportunity for our low-carbon, resource-recycling steel products to gain a competitive advantage.

Domestic 2030/2050 Environmental Vision

We recognize that addressing climate change is one of the most important themes, and we have established the Environmental Vision as shown in the figure below to reduce CO₂ emissions by 38% by 2025 and 46% by 2030 compared to fiscal 2013 levels, ultimately reaching carbon neutrality by 2050.

To achieve carbon neutrality, we will promote energy conservation and consider renewable energy, alternative materials (e.g., bio-coke), and carbon capture, utilization, and storage (CCUS).

Response to TCFD recommendations

In April 2022, the Yamato Kogyo Group endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The following are the disclosures related to climate change based on the TCFD recommendations that the Board of Directors approved in April 2022 in light of the impact of climate change on our business.

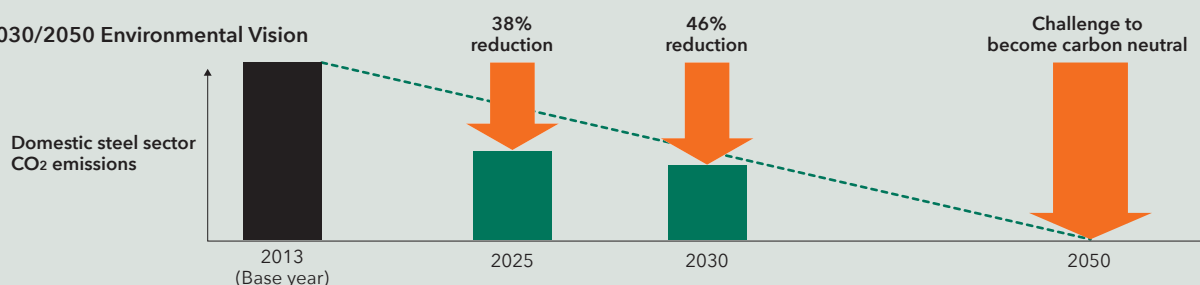
Climate change-related governance structure

The Environment Committee of the Sustainability Committee meets regularly*4 to discuss matters related to climate change issues. These are reported to the Yamato Kogyo Board of Directors on a case-by-case basis. When considering business plans and annual budgets, the Board of Directors makes decisions based on the impact of climate change on business management, including risks and opportunities. It also checks and supervises the targets and progress regarding climate change, which the Sustainability Committee has designated as materiality of the Medium-Term Sustainability Plan.

The Sustainability Committee is chaired by the Representative Director and President of Yamato Kogyo, while the Environment Committee is led by the General Manager of the Sustainability Management Department.

*4 Though normally held once or twice a year, it was held four times in FY2024.

Domestic 2030/2050 Environmental Vision



(1) Improving energy efficiency	Improvement of various basic units (rolling and steelmaking yield / energy consumption, etc.)
(2) Introduction of decarbonization technologies / advancement of existing technologies	Review and upgrade existing technologies Conversion to hydrogen/ammonia fuel
(3) Utilization of renewable energy	SVC introduction Consider introduction of renewable energy sources (e.g., solar power)
(4) Reduction of carbon material usage	Consideration of production and use of alternative materials (e.g., bio-coke)
(5) Carbon offset	CCUS, use of credits, and other resources that contribute to community revitalization

(Note 3) Scope 1: Considers planned implementation, including innovative technological development and infrastructure improvements that are compatible with our facilities.

(Note 4) Scope 2: Considering the effect of the improvement of CO₂ emission factors and the increase in the ratio of nuclear power, renewable energy, etc. by electric power companies.

(Note 5) Although limited to domestic steel operations, steel operations account for approximately 98.7% of GHG emissions at domestic facilities.

Risk management related to climate change

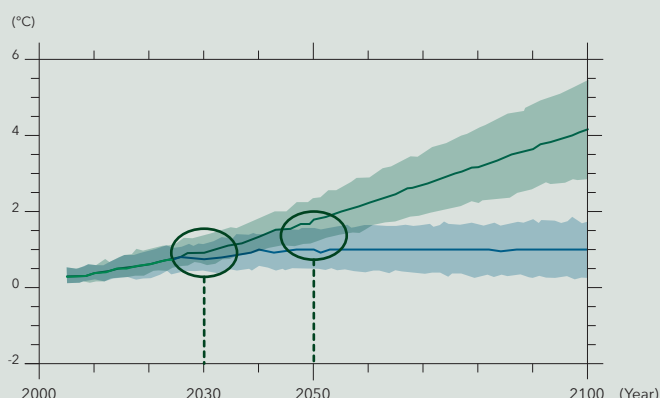
Our Group classified climate-related risks in its operations into migration risks and physical risks following the TCFD recommendations, and further assessed the risks by examining their materiality in consideration of short, medium, and long-term time horizons and relevant laws and regulations. The risk assessment was determined after review and discussion at a Management Committee meeting attended by directors and corporate auditors.

Climate change related strategies

Assumptions for scenario analysis

In our scenario analysis, we examined two scenarios: a 2°C scenario, which is a low-carbon transition scenario, and a 4°C scenario, which projects higher warming outcomes and more significant physical impacts. In light of the Paris Agreement's goal of "pursuing efforts to limit the increase in global average temperature to 1.5°C above pre-industrial levels," we will continue to study transition scenarios toward the 1.5°C goals.

Global average surface temperature change (relative to 1986-2005 average)



Defined as a 4°C scenario

4°C scenario

The 3.2-5.4°C increase from the Industrial Revolution if global warming countermeasures are not taken beyond the current level

The scenario above 2°C

If global warming measures beyond the current level are not taken, the temperature will rise 2.7-4.0°C above the level during the Industrial Revolution

2°C scenario

The 0.9-2.3°C increase from the Industrial Revolution level if severe measures are taken

(Source) Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC)

Scope of scenario analysis

The scenario analysis is based on the Japanese government's greenhouse gas reduction targets (46% reduction by fiscal 2030 and carbon neutrality by fiscal 2050) and is conducted over a medium- to long-term time horizon to 2050. The scope of analysis is established as follows.

- (1) Japan (domestic)
 - (2) Risks and opportunities associated with climate change that are likely to impact our business
 - (3) Potential climate change impacts across the value chain
- The analysis at this time is as shown in the table on page 44.

Opportunity initiatives

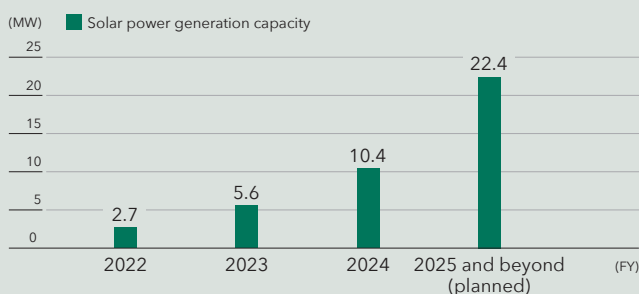
We expect that our customers in the construction and transportation industries will increase their procurement of products that contribute to low carbon emissions. Against this backdrop, our Group has been working to expand its market through industry-leading initiatives. For example, we have been quick to expand globally within the steel industry by leveraging our strengths, improving our technological capabilities in collaboration with Group companies overseas and to work on energy efficiency. Furthermore, at our bases both in Japan and overseas, we have created Environmental Product Declarations (EPDs) and had them verified. EPD is an international framework for calculating and disclosing environmental information on our products, and Yamato Steel has become the first Japanese steel manufacturer to publish its environmental information by way of SuMPO EPD (formerly EcoLeaf) and Climate Declaration (formerly Carbon Footprint of Product).

We will continue to contribute to the reduction of CO₂ emissions by rationalizing production through the renewal of rolling equipment and automation of operations in stages.



Left: Photovoltaic power generation equipment installed at Siam Yamato Steel (SYS)
Right: Photovoltaic power generation equipment installed at Yamato Steel

The Group's solar power generation capacity over time



Climate change-related scenario analysis

Factor	Impact on Yamato Kogyo Group	Responding to risks / opportunities / impact
2°C scenario		
Factor (1) Increasing demand for products that promote customer/society's effort in decarbonization and climate change The competitive environment will change as responses to climate change expand throughout the value chain and low environmental impact products and companies that tackle environmental issues are selected Infrastructure construction for disaster prevention and mitigation will proceed slowly	Opportunity  Expansion of competitive advantage	- Increasing demand for low-carbon and recycling-oriented steel products due to the introduction of various regulations and systems for mitigating climate change and increased social awareness - Improved competitive environment and increased market share as competitors reduce production or withdraw from the market
	Opportunity  Market expansion	- Diversification of the supply chain to strengthen the raw material procurement network - Increase in demand for our products as our customers recognize our resilience to climate change - Expanding construction demand for disaster preparedness
Factor (2) Carbon pricing Various costs such as retail electricity prices will increase due to policies and regulations (carbon pricing)	Risk  Increase in operating costs	- Rising energy costs - Increased capital investment costs due to climate change countermeasures - Tightness of raw materials and sub-materials supply
Factor (3) Shift of blast furnaces to electric furnaces The shift of blast furnace makers to electric furnaces will affect the procurement of raw materials, sub-materials, and energy		- Consideration of procurement decentralization - Reduction of raw materials and sub-materials consumption and cost through optimization of scrap mix - Negotiate with customers on price increase - Promote energy conservation through automation of manufacturing processes and introduction of energy-saving equipment - Considering investment in renewable energy, including M&A
Factor (4) Increasing social demands Increasing social demand for CO ₂ reductions will be driving a shift in materials and production processes toward low-carbon/decarbonization	Risk  Conversion of materials and production processes	- Transformation of materials and production processes toward low-carbon/decarbonization - Obsolescence of our existing technology due to the development of innovative new materials in the decarbonization process - Demand for minimization of energy consumption and use of renewable energy sources in product manufacturing - Delays in introducing equipment for newly developed low-cost ammonia and new energy sources - Increased costs for the purchase of green certificates, etc., when electric power companies are unable to meet the requirements and obligations for renewable energy-derived electricity due to our business model that depends on electric power companies
	Opportunity  Management efficiency	- Introduction of efficient production processes to reduce labor and improve quality and yield, such as large-scale renewal of rolling lines, automation of equipment, and promotion of DX - Consider transportation conversion from trucks to ships or rail containers with less environmental impact
4°C scenario		
Factor (5) Intensification of natural disasters Physical risks (flooding, property damage) at our sites and sales/procurement logistics network will become apparent Prevention and response will increase costs Heat stress during work reduces productivity and regulations will be tightened in response	Risk  Delays or stoppages in operations due to abnormal weather	- Suspension of operations due to the breakdown of production facilities, paralysis of sales and procurement logistics networks, etc., caused by natural disasters such as torrential rains and large typhoons - Increased flood countermeasure costs, supply chain restructuring costs, and insurance premiums - Consideration and increased costs to prevent heat stroke risk among workers on site due to rising temperatures, etc. - Ensure employee safety due to frequent wind and flood damage from large typhoons, heavy rain, etc.
Factor (6) National resilience Disaster prevention and mitigation plans will be revised and government-led disaster response to infrastructure, etc., will spread	Opportunity  Market expansion	Expanding construction demand for disaster preparedness

Risk initiatives

A large amount of electric power is indispensable for our group's business. We recognize that future trends in energy policy and laws and regulations will have a significant impact on our operating costs if retail electricity prices increase. Against the backdrop of growing social demands for further decarbonization in the future, we believe that the following past, present, and future initiatives of our group will lead to risk reduction.

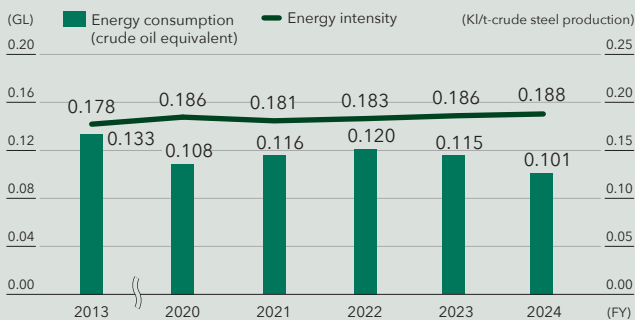
- Establishment of low-temperature operation technology for reheating furnace (since 2013)
- Use of LEDs in plant facilities (since 2018)
- Introduction of single-stage preheater (SSP) (since 2019)
- Establishment of dynamic control technology by introducing exhaust gas analyzers (since 2021)
- Use of renewable energy
- Renewal of rolling straightener and mills (from 2023 to the beginning of construction)
- Installation of bio-coke production equipment (planned)



Single-stage furnace top scrap preheater (SSP)

As a result of these efforts, energy consumption in fiscal 2024 was 0.101 GL and energy intensity was 0.188 kL/t-crude steel production.

Energy consumption and intensity

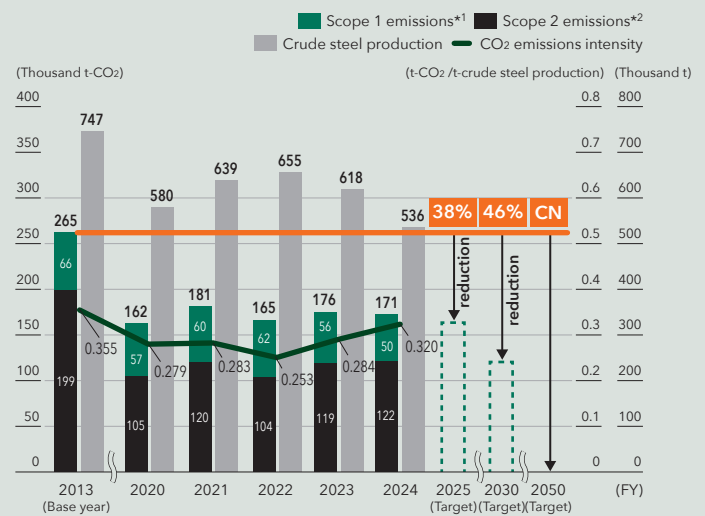


(Note 1) The data covers Yamato Steel.

Indicators and targets

We set medium-term and annual targets as climate change-related indicators and targets in the Medium-Term Sustainability Plan, and the Sustainability Committee monitors and verifies progress and reports to the Board of Directors. The emissions reduction target has been set to a target of 38% reduction from the 2013 level for Scope 1 and 2, targeting 2025, taking into consideration the characteristics of our group's business, past initiatives, and future social trends.

CO₂ emissions, actual reductions, and reduction targets



*1 Direct emissions from in-house fuel use and industrial processes

*2 Indirect emissions from the use of electricity and heat purchased by the company (Note 2) The data covers Yamato Steel. Because the electric furnace is a heavy user of electric power, we are significantly impacted by the generation mix of electric power companies.

(Note 3) Calculated based on the calculation method prescribed in METI's "Act on Rationalization of Energy Use and Shift to Non-fossil Energy" (the Energy Saving Law).

(Note 4) Figures for prior years have been retroactively adjusted to reflect changes in CO₂ emission factors and other parameters.

Greenhouse gas (GHG) emissions of the Yamato Kogyo Group

Scope 1 and 2 GHG emissions (FY2024 results) (Thousand t-CO₂e)

	Scope 1	Scope 2	Scope 1 and 2
Steel business (Japan)	91.21	121.66	212.87
Trackwork system business	0.05	1.66	1.71
Other	0.73	0.26	0.99
Total domestic sites	91.99	123.58	215.57
Steel business (Thailand)	113.87	185.67	299.54
Total	205.86	309.25	515.11

(Note 5) The data covers Yamato Kogyo, Yamato Steel, Yamato Trackwork System, Yamato Shoji, Matsubara Techno, and Siam Yamato Steel (SYS). Accounting periods are in accordance with the accounting periods of the individual companies.

(Note 6) Calculations for Yamato Kogyo and its domestic subsidiaries have been made based on the Energy Saving Law and using emission factors stipulated by the Act on Promotion of Global Warming Countermeasures. Calculations for SYS have been made based on emission factors and calculation methods provided by the Thailand Greenhouse Gas Management Organization (TGO).

(Note 7) Yamato Kogyo has been excluded from Scope 2 calculations, because it uses CO₂-free power generated from renewable sources.

(Note 8) SYS has a higher emissions volume than our domestic steel business due to factors such as its higher production volume and larger emission factors.

Scope 3^{*3} GHG emissions by category (FY2024 results)

(Thousand t-CO₂e)

Category		Emissions	
		Yamato Steel	SYS
Category 1	Purchased goods and services	138.91	37.93
Category 2	Capital goods	44.01	-
Category 3	Fuel- and energy-related activities not included in scope 1 or scope 2	30.96	57.68
Category 4	Upstream transportation and distribution	14.64	19.36
Category 5	Waste generated in operations	0.37	0.69
Category 6	Business travel	0.05	0.06
Category 7	Employee commuting	0.18	0.15
Category 9	Downstream transportation and distribution	-	3.39
Category 12	End-of-life treatment of sold products	0.73	-
Total		229.84	119.26

*3 Indirect emissions in the Company's own supply chain other than Scope 1 or 2
(Note 9) The GHG emissions figures for Yamato Steel and SYS have been verified by a third-party organization.

External evaluations and third-party verification

Acquisition of environmental certification

All of our consolidated subsidiaries, both in Japan and overseas, have acquired ISO 14001 certification, an international certification for environmental management systems, and undergo periodic renewal audits. In addition, the Environmental Control Section conducts internal audits once a year, and the Representative Director and President and auditors conduct management reviews twice a year, to improve the management level.

ISO 14001 certified factory scope

- Yamato Steel, Yamato Trackwork System, Siam Yamato Steel, Garuda Yamato Steel

ISO 14001 audit results

- Yamato Steel 2024 Renewal audit—certification renewed.
- Yamato Trackwork System 2024 surveillance audit—certification registration maintained.
- Siam Yamato Steel 2024 Renewal audit—certification renewed.
- Garuda Yamato Steel 2024 Renewal audit—certification renewed.

Compliance audit results

- On-site water sampling of factory wastewater by Himeji City Environment Policy Office
Conducted in February 2025
Conducted per Article 26 of the Himeji City Pollution Prevention Ordinance. All results (regular items) are below legal standard values.
- On-site inspection by Himeji City Industrial Waste Management Division
Conducted in December 2024.
No issues identified.
Conducted per Article 19, Paragraph 1 of the Act on Waste Management and Public Cleansing.

Third-party verification of GHG emissions

For the purposes of accurately calculating emissions of the entire supply chain, quantitatively understanding the environmental impact and disclosing highly reliable and transparent data to stakeholders, Yamato Steel and SYS underwent verification of their Scope 1, 2 and 3 emissions by a third-party organization and obtained a verification report.

Verification statement on Yamato Steel's greenhouse gas emissions



Greenhouse gas emissions Verification Statement

4 July 2025

Yamato Kogyo Co., Ltd.



Japan Management Association
Sustainability Center
Masahiko Maeda, Senior Executive

1. Objective and Scope

Japan Management Association Sustainability Center (JMASusC) was commissioned by Yamato Kogyo Co., Ltd. (hereinafter, referred to as "the Organization") to conduct independent verification on a limited level of assurance. The scope of verification is the following greenhouse gas (GHG) emissions information within the organizational boundary^{*1} in its fiscal year 2024 Monitoring Report (hereinafter, referred to as "the Report") from 1 April 2024 to 31 March 2025.

- SCOPE 1 GHG emissions;
Direct CO₂ emissions within the organizational boundary by using city gas and by industrial process
- SCOPE 2 GHG emissions;
Indirect CO₂ emissions within the organizational boundary by using electricity
- SCOPE 3 GHG emissions;
CO₂ emissions within the category 1, 2, 3, 4, 5, 6, 7 and 12 of SCOPE 3^{*2}

The objective of this verification is to confirm that the monitoring data in the Organization's applicable scope have been correctly calculated and reported in line with the criteria of the monitoring procedure^{*3}, and to express our views as a third party. The Organization's responsibility is to prepare the Report and report the monitoring data, and JMASusC's responsibility is to express our views on the monitoring data of the Report as a third party. There is no specific conflict of interest between the Organization and JMASusC.

2. Procedure of Verification

GHG emissions information in the Report was verified by JMASusC in accordance with the requirements of ISO14064-3:2019 (Greenhouse gases Part 3: Specification with guidance for the verification and validation of greenhouse gas statements), and following processes were implemented:

- Assessment including visiting the Organization's office, regarding the information to specify the GHG emissions in the Report, monitoring procedure, monitoring system and related documents
- Interviews with persons in charge of preparing the Report
- Visiting Head Office and Factory to confirm the monitoring boundary, the data collection processes, and to physically check monitoring points of energy supplied
- Verifying the evidence for confirmation of the accuracy of GHG emissions information by sampling

GHG emissions Verification Statement (4 July 2025)

Japan Management Association Sustainability Center
3-1-22 Shiba-koen, Minato-ku, Tokyo 105-4522 JAPAN

Page 1 / 2

(Issued by Japan Management Association Sustainability Center)

Resource recycling

Basic concept

Boasting a global recycling rate of over 90%, iron is a material with exceptional recyclability, said to be recyclable indefinitely. By establishing a complete (closed-loop) recycling system, our Group aims to make the most of these characteristics, thereby reducing the volume of natural resources mined and the amount of energy consumed.

We will contribute to the arrival of a sustainable society by enhancing and expanding systems that facilitate efficient recycling of steel scrap and creating a circular economy.

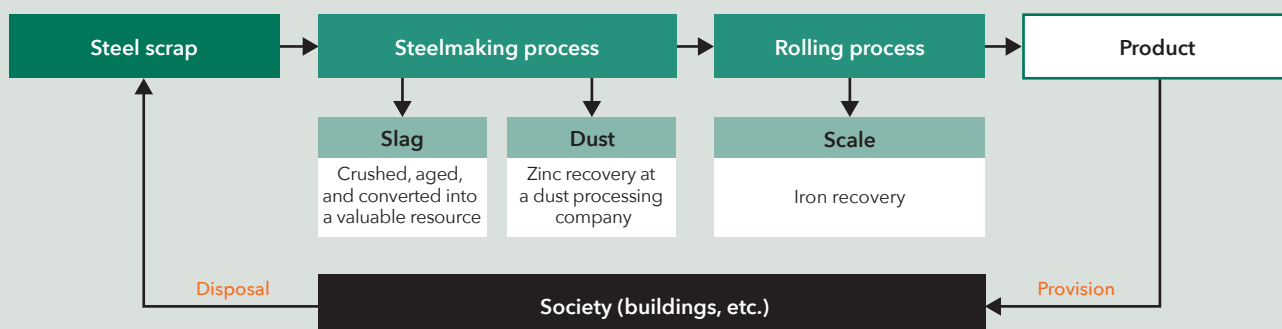
The challenge to achieve zero waste (zero emissions)

In the manufacturing process, we use steel scrap as the main raw material and turn waste materials such as slag,*1 dust,*2 scale*3 into usable resources. In particular, some of the slag undergoes in-house processing such as crushing and aging before being sold to recycling companies as valuable resources.

In fiscal 2024, we promoted waste reduction by implementing intermediate treatment of industrial waste and converting it into recyclable products, improving the recycling rate by 5.2% compared to fiscal 2020.

About the management of slag and slag products, we are striving for the proper management of steel slag products by preparing and complying with a management manual following the Guidelines for the Management of Iron and Steel Slag Products established by the Nippon Slag Association.

The flow of iron recycling



*1 A substance formed by the melting and separation of certain components in the steelmaking process *2 A fine powder produced during the steelmaking process
*3 An oxidized film that forms on steel materials during the rolling process

Eco-friendly products

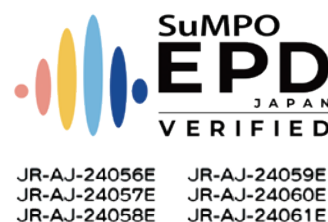
Basic concept

In addition to reducing the environmental impact of our business activities, we also aim to reduce the impact of our products throughout their entire life cycle, including when they are used and recycled at our customers' sites, by promoting the development of eco-friendly products.

Obtaining SuMPO EPD

Yamato Steel has obtained SuMPO EPD certification under the SuMPO Environmental Label Program managed and operated by the Sustainable Management Promotion Organization (SuMPO) and has published its Climate Declaration. Yamato Steel is the first company in the steel industry in Japan to publish both EPD and Climate Declaration.

Certified products:
H-beam, I-beam, Channel, Sheet pile, High-spec H-beam, and Patterned H-beam, listed in Yamato Steel's product catalog.



What is SuMPO EPD?

The SuMPO EPD is a scheme that calculates, evaluates, and discloses the environmental impact of products and services throughout the value chain, from raw material procurement to manufacturing, using the LCA (Life Cycle Assessment) method.

It complies with ISO 14025 standards, and an EPD can only be disclosed as valid information on the EPD program website after passing third-party verification, ensuring reliability and transparency.

What is the Climate Declaration?

The Climate Declaration extracts and discloses only the environmental impact on global warming (carbon footprint) based on the results of the LCA carried out to prepare an EPD.

Eco-friendly steel brand +Green

In April 2024, Yamato Steel launched and commenced sales of the +Green brand of eco-friendly steel products, which offset greenhouse gases (GHGs) such as the CO₂ generated during the product lifecycle (Cradle to Gate) with environmental value.

What +Green has to offer

Implementing measures such as adoption of energy-saving technologies and fuel conversion, Yamato Steel has been making efforts to reduce GHG for over half a century. As a result, we have reduced our GHG emissions per product to one of the lowest levels in Japan. In addition, while some emissions currently remain difficult to reduce, to offset those emissions, our +Green steel products use the environmental value of forest-derived carbon credits and renewable energy certificates from power generated with biomass. All of Yamato Steel's steel products are available as +Green products.

The values that +Green aims for

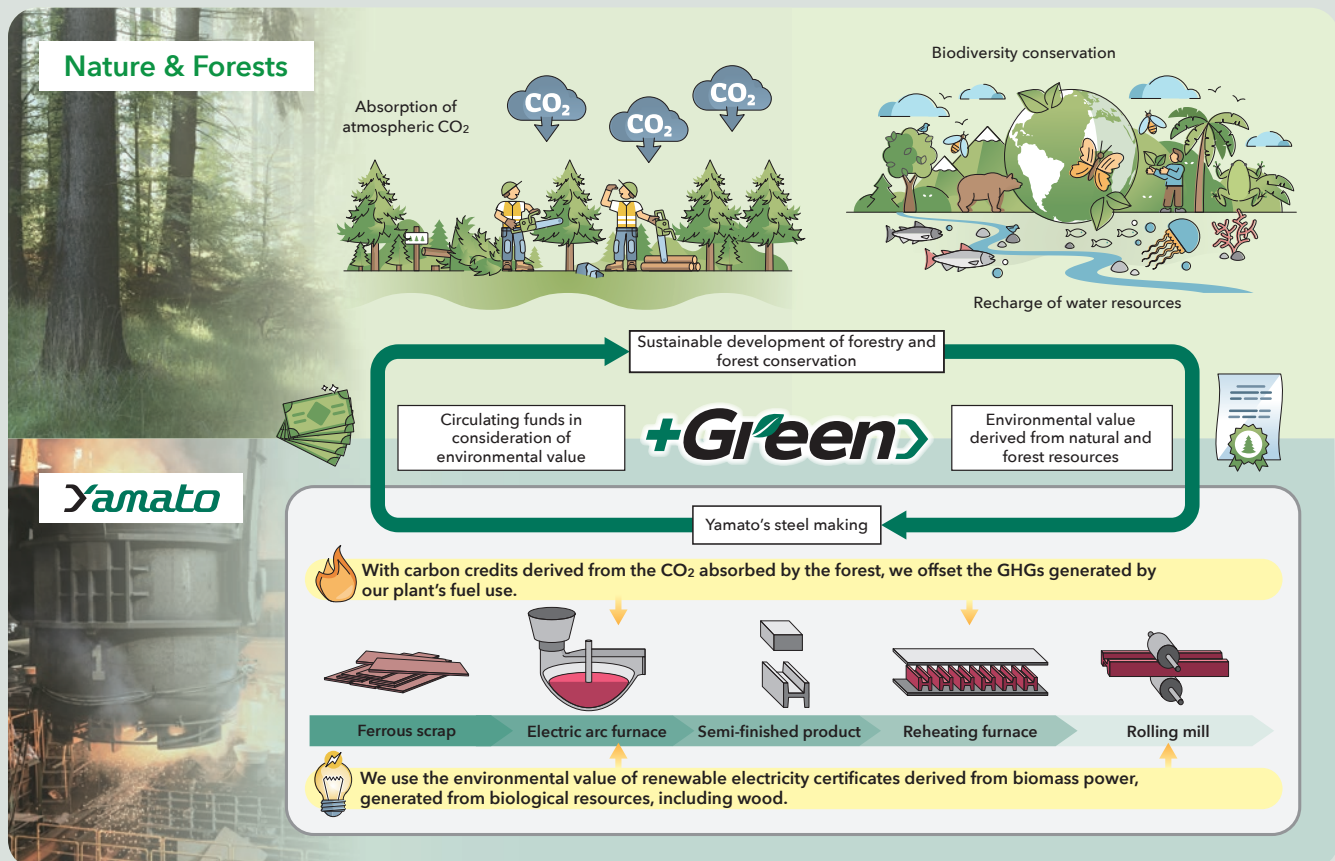
In addition to removing the CO₂ generated by our daily lives and economic activities from the atmosphere, forests also play an important role in conserving water resources and preserving biodiversity. However, in recent years, due to factors such as shortages of funding and manpower, an increasing number of forests are becoming difficult to manage in the same ways as before.

With +Green customers can purchase environmental value that is limited to that derived from Japanese forests and biomass. By recirculating funds for forest conservation in Japan in this way, it contributes to the sustainable development of natural and forest resources. Hand in hand with our customers who have purchased +Green products, we aim to support the sustainable development of forests beyond the framework of the value chain as we create sustainable steel with the help of natural and forest resources.

Visit our website for more on our +Green line.
<https://www.yamatokogyo.co.jp/en/steel/plusgreen/>



The values that +Green aims for



Human resource development

Basic concept

The Group believes that the key to developing talent lies in creating human resources who can put the Yamato SPIRIT—our shared values and code of conduct—into practice. As a manufacturing company, we will ensure that every employee can challenge themselves with pride, not only in Japan but also around the world, as we build fair relationships with all of our stakeholders.

Reform of our human resource system

Vision 2030 describes the importance of having professional personnel carrying on new initiatives, and we have formulated our talent and human resource strategies based on the idea that this description applies to all Group employees. In fiscal 2025, we introduced a new human resource system, having completely reformed our grading system, evaluation system, wage system, education system, and other systems. Our talent strategy includes the creation of a talent portfolio aimed at helping us to achieve Vision 2030. We are systematically developing our talent, having established a human resource development program that

accommodates individual career aspirations. We will move forward with initiatives aimed at creating a workplace where all employees can continue to work with enthusiasm. Our aim is for them to embody our corporate philosophy (MISSION), our vision for the future (VISION), and our values and code of conduct (Yamato SPIRIT), which are together abbreviated as “MVY,” alongside ideal management and communication (the Yamato Way).

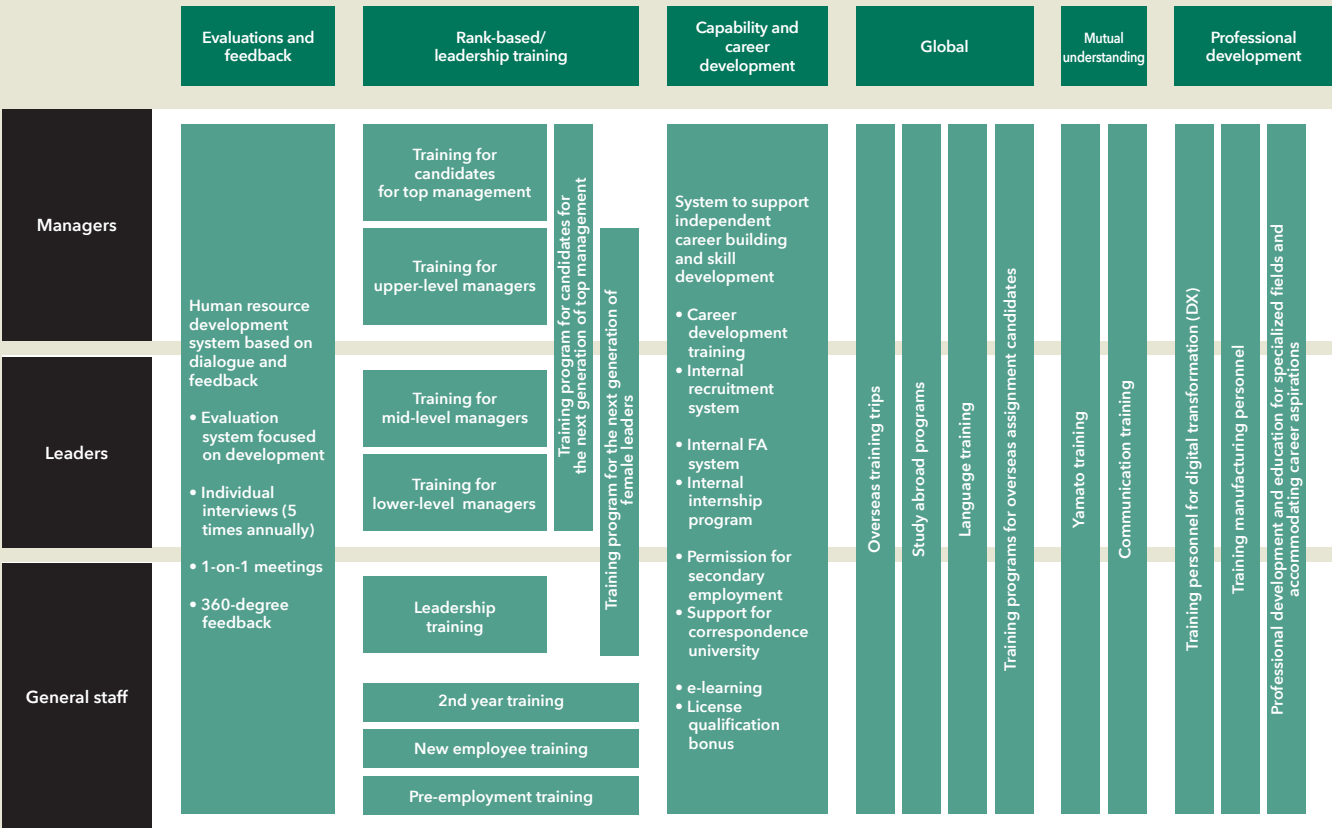
Fostering globally active talent

The Group’s growth strategy is based on aggressive overseas expansion, raising the importance of human resources involved in overseas operations. We have organized overseas training trips since 2024 with the aim of exposing employees to business operations overseas, regardless of their department or job duties. To date, around 80 employees have participated in these trips.

In addition, we offer training programs for candidates for overseas assignments with the aim of improving their understanding of different cultures and fostering their global management skills. We will continue to emphasize the importance of this area.

Additionally, we will promote a mindset that the global business is supported by all of our employees through regular exchanges with overseas engineers and other forms of two-way communication.

Diagram of the training system



Five concepts of the talent strategy

Talent strategy	Concrete initiatives
Values and the Code of Conduct 	Sharing values and fostering Group unity We will create an organization in which all Group executives and employees are bound together by relationships of trust by way of Yamato training—which is aimed at promoting mutual understanding across Group companies and departments—and measures to promote communication for the realization of the Yamato Way. - Enhancing Group unity - MVY-based reform of the organizational culture - Promoting exchange between top management and employees - Promoting the use of 1-on-1 meetings - Peer bonuses - Application of MVY to personnel evaluations  We held a training session to improve communication, led by an external lecturer
Engagement 	Promoting physical and psychological well-being, improving health and encouraging connections with society We are pivoting from thinking about work-life balance, in which work and life are seen as mutually incompatible, to work-life integration, in which work is considered one aspect of life. In this vein, we are enriching the vacation policy and supporting diverse working styles. - Pivot to work-life integration - Promoting diverse work styles - Enriching employee benefit programs - Enriching support for balancing work and childcare - Promoting health and productivity management - Promoting social engagement  Encouraging collaboration across departments and companies in our new hot-desking office
Organizational development 	Successful development of people and organizations that continue to take on challenges Through organizational optimization and fair management, we are promoting the creation of a workplace where diverse talent can demonstrate their strengths and work with a positive mindset, thereby enhancing our organizational capabilities. - Management that respects human rights - Optimizing the organization, ranks and roles - Improving people management capabilities - Encouraging workplace communication - Encouraging the active participation of employees of foreign nationality - Closing the gender gap - Encouraging the active participation of people with disabilities - Encouraging the active participation of seniors  From growing vegetables to providing support in the office, employment opportunities are expanding for people with disabilities
Talent management 	Management that addresses individual employees We expect our employees to utilize the rich variety of their abilities and experiences in their work, and we encourage them to develop their careers on their own terms. We support the improvement of employee skillsets by fostering a culture that encourages people to put themselves forward through internal recruitment systems and by lifting restrictions on employees to hold secondary employment by introducing a permission system. - Respect for individual career aspirations - Dropping the focus on attributes to shift the focus to results - Enhancing talent management - Conducting career interviews - Internal recruitment, internal “free agency” and internal internships - Lifting restrictions on secondary employment  We conduct personnel evaluations and provide career development support, centered on five annual interviews
Recruitment and development strategy 	To enable diverse talent to join the Company, grow, and perform to the best of their abilities. We focus our efforts on recruiting talent that can create value as professionals and provide abundant opportunities for them to build their skills, in order that we may develop people who can play an active role on the global stage. - Recruitment that respects human rights - Establishing a succession plan - Building an education and training system - Developing the talent required for digital transformation and manufacturing - Developing global talent - Recruiting former employees and recruiting via employee referrals - Expanding support for self-development  We will turn all employees into globally competent professionals

Product liability

Basic concept

The products manufactured by the Yamato Kogyo Group support the social infrastructure that is indispensable to people's daily lives. If a problem or quality issue were to occur with a product, the impact would be significant due to the nature of social infrastructure, leading to not only loss of opportunity but also damage to trust and reputational risk.

We are aware of our responsibilities, and by listening to our customers and society, proposing new values, and making continuous improvements, we aim to place the highest priority on providing safe, secure, high-quality, and high-value-added products and services.

Ensuring product quality and safety

Yamato Steel's products are shipped based on the test results of each lot, and every product is assigned a serial number, ensuring traceability down to the manufacturing process. Regarding quality complaints received from customers, the information is shared with the Quality Assurance Department and the relevant manufacturing departments, with the applicable sales department acting as the point of contact, to track down the causes and enable the continuous improvement of quality.

Furthermore, Yamato Kogyo is engaged in research and development to further improve quality and product performance across the Group as a whole, addressing issues such as clarifying the mechanism that leads to cracks in bloom and beam-blank casting and utilizing video and image analysis technology.

Introducing new equipment and changing systems to improve quality

- We have automated tension testing machines to improve the reliability of test data.
- We have automated the data management process from testing to reporting in order to thoroughly prevent human error and data falsification.
- We have obtained JIS certification for products with special dimension sizes that are not on the standard list of JIS dimensions.
- We have implemented risk management in the manufacturing process through monthly meetings of the Quality Control Committee and internal quality audits.



Rue tension / compression testing machine (2 MN capacity)

Appropriate product information disclosure/ CS improvement

To guarantee product quality, Yamato Steel submits JIS and ISO certificates, as well as the inspection certificates related to JIS products, to customers. If requested by customers, we disclose the chemical composition of our products and provide the histograms of mechanical properties through our sales departments. In addition to promptly responding to monthly production size disclosures and requests for product shipments, we are also able to identify and flexibly respond to changes in customer requests and needs as received from the sales department and customer satisfaction surveys.

Quality Policy: The Fundamental Principles

- **Improvement of customer satisfaction**

We ensure that our customers receive personal attention, understanding, and sensitivity when addressing their needs and concerns. Considering customers' feedback as a source for further improvement of quality, we aim to enhance customer satisfaction by providing new value and furthering advancement in this field.

- **Safety and reliability**

We provide safe and reliable products and services throughout our entire value chains, such as raw material procurement, development, manufacturing, inspection, distribution, and sales.

- **Ensuring compliance**

We maintain high ethical standards regarding the development and provision of products and services, comply with all applicable laws and conform to social norms.

- **Providing accurate information**

We provide reliable and accurate information in response to our customers' requests.

- **Objective and transparent quality assurance**

We operate and maintain a quality assurance system that incorporates applicable international standards.

- **Continuous improvement**

We will continue to improve and advance our quality assurance system by (i) developing and acquiring technologies ahead of environmental changes, and (ii) fostering our human resources.

Supply chain management

Basic concept

The Yamato Kogyo Group believes that it is essential to give due consideration to the entire supply chain. To build a relationship of trust with society as a whole, including our business partners, and to achieve mutual growth, we have established the Yamato Kogyo Group Employee Code of Conduct and Basic Procurement Policy, which stipulate what employees should observe. We will promote not only compliance and fair and equitable transactions, but also a consideration for human rights and the environment, and information management.

In addition, we accept reports from our business partners and subcontractors through our Whistleblower Desk for early detection and correction of activities that violate laws and regulations and corporate ethics.

Building our own domestic coastal vessels to stabilize and streamline the supply chain

Yamato Steel has built its own coastal vessel (with a 1,600-ton cargo capacity) to secure means of transportation for its procurement and shipping, as well as to improve the efficiency of its logistics. In addition to shipping its own products, Yamato Steel will thus achieve stable procurement by making use of the vessel's return trip to bring in scrap iron.

Amid the shortage of truck drivers, a decline in domestic coastal vessels, and regional imbalances in the supply and demand for scrap iron, we are boosting the resilience of and optimizing our supply chain in terms of both procurement and shipping through ownership of our own transportation infrastructure.

Strategic initiatives in supply chain management

Yamato Kogyo and Yamato Steel have concluded a capital and business alliance with Hyoki Kaiun in January 2025 with the aim of strengthening its stable raw material procurement and shipping systems.

This partnership will strategically integrate Hyoki Kaiun's domestic and international maritime transport network and port and warehouse facilities into the Group's logistics operations, yielding the following benefits.

- Stable procurement of raw materials and enhancement of cost competitiveness
- Shortening of shipping lead times and improved responsiveness to customers' needs
- Diversification of transportation methods to reduce CO₂ emissions
- Distribution of transportation risk for the sake of the BCP (especially in response to restrictions on ground transportation)

Going forward, we will continue to enhance the resilience and efficiency of the Group's entire value chain and build a system to ensure a stable supply of the steel products that are essential to society.

Procurement Policy: The Fundamental Principles

1. Safety first and quality assurance

- Our priority is safety. We promote procurement activities that offer our high-quality products and services at the optimum price to our customers.

2. Ensuring compliance

- We comply with all applicable laws and regulations and conform to the social norms. We perform our activities with the highest ethical standards to engender trust from our customers and society at large.
- Our procurement personnel may not have any personal interests in or relationship with any suppliers, nor may our procurement personnel demand the use of our products and services or any contribution or other forms of donations from our suppliers.
- We distance ourselves from any antisocial forces that threaten the order and security of our civil society and do not respond to illegal or unjust demands.

3. Fair and impartial transactions

- We select our suppliers based on a comprehensive evaluation of quality, price, delivery time, assurance of stable and transparent procurement, sustainability initiatives, technical capabilities, and proposal capabilities, amongst other things.
- We use a competitive bidding and selection process for procurement to ensure fairness of all suppliers.

4. Consideration of the environment

- We observe all applicable environmental laws, regulations, and ordinances, and also follow voluntary industry standards for the environment to help society maintain a harmonious coexistence with nature.
- We conduct environmentally sensible, non-polluting procurement activities.

5. Mutual trust and prosperity with suppliers

- We strive to establish long-term, coevolving relationships of trust with our suppliers. We work with suppliers to manage and avoid risks to minimize their impact on society and the Yamato Kogyo Group's business.

6. Management of information

- We manage suppliers' information and technologies obtained through our procurement activities with the utmost sensitivity and confidentiality.

Occupational health and safety

Basic concept

Recognizing that the occurrence of occupational accidents has a significant impact on the survival of a company, the entire group conducts business activities with respect for human life as the first priority. In particular, in our production divisions, we naturally place the highest priority on safety, and we are developing various occupational accident prevention activities to cultivate a sense of safety.

Yamato Kogyo established the new Health and Safety Promotion Group in January 2025 with the goal of further improving safety at business sites in Japan. Having designated 2025 as “year one of the era of safety,” we are promoting comprehensive safety measures in close collaboration with operational departments.

Our health and safety management structure



Yamato Steel FY2025 Health and Safety Management Plan

Health and Safety Policy

- “Safety First”: Safety takes the highest priority in all business activities, aiming to prevent occupational accidents and ensure a safe and healthy working environment.
- Field-driven safety activities: Promoting workplace-centered safety initiatives through YSQ activities,* emphasizing ownership by workers.
- Communication-based safety management: Recognizing that health and safety are built on open communication, ensuring respectful dialogue with workers on the ground.
- Risk assessment and hazard elimination: Actively utilizing near-miss reports and implementing appropriate risk assessments to prioritize and execute preventive measures.
- Compliance and standards: Adhering to all relevant laws and regulations, and establishing internal standards to enhance safety management levels.
- Proactive prevention: Sharing information company-wide to prevent the recurrence of incidents and foster a sense of ownership (“It’s my responsibility”) among all employees, and work toward the elimination of workplace accidents—without relying solely on reactive measures for individual cases.
- Self-care and health maintenance: Encouraging individual responsibility for personal health and well-being.

Action goals

Safety

- Ensure 80%+ of high-risk tasks (Risk Level III or above) receive fundamental or engineering control measures
- Achieve 90%+ feedback incorporation rate from near-miss reports into risk assessments
- Conduct VR-based experiential hazard training for 50% or more of employees working in operational departments

Disaster prevention

- Conduct disaster response drills tailored to various disasters (fire, earthquake, tsunami, etc.), including those based on the Nankai Trough earthquake scenario (5 times or more per year)

Health

- Promote re-examination and monitor participation rates (all eligible employees)
- Provide health information, plan and conduct seminars, and promote awareness of the health management office (at least once a month)
- Ensure full identification of all newly handled chemical substances (obtain SDS)

Transportation

- Challenge to achieve zero commuting accidents and zero workplace traffic accidents

Performance targets

- Consecutive days without accidents : 180
- Total number of accidents (including accidents resulting in no days off and accidents resulting in less than 4 days off) : 7 or fewer cases
- Number of accidents resulting in 4 or more days off : 0 cases
- Number of heatstroke-related accidents : 0 cases
- Rate of employees undergoing follow-up examinations after regular health checkups : 70% or higher

New initiatives for FY2025

- Set safety goals for YSQ activities and promote health and safety activities led by on-site personnel
- Introduce a new e-learning system on health and safety
- Assign specialists dedicated to safety promotion to operational departments to improve hazard identification and enhance deterrence against unsafe behavior
- Establish a health management office and health consultation desk to enhance industrial health activities

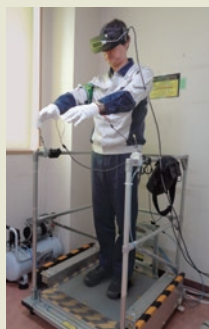
* YSQ activities: Activities related to safety and quality (Yamato Safety Quality)

Prevention of occupational accidents

With the goal of eliminating occupational accidents, our Group is undertaking efforts to prevent occupational accidents and illnesses through regular safety patrols, identifying hazards and implementing countermeasures based on risk assessments, and continuously improving the workplace environment based on workplace environment measurements. In addition, we hold Group Health and Safety Meetings every other month to share and horizontally deploy best practices and improvement measures from each business location, thereby fostering Group-wide safety culture and promoting voluntary safety activities.

Hazard simulation training using virtual reality (VR)

We introduced VR-based hazard simulation equipment in 2017 and have been continuously adding to the available accident scenarios ever since. The hazard simulation equipment is used by all employees, including those from our partner contractors, and significantly contributes to improving safety awareness for new and inexperienced employees.



VR hazard simulation equipment

A multi-faceted approach to patrols

The Group executes its multi-faceted approach to safety patrols to prevent accidents from happening. Patrols are carried out by members not only from operational departments, but also administrative departments and our partner contractors, allowing different perspectives to flexibly check workers' conduct, work environments, and the condition of equipment, thereby preventing unsafe actions and conditions from being overlooked. Participants share the knowledge they gain from patrols with their own departments and actively apply it to safety and health activities such as risk assessment and near-miss reporting. In addition, corporate officers also conduct regular site inspections to clearly demonstrate management's commitment to safety.



A patrol

Initiatives in health and productivity management

Basic concept

The Yamato Kogyo Group has continued activities to ensure occupational safety and health with our belief in safety first. Based on this, we believe that the safety and health of its employees is essential for the continuous development of the Group, and communicate the Yamato Kogyo Group Health and Productivity Management Declaration inside and outside the company, strategically promoting initiatives for health promotion activities as a health investment.

Major initiatives

Mental and physical health	Prevention	- Subsidies for sports club expenses - Measures to prevent passive smoking - Prevention of infectious diseases (placement of disinfectant, etc.)	- Establishment of external employee assistance program (health consultation service) - Establishment of stress check and follow-up system
	Early discovery	Achievement of 100% health checkup rate (enhanced range of test items through comprehensive health checkups for those over 40 years of age)	
	Treatment support	- Return-to-work support - GLTD insurance, three major disease insurance	Re-examination cost subsidy
Raising health awareness	Communication of health information (bulletin board articles, etc.)		Introduction of e-learning (health knowledge, diet improvement, exercise habits)
Improvement of work environment	Implementation of engagement surveys for all employees		

Contributing to the development of communities and

Donation of smart classrooms

Education

Education and
human resource development

Since 1991, Yamato Kogyo has been a major sponsor of the Yamato Kogyo/ANC Foundation Scholarship Golf Tournament, held annually to support scholarships for Arkansas Northeastern College (ANC), located near Nucor-Yamato Steel in the United States. As of 2025, total donations have reached approximately \$660,000. It is the Group's longest-running social contribution initiative. (Photo below)



Main sponsor of a charity golf tournament supporting scholarships



Scholarship support for students enrolled in the Kyoto-Cornell International Collaborative Degree Opportunity



Contributing to society

Basic concept

The Yamato Kogyo Group's electric furnace business is an example of local production for local consumption and contributes to the region through the economic value it generates. We also contribute to society in other ways, following the 3E concept of education, economy, and ecology to actively implement initiatives to meet the needs of countries and communities.

Education: Education and human resource development

Recognizing the importance of developing the leaders of tomorrow's society, we support talented individuals who are willing to take on challenges both in Japan and overseas.

Yamato Kogyo provides various forms of support aimed at developing the next generation of talent. In 1996, we launched a short-term study abroad program inviting ANC students to Japan, introducing them to Japanese culture through homestays with our employees and visits to cultural heritage sites. Siam Yamato Steel (SYS) in Thailand offers numerous educational support programs, operating an education fund, supporting scholarship, and donating smart classrooms equipped with IT equipment and systems.

creating a prosperous society

Supporting an English presentation contest for local high school students



The SYS Education Fund provides scholarships to assist young people in their studies from secondary education through to a bachelor's degree. The program has continuously expanded since its inception in 2017, and by 2023, the number of scholarship recipients reached 100. At present, it covers all 77 provinces of Thailand. (Photo below)



SYS Education Fund



Victorina Himeji



AS Harima Albion



Supporting local companies
(One Village One Product Project)



Forest conservation



Volunteer tree planting project



Economy: Promoting community economies

SYS supports activities such as the One Village One Product Project, which seeks to enrich local communities through the sale of specialty products from local companies, while Yamato Kogyo helps revitalize local communities by sponsoring local professional sports teams. The Group also supports culture through sponsorship and participation in events.

Ecology: Ecological conservation and environmental protection

As part of our efforts to maintain harmony with the natural environment, we participate in activities to protect ecosystems and nature, such as volunteer tree planting projects.

SYS Education Fund

Comments from a scholarship student



I would like to thank SYS for supporting an ordinary girl like me with this scholarship, giving me the opportunity to follow my dream and inspiring me to provide the opportunity to others who need it whenever I have the capability to do so in the future.

Comments from a teacher at the Buengkan School



The SYS Education Fund is one of the largest and most generous funding programs in the country. It offers long-term, ongoing support, allowing students to pursue their potential without worrying about their finances. I also feel that it is particularly meaningful that the support is available regardless of school size or location.

Directors



Chairman
Hiroyuki Inoue

Years of office as Director: 51 years
Number of the company's shares owned:
7,662,211 shares

Mar. 1969 Joined Yamato Kogyo Co., Ltd.
Dec. 1973 Director, General Manager,
Research & Planning Office of the
Company
Jun. 1974 Managing Director of the
Company
Jan. 1978 Representative Director, Senior
Managing Director of the
Company
Dec. 1981 Representative Director, President
of the Company
Jun. 2017 Chairman of the Company (to
present)



Representative Director, President
Mikio Kobayashi

Years of office as Director: 13 years
Number of the company's shares owned:
14,400 shares

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 of the
Company
Jun. 2012 Managing Director in charge of
Business Development of the
Company
Jun. 2017 Representative Director, President
of the Company (to present)



Representative Director,
Managing Executive Officer
Kazuhiro Tsukamoto

Years of office as Director: 8 years
Number of the company's shares owned:
4,997 shares

Apr. 2013 Director, Mitsui & Co. Europe 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
of the Company
Jun. 2020 Managing Director in charge of
Overseas Business Department of
the Company
Jun. 2021 Director, Managing Executive Officer
in charge of Overseas Business
Department of the Company
Jul. 2022 Director, Managing Executive
Officer in charge of Overseas
Business Department and
Sustainability Management
Department of the Company
Sep. 2024 Representative Director
Managing Executive Officer in charge
of General Affairs Department, HR
Department, IT Department, and
Sustainability Management
Department of the Company (to
present)



Director, Executive Officer
Nobuo Oki

Years of office as Director: 1 year
Number of the company's shares owned:
1,100 shares

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 of the Company
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 of the
Company (to present)

Directors



External Director
Kiyoshige Akamatsu

Years of office as Director: 9 years
Number of the company's shares owned:
3,300 shares

Jun. 2004 Director & Vice President, Asahi
Industries Co., Ltd.
Apr. 2005 Representative Director & Vice
President, Asahi Industries Co., Ltd.
Jan. 2006 President & Representative
Director, Asahi Industries Co., Ltd.
Jun. 2015 Adviser, Asahi Industries Co., Ltd.
Jun. 2016 External Director, Yamato Kogyo
Co., Ltd. (to present)



External Director
Kunitoshi Takeda

Years of office as Director: 6 years
Number of the company's shares owned:
500 shares

Jul. 2007 Director, 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;
Director, 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 External Director, Yamato Kogyo
Co., Ltd. (to present)



External Director
Motomu Takahashi

Years of office as Director: 4 years
Number of the company's shares owned:
800 shares

Apr. 2009 Managing Officer, Mitsui & Co., Ltd.;
Executive Vice President, Mitsui &
Co. (U.S.A.), Inc.
Apr. 2010 Managing Officer, Chief Operating
Officer, Iron & Steel Products
Business Unit, Mitsui & Co., Ltd.
Apr. 2011 Executive Managing Officer, Chief
Operating Officer, Iron & Steel
Products Business Unit, Mitsui & Co.,
Ltd.
Apr. 2014 Senior Executive Managing Officer,
Mitsui & Co., Ltd.; President & CEO,
Mitsui & Co. (U.S.A.), Inc.
Apr. 2015 Executive Vice President, Mitsui &
Co., Ltd.; President & CEO, Mitsui &
Co. (U.S.A.), Inc.
Jun. 2016 Representative Director, Executive
Vice President, Mitsui & Co., Ltd.
Apr. 2017 Member, APEC Business Advisory
Council Japan
Jun. 2017 Counselor, Mitsui & Co., Ltd.
Jun. 2021 External Director, Yamato Kogyo
Co., Ltd. (to present)



External Director
Pimjai Wangkiat

Years of office as Director: 3 years
Number of the company's shares owned:
0 shares

Jan. 2005 Deputy Corporate Director,
Corporate Planning, The Siam
Cement Public Company Limited
Jun. 2007 Corporate Director, Corporate
Organization Development, The
Siam Cement Public Company
Limited
Jan. 2019 Corporate Director & Advisor, The
Siam Cement Public Company
Limited
Jun. 2022 External Director, Yamato Kogyo
Co., Ltd. (to present)



Director

Damri Tunshevavong

Years of office as Director: 14 years

Number of the company's shares owned:
0 shares

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 of the Company (to present)
 Jul. 2020 Director, SCG Ceramics Public Co., Ltd. (to present)



Director

Takenosuke Yasufuku

Years of office as Director: 10 years

Number of the company's shares owned:
1,900 shares

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 of the Company (to present)
 (Significant Concurrent Positions Outside the Company) Representative Director and President, Kobe Shu-Shin-Kan Breweries, Ltd.

Auditors



Auditor (full-time)

Kengo Nakaya

Years of office as Auditor: 5 years

Number of the company's shares owned:
3,200 shares

Apr. 1991 Joined Yamato Kogyo Co., Ltd.
 Jul. 2010 General Manager, General Affairs Department of the Company
 Jun. 2015 Director, General Manager, General Affairs Department of the Company
 Dec. 2015 Director in charge of Internal Control and Internal Audit, and General Manager, General Affairs Department of the Company
 Jul. 2016 Director in charge of Internal Audit, General Manager, General Affairs Department of the Company
 May 2019 Director, General Manager, General Affairs Department of the Company
 Jun. 2020 Corporate Auditor of the Company (to present)



External Auditor (full-time)

Shigeaki Katayama

Years of office as Auditor: 6 years

Number of the company's shares owned:
2,200 shares

Feb. 2003 Branch Manager of Milan Branch, Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)
 Mar. 2004 General Manager, Market Business Operations Division, Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)
 Jan. 2005 Senior General Manager, Business Operations Division, Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)
 Apr. 2007 Senior General Manager, IT Systems Supervisory Division, Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)
 Apr. 2008 Executive Officer, Senior General Manager, IT Systems Supervisory Division, Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)
 Apr. 2011 Managing Executive Officer, General Manager, IT Headquarters, Mizuho Securities Co., Ltd.
 Jun. 2014 Senior Managing Director, Nippon Securities Technology Co., Ltd.
 Jun. 2015 External Auditor, IBJ Leasing Company, Ltd.
 Jun. 2019 External Corporate Auditor (full-time), Yamato Kogyo Co., Ltd. (to present)



External Auditor

Mikio Nakajo

Years of office as Auditor: 6 years

Number of the company's shares owned:
900 shares

Apr. 1998 Registered as attorney, joined Sawada Kikui Law Office (now Sawada Nakajo Mori Law Office)
 Apr. 2005 Partner, Sawada Nakajo Law Office (now Sawada Nakajo Mori Law Office)
 May 2019 Representative Partner, Sawada Nakajo Mori Law Office (to present)
 Jun. 2019 External Corporate Auditor, Yamato Kogyo Co., Ltd. (to present)
 May 2020 External Director (Audit and Supervisory Committee Member), MORESCO Corporation (to present)
 Apr. 2022 President, Hyogo Prefecture Bar Association

(Significant Concurrent Positions Outside the Company) Representative Partner, Sawada Nakajo Mori Law Office External Director (Audit and Supervisory Committee Member), MORESCO Corporation

(Note) The number of the Company's shares owned is as of end of March, 2025

■ Nomination Committee (indicates chairperson)
 ■ Remuneration Committee (indicates chairperson)
 ■ Sustainability Committee (indicates chairperson)

Corporate governance

Basic concept

The Company recognizes that the objective of corporate governance is to clarify the fairness, transparency, and legality of corporate decision-making and responsibility systems to shareholders and society and regards it as an important management issue. To live up to the trust and expectations of all stakeholders, we are committed to the following basic policies:

Basic Policy of Corporate Governance

1. We will strive to respect the rights of shareholders and ensure their equality.

2. We will consider the interests of our stakeholders, including our shareholders, and strive for appropriate cooperation with them.

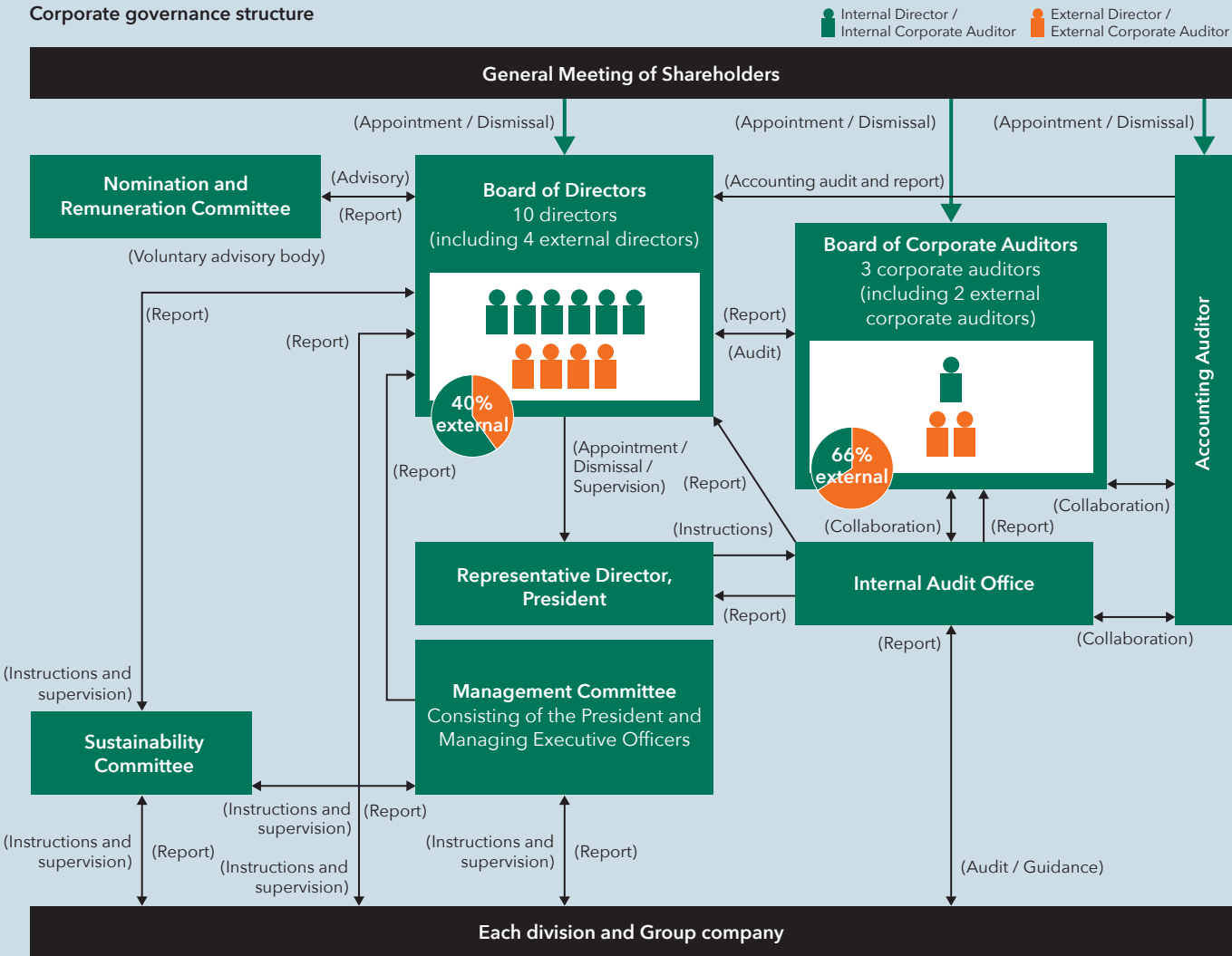
3. We will strive to ensure the appropriate disclosure and transparency of corporate information.
4. We will strive to appropriately execute the roles and responsibilities of the Board of Directors to ensure transparent, fair, prompt, and decisive decision-making.

5. We will strive to engage in constructive dialogue with shareholders who have investment policies that are consistent with the medium- and long-term interests of shareholders.

Corporate governance structure

The Board of Directors, which includes four external directors, makes decisions on management policies, etc., and supervises the execution of business operations, and the Board of Corporate Auditors audits the execution of duties by directors. The Company has also established the Nomination Committee and the Remuneration Committee as advisory bodies to the Board of Directors to enhance corporate governance.

Corporate governance structure



Board of Directors

The Board of Directors consists of 10 directors (four of whom are external directors), and holds regular meetings four times a year in principle, with extraordinary meetings held as necessary. The Board of Directors monitors business through reports it receives from directors overseeing their respective business segments, and through the exchange of questions, proposals, and opinions among directors. Furthermore, the Board deliberates on matters stipulated in laws and ordinances, the Articles of Incorporation, and the Board of Directors Regulations. The Company's Articles of Incorporation specify that the Board of Directors may pass written resolutions by unanimous consent of all directors.

Board of Corporate Auditors

The Board of Corporate Auditors consists of three members: two full-time corporate auditors (one of whom is an external corporate auditor) and one part-time corporate auditor (an external corporate auditor). In cooperation with external directors and the Internal Audit Office, they audit the decision-making process of the Board of Directors and the status of business execution by directors.

Management Committee

The Management Committee is responsible for decision-making on matters entrusted to it by the Board of Directors (excluding matters decided exclusively by the Board of Directors, as stipulated in the Companies Act). The Committee also deliberates on, decides, and manages policies and plans for business execution. It meets once a month, in principle, and is attended by the President and a Managing Executive Officer, with relevant directors and corporate auditors, including external officers, also attending on an ad hoc basis.

Nomination Committee and Remuneration Committee

The Company has established the Nomination Committee and the Remuneration Committee as voluntary advisory bodies to the Board of Directors. The purpose of the Nomination Committee and the Remuneration Committee is to enhance the transparency and objectivity of the decision-making process of the Board of Directors for decisions on matters such as nomination and remuneration and to strengthen corporate governance. The Committee consists of three external directors, one external corporate auditor, and one internal director selected by resolution of the Board of Directors, and is chaired by an external director.

Sustainability Committee

With the aim of strengthening its sustainability initiatives, the Company has established a Sustainability Committee. Chaired by the Representative Director and President, it comprises some of the Company's directors, including external directors, as well as the representative directors and presidents of consolidated subsidiaries in Japan. The committee deliberates on sustainability-related issues and formulates, manages and evaluates action plans. A system is in place for the committee to report on important matters to the Board of Directors and Management Committee and receive instructions and supervision.

Officers

The Company's Board of Directors consists of 10 directors, including four external directors (including one foreign male and one foreign female), each with a wealth of knowledge and experience in corporate management and international business development, regardless of nationality, race, or gender, and we believe that the Board functions well as an effective Board of Directors. The Board of Corporate Auditors consists of three corporate auditors, including two external corporate auditors. One of the corporate auditors has sufficient knowledge of finance and accounting, and one of the corporate auditors is an attorney at law with sufficient knowledge of legal matters.

Evaluating the effectiveness of the Board of Directors

We enlist a third-party organization to conduct surveys (questionnaires) from each director and corporate auditor regarding the operation of the Board of Directors and other matters. After multiple discussions by directors and corporate auditors based on the survey results, we report to the Board of Directors that there are no problems with its operation and that its effectiveness is ensured.

The questionnaires to date have made recommendations on the composition of the Board of Directors, deepening discussions on management policy (such as the direction of growth strategy), business strategy, financial strategy, and human capital management, and considering an incentive-based executive remuneration system. We have implemented measures, such as ensuring the diversity of the Board of Directors and dividing the functions of the Board of Directors and the Management Committee to speed up and enhance discussions and decision making. Furthermore, we have formulated Vision 2030 and a human resource strategy aligned with the vision and introduced performance-linked remuneration, including a stock-based remuneration system.

Based on the above questionnaire, we will continue to examine ways to enhance the effectiveness of the Board of Directors and further improve governance.

Ensuring transparency and objectivity of executive remuneration

The Company has established the Nomination Committee and the Remuneration Committee, which are voluntary advisory bodies to the Board of Directors, to enhance the transparency and objectivity of the decision-making process of the Board of Directors for decisions on matters such as nomination and remuneration, and strengthen corporate governance. The committee consists of three external directors, one external corporate auditor, and one internal director selected by resolution of the Board of Directors, and the committee is chaired by an external director.

The Company's policy regarding the determination of remuneration, etc. for directors (excluding non-executive directors and external directors) is as follows.

Policy for determining remuneration, etc. of directors

Remuneration of the Company's directors (excluding external 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 external 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

Current position at the Company		Chairman	Representative Director, President	Representative Director, Managing Executive Officer	Director, Executive Officer	Director
Name		Hiroyuki Inoue	Mikio Kobayashi	Kazuhiro Tsukamoto	Nobuo Oki	Damri Tunshavavong
Executive/non-executive		Executive	Executive	Executive	Executive	Non-executive
Attributes		Male	Male	Male	Male	Male, foreign national
Independence						
Attendance in FY2024	Board of Directors	6/6 times	6/6 times ◎	6/6 times	4/4 times*2	6/6 times
	Board of Corporate Auditors					
	Management Committee		13/13 times ◎	13/13 times		
	Nomination Committee and Remuneration Committee			8/8 times*1		
	Sustainability Committee		4/4 times ◎	4/4 times		
Experience, knowledge, and expertise	General management	●	●	●		●
	International experience	●	●	●	●	●
	Technological development/digital transformation (DX)	●			●	
	Business strategy/marketing	●	●	●		●
	CSR/sustainability		●	●		
	Finance & accounting/business investment			●		
	Legal affairs/ risk management					

*1 Kazuhiro Tsukamoto was appointed as a Nomination and Remuneration Committee member on September 1, 2024. The attendance figures therefore show his participation at meetings of the Nomination Committee and Remuneration Committee held after his appointment.

*2 Nobuo Oki was appointed as a director at the Ordinary General Meeting of Shareholders held on June 25, 2024. The attendance figures therefore show his participation at meetings of the Board of Directors held after his appointment.

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

Remuneration payment ratio

Fixed remuneration	:	Performance-linked remuneration (including restricted share-based remuneration)	≒ 5:5
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.		Coefficient table (0 to 2.0)* being set according to annual performance × The standard amount of performance-linked remuneration for each position	

*The standard value is set based on the consolidated ordinary profit under the annual business plan

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 external 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.

Fostering a sustainability mindset among directors

Our Group's major domestic companies provide opportunities for training by inviting external lecturers and participating in external seminars as necessary to help management and supervisory personnel acquire the necessary knowledge and develop a sustainability mindset.

Director	External Director	External Director	External Director	External Director	Corporate Auditor	External Corporate Auditor	External Corporate Auditor
Takenosuke Yasufuku	Kiyoshige Akamatsu	Kunitoshi Takeda	Motomu Takahashi	Pimjai Wangkiat	Kengo Nakaya	Shigeaki Katayama	Mikio Nakajo
Non-executive	Non-executive	Non-executive	Non-executive	Non-executive	Non-executive	Non-executive	Non-executive
Male	Male	Male	Male	Female, foreign national	Male	Male	Male
	Independent	Independent	Independent	Independent		Independent	Independent
6/6 times	6/6 times	6/6 times	6/6 times	6/6 times	6/6 times	6/6 times	6/6 times
					12/12 times	12/12 times ©	12/12 times
	12/12 times ©	12/12 times	12/12 times			12/12 times	
4/4 times	4/4 times	4/4 times	4/4 times				
●	●	●	●	●		●	
●	●	●	●	●	●	●	
	●	●	●	●		●	
●			●				
	●	●		●	●	●	
●							●

© Indicates chairperson or committee chair

Compliance

Basic concept

Compliance is becoming more demanding, and the voluntary codes driven by stakeholders or regulated by law are broadening the scope of what governance covers. As our Group expands its business globally, we are required to provide training and adopt policies that are in line with applicable Japanese and international laws, including anti-corruption laws, antitrust / competition laws, trade laws and others (policies). Adoption of such Policies also aims to help our Group to navigate through and respond to any ethical, legal and/or compliance issues in a correct and a proper manner as these issues may otherwise lead to suspension of operation or significantly damage our brand and other assets. We also want to demonstrate to our business partners, customers and the society at large that our Group takes compliance very seriously and we train our staff on compliance awareness, violations and reporting. We strive to create a positive culture in which everyone wants and knows how to do the right thing.

Internal reporting system

Our Group has established an internal whistleblower system with both internal and external reporting channels, by which legal and regulatory violations can be reported. The system has been built and is operated based on the Whistleblower Protection Regulations. All Group employees, including temporary and part-time employees engaged in business within the Group, as well as employees of contractors and suppliers, are eligible to use the system, which provides internal and external contact points that offer consultations and receive reports via telephone, e-mail, fax, in writing, through personal consultation, and other means.

Upon receiving a report, the Whistleblower Protection Office reports the details to auditors and the Representative Director and President. The Whistleblower Protection Office or an investigation team conducts an investigation to establish the facts of the report. Regardless of whether the content of the report is true or false, the investigation findings are reported to the Whistleblower Protection Office, which promptly implements corrective measures and steps to prevent recurrence. The Whistleblower Protection Office also reports the results of the investigation and subsequent measures to auditors and the Representative Director and President. If a report is found to be based on truth, the Company takes disciplinary action against employees who participated in the problematic activity, in accordance with the Company's work regulations.

In addition, we protect whistleblowers following the Whistleblower Protection Act to ensure that they are not disadvantaged.

Anti-Bribery and Corruption Policy

Given that we operate internationally and in many challenging environments, anti-bribery and anti-corruption practices are an essential component of our compliance program. Our Anti-Bribery & Corruption Guidelines outline the Group's commitment to comply with the U.S. Foreign Corrupt Practices Act (FCPA), the United Kingdom Bribery Act and applicable domestic and international anti-corruption standards in all business relationships. It is our policy that our directors, officers, employees, and third parties acting on our behalf are prohibited from offering or paying, whether directly or indirectly, any bribe to any employee, official, or agent of any government, commercial entity, or individual in connection with the business or activities of the Company. For the purposes of this policy, a bribe is any money, goods, services, or other thing of value offered or given with the intent to gain any improper advantage for the Company.

Furthermore, it is also our policy to base commercial decisions on commercially appropriate criteria. We cultivate constructive relationships with business partners, as well as organizations and individuals considering doing business with the Company. In many cultures, those constructive relationships may include incidental business gifts and entertainment. Directors, officers, employees, and third parties acting on behalf of the Company providing or receiving third party gifts and entertainment in their corporate capacities are expected to exercise good judgment and consider the nature of the gift or entertainment, its purpose, business context, applicable laws and social norms. Gifts and entertainment must not be intended to create an improper advantage for the Company. All expenditures for gifts and entertainment provided by the Company must be accurately recorded in the books and records of the Company.

Antitrust Policy

It is our Group's policy that directors, officers, and employees are expected to comply with the domestic and international antitrust and competition laws that are applicable to the Group's business. No director, officer, or employee should assume that the Group's interests ever require otherwise.

The Company's Antitrust Guidelines prohibit violations of the competition laws. We take strict action if any violations are committed.

Compliance training

To foster and instill compliance awareness among employees, we conduct compliance training for new hires and employees by job level and send a monthly compliance email newsletter to all employees.

In January 2025, we conducted compliance training for executives and managers of domestic Group companies, inviting external lawyers to give lectures on three topics: general compliance, anti-bribery, and antitrust laws, with the aim of instilling compliance awareness at the management level.

Compliance training offered in FY2024

Content	Timing	Target audience
General compliance, anti-bribery, antitrust laws	January 2025	Executive officers, department managers
Compliance and anti-harassment training	When joining the Company (regular training)	New graduate hires Mid-career hires
	When being promoted (regular training)	New supervisors
Compliance training	At any time (e-learning)	All employees
Anti-harassment training	At any time (e-learning)	All employees



Compliance training (January 2025)



M&A training led by legal advisors

Human rights

Yamato Kogyo Group Human Rights Policy

Guided by the principles of harmony and fairness outlined in the Yamato SPIRIT (values and code of conduct), the Yamato Group, as a responsible corporate citizen, will act with integrity and fully respect human rights in our efforts to build a fair and healthy society. As a guideline for promoting group-wide respect for human rights and fulfilling our responsibilities, we have newly established the Yamato Kogyo Group Human Rights Policy based on international human rights standards.

The Board of Directors approved this policy on April 30, 2025.

The full text of the human rights policy can be found on the Yamato Kogyo corporate website.

<https://www.yamatokogyo.co.jp/en/sustainability/governance/humanrights.php>



Yamato Kogyo Group Human Rights Policy (Summary)

- | | |
|---|--|
| 1. Scope of application | <ul style="list-style-type: none"> • All officers and employees of Yamato Kogyo Group (also encourage suppliers and others to respect this policy) |
| 2. Compliance with international codes and applicable laws and regulations | <ul style="list-style-type: none"> • Compliance with key rules such as the International Bill of Human Rights and the United Nations' Guiding Principles on Business and Human Rights |
| 3. Responsibility to respect human rights | <ul style="list-style-type: none"> • Respect for diversity, prohibition of unfair discrimination, harassment, forced labor, etc., and compliance with labor-related laws and regulations |
| 4. Education | <ul style="list-style-type: none"> • Conduct appropriate training and educational activities to ensure that all officers and employees understand and practice this policy |
| 5. Human rights due diligence | <ul style="list-style-type: none"> • Identification, assessment, prevention, mitigation, and effectiveness evaluation of negative impacts on human rights at the company, suppliers, etc. |
| 6. Remediation and redress | <ul style="list-style-type: none"> • Establishment of internal and external anonymous whistleblower hotlines to ensure protection of whistleblowers |
| 7. Dialogue with stakeholders | <ul style="list-style-type: none"> • Consult with stakeholders in good faith, utilizing on outside expertise as needed |
| 8. Information disclosure | <ul style="list-style-type: none"> • Regularly disclose information on efforts to respect human rights, etc. |

Instilling and fostering a risk culture

Risk management

Basic concept

We at the Yamato Kogyo Group believe that by appropriately addressing the various risks surrounding our corporate activities from prevention to resolution, we can not only fulfill our social responsibilities and improve the level of trust, but also contribute to the realization of Vision 2030. With regard to our risk management activities, which focus on preventing potential risks, our basic stance is to respect the autonomy and initiative of each of our Group companies. In the event of an unforeseen situation, we commit to taking a “bad news first” position to ensure that any inconvenient information is promptly communicated from the frontline. We believe that fostering an open corporate culture and taking prompt and appropriate action will not only avoid risk but also lay the foundation for trust in the Yamato Kogyo Group.

Risk management system

Our Group’s risk management system is built upon our Basic Policy on Risk Management and the Business Crisis Management Regulations. The Basic Policy on Risk Management outlines fundamental measures and roles for promoting risk management activities, while the Business Crisis Management Regulations provide specific responses to be taken in unforeseen circumstances. By following these policies and regulations, we work to prevent risks, minimize losses, and ensure quick recovery for each Group company in the event of a crisis.

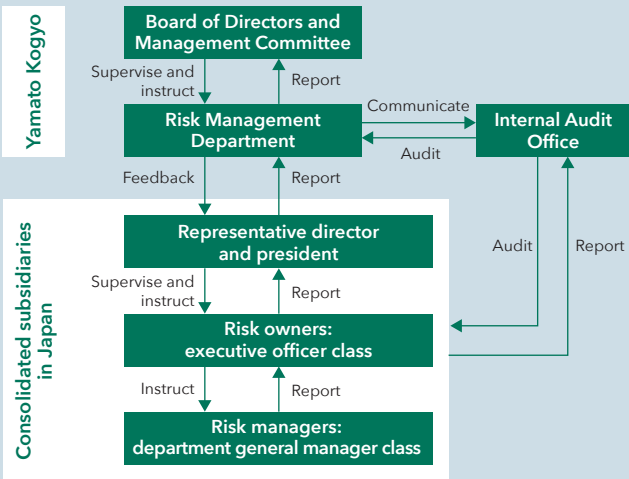
We have developed a globally integrated risk management system led by Yamato Kogyo’s Board of Directors, with the Board being responsible for overseeing the Group’s overall risk management system. The executives and employees of each Group company engage in their daily business activities with a careful eye on risks, focusing on identifying and assessing potential risks, appropriately responding to them, improving response measures, and monitoring the process.

In the event of an unforeseen situation, we will swiftly establish a task force headed by the representative director and president of each Group company. This task force will coordinate with an information communications team and an external advisory team, including legal counsel, to respond to the situation. In this way, we have established a system to prevent and minimize the spread of damage.

In July 2023, we established the Risk Management

Department as an organization dedicated to risk management to enhance our response to cross-Group and other potential risks, as well as to further advance our risk management practices and accumulate know-how within the Group. In addition, we are promoting activities to identify and assess risks, as well as to take appropriate measures to achieve Vision 2030 as set forth by our Group. When appropriate, the details of these activities, including best practices, are reported to the Yamato Kogyo Management Committee, and feedback from management, including external directors, is used to ensure effective and continuous improvement. Moreover, we have compiled a manual of initiatives undertaken since the department’s establishment and are working to build a risk management system that can be implemented independently and continuously.

Risk management system (in the case of domestic consolidated subsidiaries)

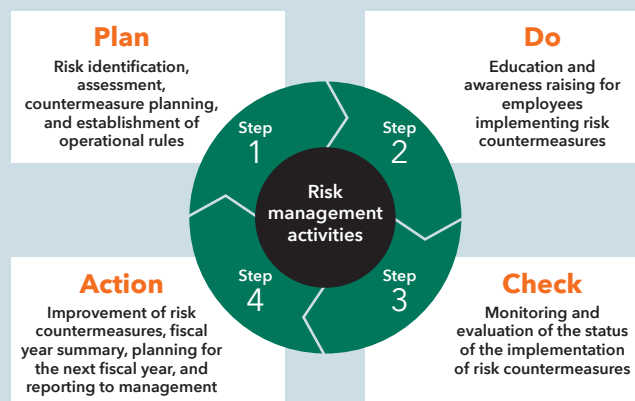


Risk management process

Through ongoing dialogue, each department coordinates with the Risk Management Department to identify and assess risks and formulate countermeasures. Yamato Steel identifies 5 to 10 important risks based on the results of risk assessments and its key values, with individual departments implementing specific measures. In order to steadily advance these risk countermeasures, the Risk Management Department makes use of advice from external consultants and strengthens cooperation between management and departments as it runs PDCA cycles of risk management activities.

In addition, the company regularly monitors the situation to improve the effectiveness of the PDCA cycle. Yamato Steel receives semiannual progress reports on the countermeasures from each department, and management issues instructions for improvement. The contents of the discussions and decisions are recorded and used to enhance future risk countermeasures.

PDCA cycle of risk management activities



Examples of significant risks and countermeasures (Yamato Steel)

Significant risk	Envisaged risk scenario	Primary risk countermeasures
Occupational accidents	Occupational accidents caused by inexperience and inadequate working conditions could damage the company's reputation and negatively affect recruitment.	- Activities to reduce residual risks - Autonomous patrols - Effective use of funds for safety measures - Educational and awareness-raising activities
Quality defects	Large-scale release of quality-deficient products could damage the company's reputation among customers and society.	- Cross-departmental coordination to enhance countermeasures - Quality surveys and analyses - Pre-shipment inspections
Cyber attacks	Cyber attacks resulting in the leakage of customer information and confidential data could damage the company's reputation and social standing.	- Establishment of a rapid recovery system using backups - Installation of industrial security software on factory operation system terminals

Natural disaster risk countermeasures

We have established rules and regulations for disaster response and put in place a system to enable swift action in the event of an emergency. In April 2024, we introduced a new service to confirm the safety of our employees, in order to secure means of communication and strengthen our rapid information gathering system in the event of a disaster. In addition, we hold regular fire and earthquake drills to raise disaster prevention awareness.

For more on other risks and countermeasures, see the Sustainability Report starting on page 37 of the Integrated Report or the "Business Risks" section of the Securities Report (Japanese).

Initiatives to foster a risk culture

The Group believes that in order to promote risk management activities, it is essential to foster the right corporate culture. All employees must consider risk management to be their own responsibility and engage in risk management activities on a continuous and daily basis. For this reason, we have positioned education and training as a key measure and are working to ensure that the objectives and roles of risk management are thoroughly understood.

Implementation of risk management training

In December 2024, we provided risk management training programs for our Group's management and supervisors by inviting external lecturers, with approximately 80 participants. In the training program for management, participants deepened their understanding of the relationship between corporate value enhancement and risk management as well as our Group's policy on risk management activities. They also analyzed trends to be closely monitored and developments in disclosure information. In the training program for supervisors, participants deepened their understanding of the perspectives necessary to promote risk management activities and the actions required to play a leading role in promoting them. The training programs were well received by participants, with over 70% expressing satisfaction; however, it became clear that the level of understanding of risk management varies among individuals and that there are issues in applying what they learned to their actual work. Going forward, we will continue to work on fostering and establishing an effective risk culture by expanding the scope of trainees and providing role-specific training programs.



Risk management training

“ Boldly supporting value creation in human capital and governance ”

Based on our ongoing efforts to achieve carbon neutrality and a circular economy, the Yamato Kogyo Group has formulated Vision 2030 to solidify our position as the global leader in structural steel. Two things are essential for us to steadily advance this goal: a) a sophisticated ability to judge investments while minimizing risks, and b) the human capital that can support these judgments. The Group already employs many people with overseas business experience, but for the sake of ensuring further growth, we will proactively promote the sharing of expertise and provide opportunities for employees to gain overseas business experience. We will spare no effort to support the expansion and development of our talent pool.

Furthermore, as Chair of the Nomination and Remuneration Committees, I have been working vigorously to ensure fairness and transparency in the committee, from its organizational design to the enrichment of its functions. Going forward, I believe it is necessary to hold ever deeper discussions on reforming the remuneration system. We must also improve our successor selection process and executive development programs. Such efforts will enable the establishment of an even healthier and sturdier governance framework, and I will continue to offer my support.

Kiyoshige Akamatsu

External Director
Chairperson of the Nomination and Remuneration Committees,
member of the Sustainability Committee



“ Enhancing corporate value by strengthening human capital management and pursuing growth strategies in Japan and overseas ”

As evidenced by the growth in our stock price in recent years, I believe that our stakeholders recognize the value of our key initiatives, such as Vision 2030. Our structural steel business serves as the cornerstone of our Group. It is a powerful pillar of revenue, and it will form the foundation for growth that can withstand environmental changes. I also applaud the expansion into new regions and the investments in enhancing productivity and quality at existing facilities. Furthermore, as companies are ultimately made up of people, I also have high hopes for the development of our workforce. We will continue to encourage collaboration with external partners to build up our knowledge base.

From my long experience in manufacturing, I can say that quality, cost, and delivery (QCD) are fundamental to the field. Safety management underpins these elements, and we are only halfway through making the necessary safety reforms. We look forward to the evolution of our safety and manufacturing systems, as we leverage the unique network of our domestically and internationally operating Group. Furthermore, I believe that for the sake of future growth, it is important to strengthen our business resilience by enhancing the development of products and manufacturing technologies.

Kunitoshi Takeda

External Director
Member of the Nomination, Remuneration,
and Sustainability Committees



“ Essential for growth: partner strategies and consolidated internal control systems ”

As one of the world's leading H-beam manufacturers, our Group is blessed with the opportunity to play a central role in the restructuring of the industry, and we have high expectations for our growth strategy in both advanced and emerging regions. We believe that besides structural steel, our entry into new steel, infrastructure and green business areas will require us to leverage the unique strength of our collaborative framework with major partners as we promote business through strategies that emphasize efficiency and safety. I believe that the key themes that will enable us to achieve our objectives will be how we share and engage in partner strategies within the Group and how we effectively develop global talent and enhance diversity.

Business risks in the global market are becoming increasingly complex. If the Group is to achieve further growth, it is essential to strengthen the underlying consolidated internal control systems. I will continue to support improving transparency in management, including strengthening the functions and responsibilities of the Nomination and Remuneration Committees, as we facilitate dialogue between management (including external directors) and investors.

Motomu Takahashi

External Director
Member of the Nomination, Remuneration,
and Sustainability Committees



“ A company that sharpens the skills of its people and makes its presence felt in new fields ”

With Vision 2030, I believe that Yamato Kogyo's management has set a deliberate and purpose-driven course of action to grow and sustain business momentum into the future. To enable such a significant outcome, we need to build versatility and resiliency into the execution of our strategy. As there will be more unexpected competing priorities for management, it is important to ensure the effectiveness and alignment of execution among business, human resources, and organizational (systems, processes & structure) strategies. The culture of Yamato SPIRIT is essential to help shape the dynamic of strategy execution. This requires leadership creativity, role modeling, and commitment to engage people and facilitate this transformation.

Yamato Kogyo can leverage the collective strengths of our people, our global JV partnership networks, and our financial strengths to strive through these challenges. We can reinforce the right essential manufacturing core while developing new technologies and capabilities for the future. Cultivating a safety culture across the board is also necessary.

I look forward to seeing how the new personnel system will enable the Company to attract and develop a new generation of talent, so that we have a good mix of diverse skills and competencies to grow the core structural steel business and successfully emerge in the new green steel infrastructure areas.

Pimjai Wangkiat

External Director



10-year financial and non-financial summary

	FY2015	FY2016	FY2017	FY2018
Financial results				
Net sales (million yen)	150,978	142,136	176,073	201,299
Operating profit (million yen)	11,215	10,739	8,340	9,272
Equity in earnings (losses) of affiliates (million yen)	10,299	8,376	7,041	17,069
Ordinary profit (million yen)	23,585	21,519	17,828	31,469
Profit attributable to owners of parent (million yen)	12,994	11,319	12,238	22,793
EBITDA* ¹ (million yen)	28,285	25,046	21,827	33,194
Rate of return on equity (ROE) (%)	4.5	3.9	4.2	7.5
Capital expenditures* ² (million yen)	3,636	5,940	8,991	10,702
Depreciation and amortization (million yen)	6,412	5,572	6,087	6,494
Cash flows (million yen)				
Cash flows from operating activities	33,386	19,178	13,751	24,393
Cash flows from investing activities (excluding changes in time deposits)	(8,903)	(7,996)	(18,251)	(10,237)
Free cash flow* ³	24,483	11,182	(4,500)	14,156
Cash flows from financing activities	(7,582)	(5,426)	(3,903)	(3,949)
Financial position (million yen)				
Net assets	308,068	309,198	320,073	333,692
Total assets	347,051	348,951	367,083	384,068
Financial assets* ⁴	131,887	135,098	128,008	135,735
Non-financial				
No. of employees (consolidated)* ⁵	1,643	1,670	1,731	1,776
CO ₂ emissions (Scope 1+2)* ^{6, *7} (thousand t-CO ₂)	233	243	249	226
CO ₂ emissions (Scope 1)* ^{6, *7} (thousand t-CO ₂)	58	61	63	66
CO ₂ emissions (Scope 2)* ⁶ (thousand t-CO ₂)	175	182	186	160
CO ₂ emissions intensity* ^{6, *7} (t-CO ₂ /t-crude steel production)	0.380	0.364	0.366	0.330

*1 EBITDA = operating profit + depreciation and amortization + amortization of goodwill + equity in earnings (losses) of affiliates

*2 Capital expenditures = the increase in property, plant and equipment, and intangible assets

*3 Free cash flows = cash flows from operating activities + cash flows from investment activities (excluding changes in time deposits)

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

FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
181,964	136,025	150,029	180,438	163,479	168,268
11,333	10,018	13,290	16,813	17,282	11,493
7,744	8,521	40,348	66,258	65,268	27,773
23,125	21,569	57,646	90,494	99,223	54,402
14,762	4,984	39,917	65,317	70,018	31,833
26,341	25,209	59,429	89,191	89,141	49,511
4.7	1.6	12.2	16.5	14.5	5.9
9,780	6,464	3,606	5,423	8,550	16,296
7,085	6,568	5,687	6,017	6,487	9,348
26,105	27,042	11,457	52,654	80,915	71,028
(20,803)	(11,216)	(6,215)	(4,466)	(20)	(68,992)
5,302	15,826	5,241	48,188	80,894	2,036
(6,694)	(9,937)	(15,904)	(17,719)	(21,256)	(42,987)
342,606	325,797	375,686	470,211	554,941	602,940
383,025	359,788	414,928	515,000	608,783	657,481
130,558	132,314	135,583	185,226	263,331	246,546
1,791	1,378	1,395	1,398	1,414	2,585
171	162	181	165	176	171
58	57	60	62	56	50
113	105	120	104	119	122
0.284	0.279	0.283	0.253	0.284	0.320

*5 The "No. of employees" refers to permanent employees and excludes temporary employees.

The number of employees increased in FY2024 compared to the end of the preceding fiscal year because Garuda Yamato Steel was made a consolidated subsidiary.

*6 Scope of aggregation: Yamato Steel

Calculation method: Calculated based on the "Act on Rationalization of Energy Use and Shift to Non-fossil Energy"

*7 Actual results for FY2015 to FY2023 have been retroactively adjusted to reflect changes in CO₂ emission factors and other parameters.

Corporate profile

Company information (as of March 31, 2025)

Company name	Yamato Kogyo Co., Ltd.
Location of headquarters	380 Kibi, Otsu-ku, Himeji-shi, Hyogo 671-1192
Established	November 1944
Capital	¥7,996 million
Fiscal year	From April 1 to March 31 of the following year
Representative	Mikio Kobayashi
No. of employees	106 non-consolidated (2,585 consolidated)

Group companies (as of March 31, 2025)

Group companies in Japan

Yamato Steel Co., Ltd.
Yamato Trackwork System Co., Ltd.
Yamato Shoji Co., Ltd.
Matsubara Techno Co., Ltd.
Hyoki Kaiun Kaisha, Ltd.
Himeji Tekko Refine Co., Ltd.
Kibi Co., Ltd.

Group companies outside Japan

Nucor-Yamato Steel Company
Arkansas Steel Associates LLC
Siam Yamato Steel Co., Ltd.
YK Steel Corporation
Posco Yamato Vina Steel Joint Stock Company
PT Garuda Yamato Steel + seven additional companies

Dividend policy

Shareholder return policy and dividends over time (as of June 27, 2025)

Yamato Kogyo considers investments in growth, contributions to stakeholders, and the return of profits to shareholders to be important management issues. We also aim to achieve sustainable growth and to increase corporate value over the medium to long term.

With regard to dividends, the Company's basic policy (revised in October 2023) is to distribute profits in accordance with performance, and the dividend amount is decided in such a way as to target a consolidated dividend payout ratio of around 40% every year. In addition, the Company endeavors to maintain a continuous and steady dividend, with a minimum annual amount of ¥300 per share for the time being. We will also acquire treasury stock as and when appropriate, after performing a comprehensive assessment of total shareholder returns that takes into account the business environment and other issues.

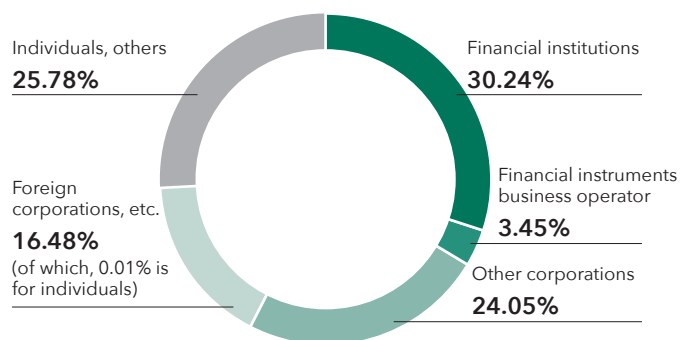
	FY2020	FY2021	FY2022	FY2023	FY2024
Interim dividend (yen)	40	60	150	150	200 (of which 50 was a commemorative dividend)
Year-end dividend (yen)	40	100	150	250 (of which 100 was a special dividend)	200 (of which 50 was a commemorative dividend)
Annual dividend (yen)	80	160	300	400 (of which 100 was a special dividend)	400 (of which 100 was a commemorative dividend)
Dividend payout ratio (%)	106.7	25.9	29.3	36.4	79.6

Status of shares

Overview of shares (as of March 31, 2025)

Share unit number	100 shares
Total number of authorized shares	171,257,770 shares
Total number of issued shares	65,000,000 shares
Number of shareholders	13,842
Listed stock exchange	Tokyo Stock Exchange Prime Market (Security code: 5444)
Ordinary general meeting of shareholders	June
Transfer agent and share registrar and account management institution for special accounts	Sumitomo Mitsui Trust Bank, Limited

Share distribution by owner



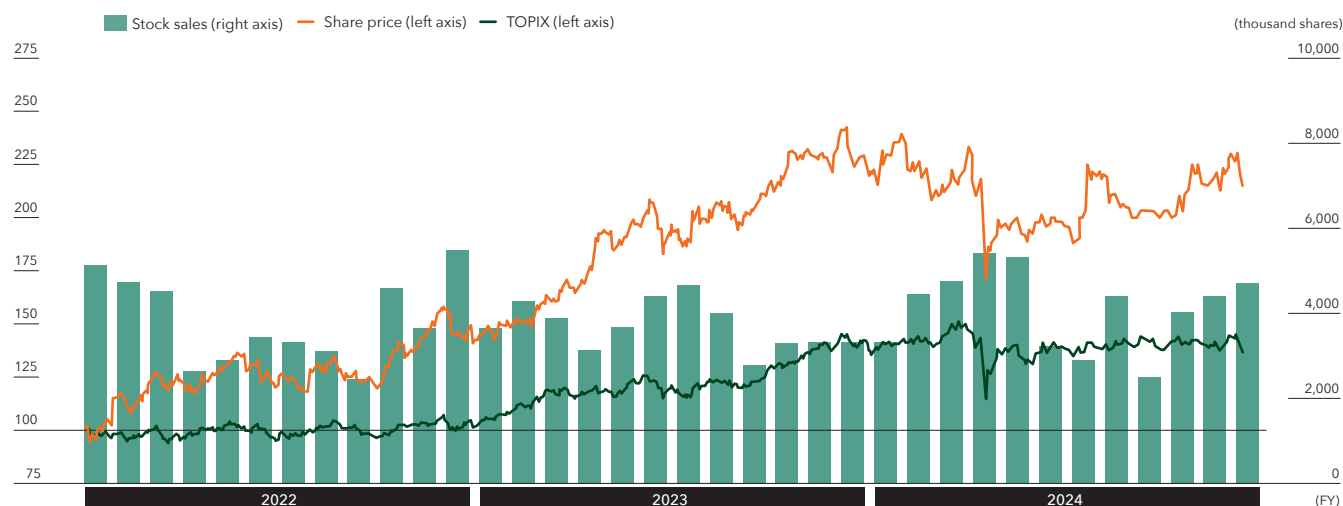
Status of major shareholders (top 10, as of March 31, 2025)

1 Hiroyuki Inoue	7,661 thousand shares
2 The Master Trust Bank of Japan, Ltd. (Trust Account)	7,446 thousand shares
3 Inoue Real Estate Ltd.	4,592 thousand shares
4 Mitsui & Co., Ltd.	4,573 thousand shares
5 Custody Bank of Japan, Ltd. (Trust Account)	3,184 thousand shares

6 SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation Pension Trust Account)	2,837 thousand shares
7 Kimiko Inoue	1,739 thousand shares
8 Mizuho Bank, Ltd.	1,675 thousand shares
9 SEC Carbon, Limited	1,307 thousand shares
10 Yamato Shoji Co., Ltd.	1,162 thousand shares

(Note) In addition to the shares listed above, the Company holds 1,723 thousand shares of treasury stock.

Share price and trading volume over the past 3 years (as of March 31, 2025)



(Note) Yamato Kogyo's stock price and TOPIX are indexed with the closing price data as of April 1, 2022 as 100.

Our Steel, Your Future



Yamato Kogyo Co.,Ltd.