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May 11, 2026

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Actions to Implement Management that is Conscious of Cost of Capital and Stock Price (Update)

YODOKO, Ltd. hereby announces that its Board of Directors, at a meeting held on May 11, 2026, evaluated the current situation and updated the status of actions to implement management that is conscious of cost of capital and stock price in order to achieve sustained growth and the medium- to long-term corporate value growth.

For details, please refer to the attached material “Actions to Implement Management that is Conscious of Cost of Capital and Stock Price (Update).”

A decorative graphic on the left side of the slide, consisting of overlapping red and grey shapes, including a large red semi-circle and a smaller red circle, partially overlapping a grey square.

Actions to Implement Management that is Conscious of Cost of Capital and Stock Price (Update)

YODOKO, Ltd.

Stock code: 5451
May 11, 2026

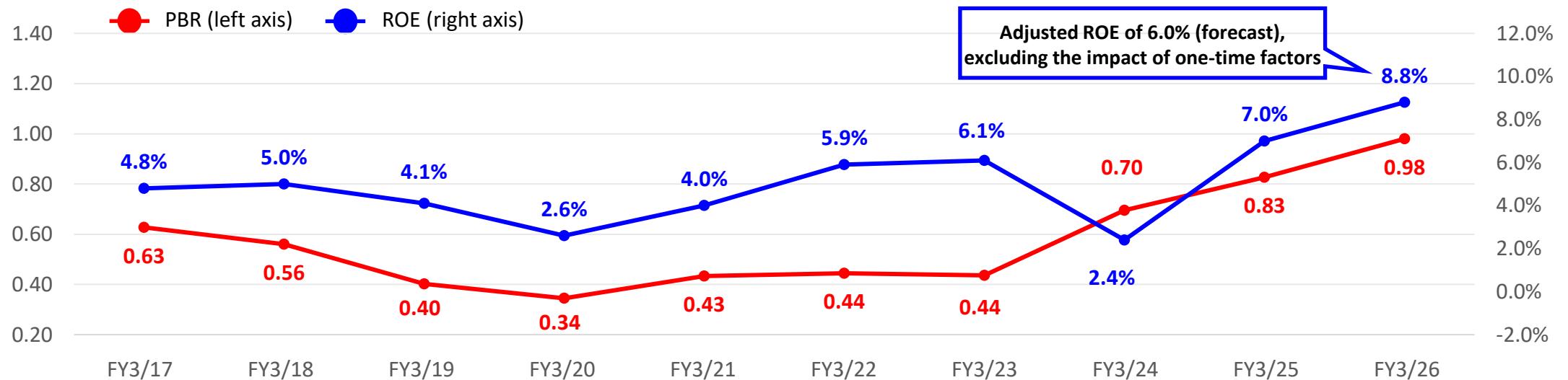
Analysis of Current Situation - PBR and ROE

- PBR: 0.98

→ The PBR increased to 0.98, the highest during the past 10 years. The main reasons are the continuation of the shareholder distribution policy, stock splits and other measures as well as a higher stock price.

- ROE: 8.8%

→ The ROE has surpassed the FY3/26 goal of 7%. However, the FY3/26 ROE includes a gain on the sale of shares of subsidiaries and associates and other one-time factors.

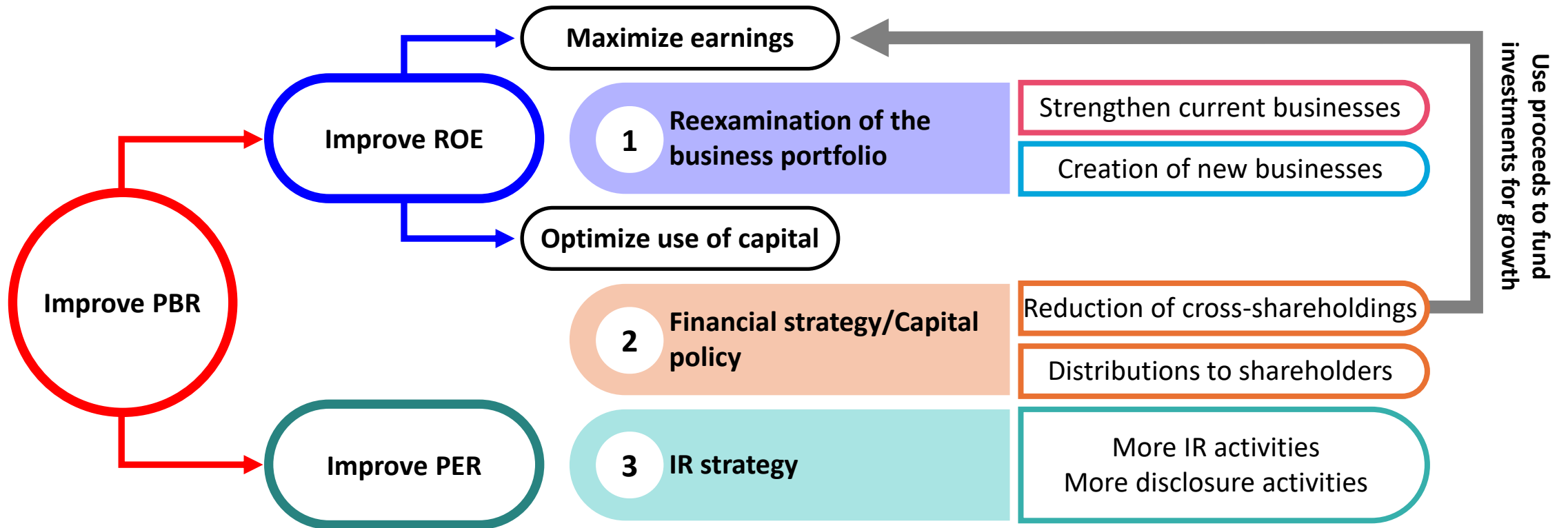


Adjusted ROE of 6.0% (forecast), excluding the impact of one-time factors

An even higher ROE that is consistently above the cost of equity is the highest priority.

Basic Stance for Increasing the PBR

- YODOKO maximizes earnings by reexamining its business portfolio and optimizes capital use by reviewing its capital policy. The goal is an ROE higher than the cost of equity.



Strengthen current businesses

- Capital expenditures to become more competitive and a shorter cash conversion cycle (inventory reductions and other measures) for higher efficiency
- Determination of actions for building a stronger business portfolio (identify nonprofitable businesses, group reorganization, etc.)



- ✓ To eliminate unprofitable businesses, the engineering business was shut down and YBMH in China was dissolved during FY3/25. In FY3/26, the decision was made to sell the stock of consolidated subsidiary YSS in China.
- ✓ As part of group reorganization activities, in FY3/26 additional stock of SYSCO in Taiwan was purchased to increase YODOKO's ownership of this company and all stock of equity-method affiliate Sadoshima Corporation was sold.

Creation of new businesses

- Seek opportunities for more alliances and M&A, mainly in business sectors associated with current operations, to add new businesses



- ✓ Established a jointly owned company called Y.S. PANERIO CO., LTD. and constructed a factory for this company
- ✓ Continued to consider the establishment of a strategic alliance involving steel sheet building materials with JFE Steel Corporation and JFE Galvanizing & Coating Co., Ltd.
- ✓ Basic agreement for an alliance with Nakayama Steel Works, Ltd. for measures to increase the use of EAF steel
Vertical collaboration will enable meeting the needs of customers involving the environmental protection and raising the use and sales of value-added EAF steel products.

Reduction of cross-shareholdings

- Planned reduction during the Medium-Term Management Plan 2025:
About 30% of End-March 2023 cross-shareholdings, which were 28 billion yen



- Based on book values as of the end of March 2023, cross-shareholdings decreased 8.4 billion yen (30.0%) during FY3/24 to FY3/26.

	Target	FY3/24	FY3/25	FY3/26
Reduction rate	30% equivalent	0.6%	15.8%	30.0%
Reduction amount	About 8.4 billion yen	0.2 billion yen	4.4 billion yen	8.4 billion yen

Reduction of cross-shareholdings

- Medium/long-term reduction policy: Achieved the goal of reducing cross-shareholdings (balance sheet valuations) to less than 10% of consolidated net assets.



- ✓ As of the end of March 2026, cross-shareholdings were 14.0% of consolidated net assets, up 0.8 pct. point from one year earlier.
- ✓ Although cross-shareholdings are declining, the book value of these holdings increased because of a rise in stock price.

	Target	End-March 2024	End-March 2025	End-March 2026
Cross-shareholdings / consolidated net assets	Less than 10%	14.0%	13.2%	14.0%
Cross-shareholdings	—	29.9 billion yen	28.4 billion yen	31.4 billion yen
Consolidated net assets	—	213.8 billion yen	215.1 billion yen	223.6 billion yen

Distributions to shareholders

- Shareholder distributions during the medium-term plan 2025: Payout ratio of at least 75% while maintaining a fiscal year dividend of at least 40 yen (after the split)



- ✓ Maintained a dividend payout ratio of at least 75% and plan to pay dividend of 91 yen per share for FY3/26
- ✓ Conducted a 1-to-5 common share split on July 2025 to achieve greater liquidity in our stock and further expansion of our investor base.

	Target	FY3/24	FY3/25	FY3/26
Annual dividend	At least 40 yen (at least 200 yen before the split)	200 yen	351 yen	91 yen (455 yen before the split)
Payout ratio	At least 75%	129.6%	75.2%	75.5%

Cancellation of treasury shares

- The policy is to keep holdings of treasury shares below 10% of the total number of outstanding shares as of the end of every fiscal year.



- Completed cancellation of 2.91 million treasury shares on May 31, 2026 (8.3% of outstanding shares after this cancellation).
- Treasury shares were below 10% at the end of each fiscal year since the establishment of the 10% limit in April 2024.

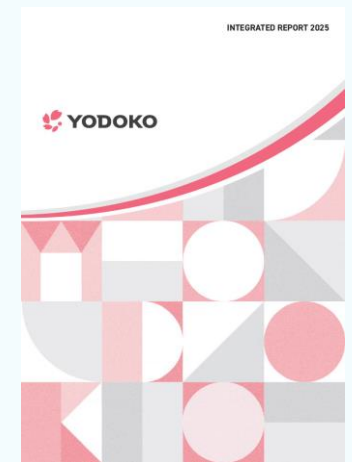
	Target	End-March 2024	End-March 2025	End-March 2026
Criteria for treasury share ownership	About less than 10%			
of the total number of outstanding shares		17.1%	9.2%	8.3%

More investor relations and disclosure activities

- Further upgrade earnings announcement presentations and meetings with investors
- Enhance information provision to investors through various IR tools
- Provide English translations of timely disclosure announcements



- ✓ Actively meet with investors and proactively hold SR meetings to facilitate dialogue with investors and shareholders.
- ✓ Expanded and upgraded the IR website to give people a better understanding of the YODOKO Group and strengthen dialogues. One step was a new website page with information for individual investors that clearly explains YODOKO's strengths.
- ✓ Issue an integrated report that explains our thoughts and actions for the growth of the YODOKO Group's corporate value for the purpose of giving all stakeholders a better understanding of how we manage business operations.
- ✓ More disclosure of information by providing an English-language version of the Integrated Report.



(Integrated Report)

Activities for increasing corporate value

- ✓ Changed the Company's name from Yodogawa Steel Works, Ltd. to YODOKO, Ltd.
- ✓ As part of measures for switching to the new company name, the corporate website was redesigned for the provision of more information
- ✓ Advertisements as part of corporate branding activities



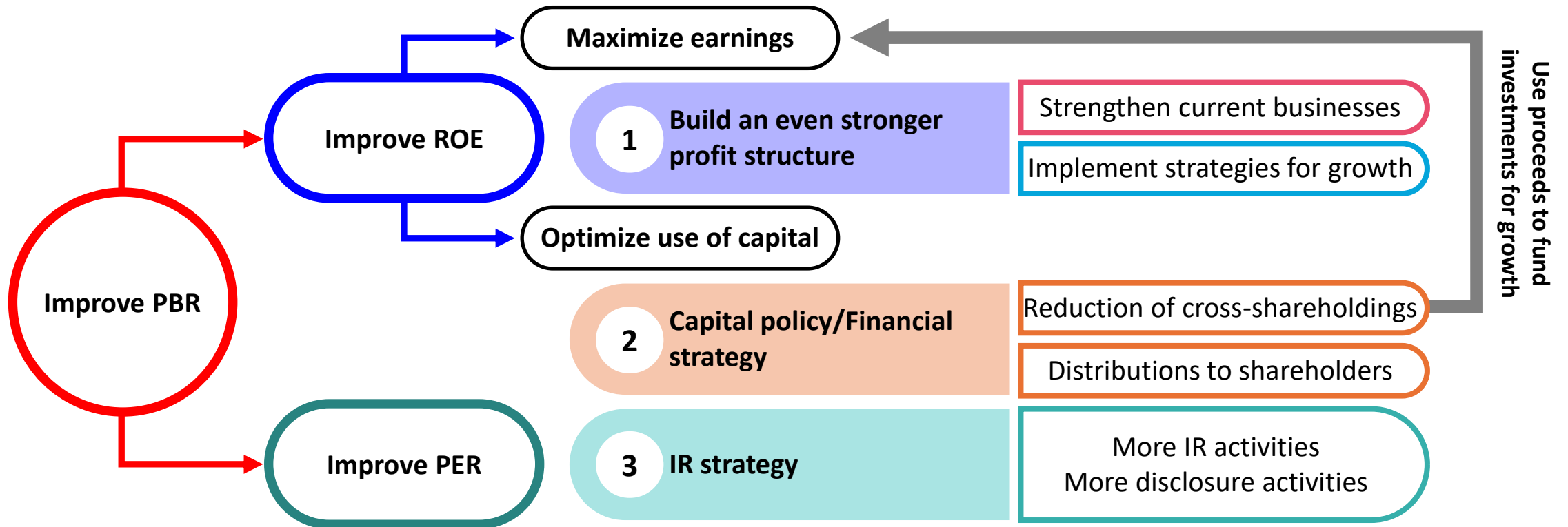
(Corporate website)



(A YODOKO sign at Hanshin Koshien Stadium)

Basic Stance for Increasing the PBR (FY3/27 and Beyond)

- YODOKO maximizes earnings by reexamining its business portfolio and optimizes capital use by building an even stronger profit structure. The goal is an ROE higher than the cost of equity.
- The goal is an ROE of at least 8% in the Medium-Term Management Plan 2028 starting from FY3/27.

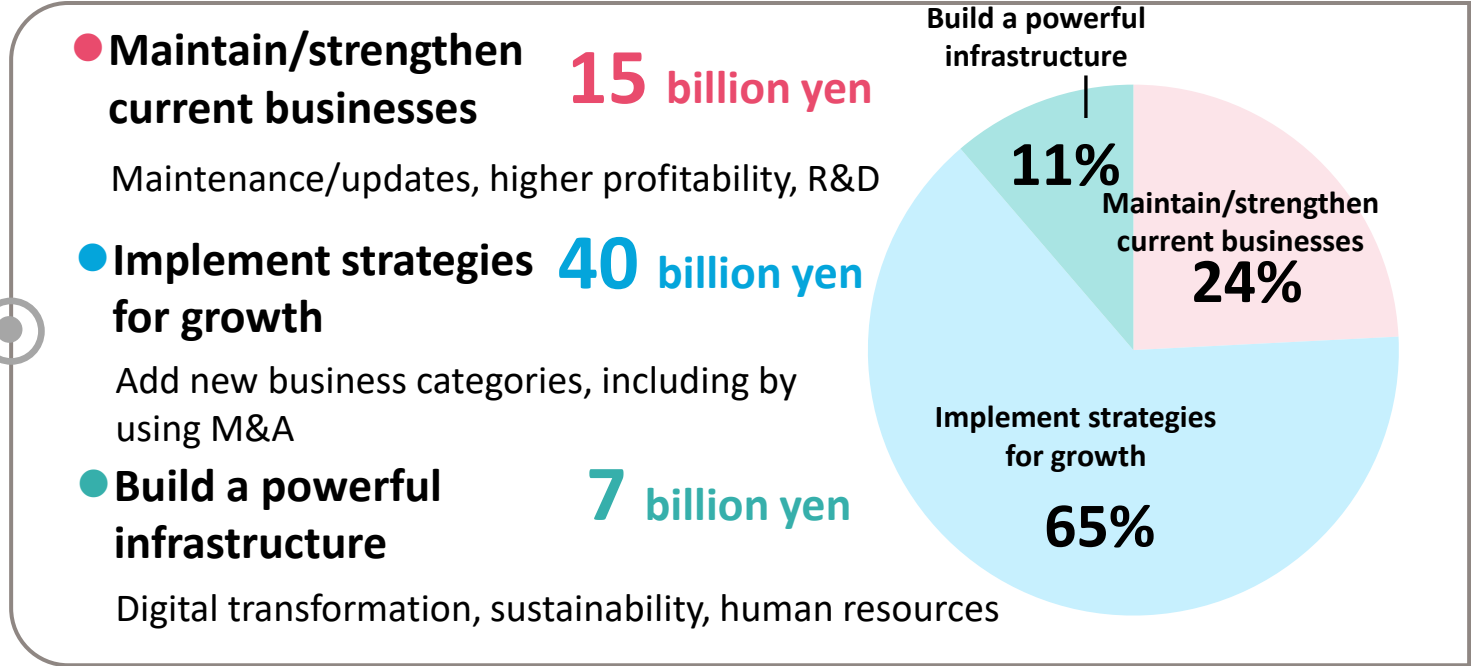
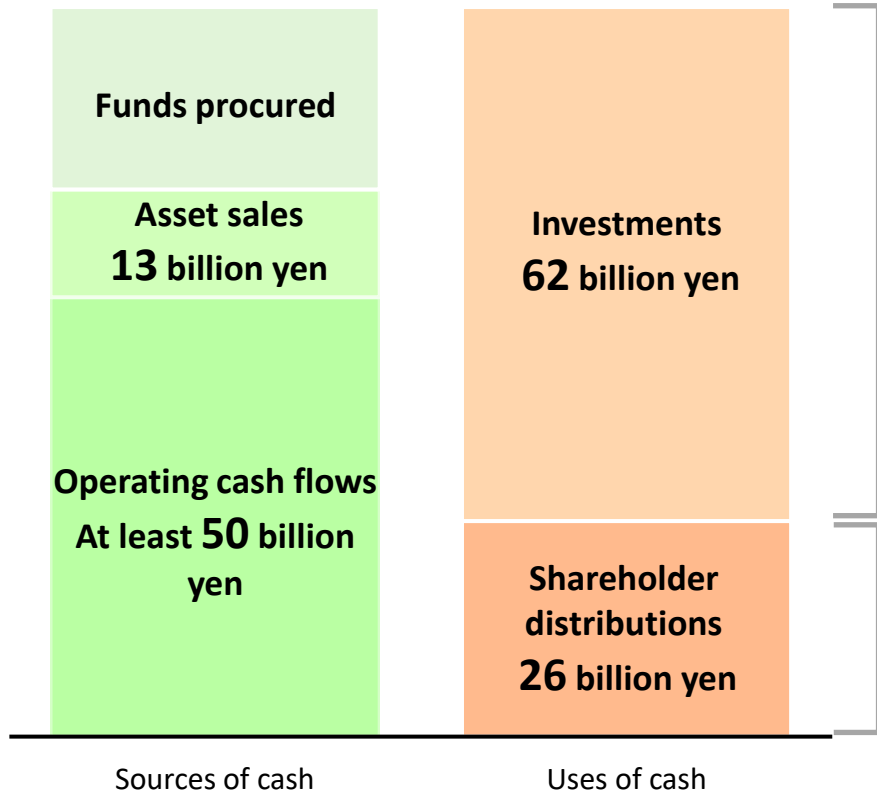


- Progress with initiatives in the Medium-term Plan 2028 for increasing the ROE and PER.



- Cash from operating cash flows, asset sales and other sources will be used for investments, primarily involving strategies for growth, and substantial distributions to shareholders. The goal is a higher ROE.

Medium-Term Plan 3-year totals



- **Dividends** Maintain a payout ratio of at least 75%