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December 12, 2025

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Listing: Tokyo Stock Exchange, Prime Market
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Notice Regarding Basic Agreement for Business Alliance with Nakayama Steel Works

YODOKO, Ltd. and Nakayama Steel Works, Ltd. have signed a basic agreement for the establishment of a business alliance.

1. Reasons for the Business Alliance

The YODOKO Medium-term Management Plan 2025 has the strategic goals of increasing sales of value-added products and collaborating with other companies to develop new products and enter new markets. For coexisting with all stakeholders, YODOKO is also taking steps to lower CO2 emissions as one way to contribute to sustainability.

As part of the Nakayama Steel Group Long-term Plan, Nakayama Steel Works is placing priority on contributions to achieving carbon neutrality and a circular society. Nakayama Steel Works is one of only three companies in Japan that manufactures steel sheets using an electric arc furnace. Furthermore, the company has experience and expertise involving blast furnaces and basic oxygen furnaces. By using these skills, Nakayama Steel Works is increasing applications for steel made using electric arc furnaces (EAF steel), which have low CO2 emissions, and aiming to become even more competitive.

The basic agreement for a business alliance will combine the strengths of Nakayama Steel Works as steel producer and YODOKO as a manufacturer of surface-treated steel sheets. Stronger ties between the two companies are expected to increase the use of EAF steel, thereby helping to achieve carbon neutrality due to the significant reduction in CO2 emissions resulting from the use of this steel.

2. Overview and Purpose of the Business Alliance

YODOKO and Nakayama Steel Works, both companies are based in Osaka and manufacture and sell steel products, have cooperated for many years. The business alliance outlined in the basic agreement will make this relationship even stronger. Vertical collaboration will facilitate the effective utilization of the strengths of both companies for the purpose of increasing the use of value-added EAF steel. This will enable the companies to play a role in combating environmental problems and contribute to society.

Based on the business alliance, YODOKO will use EAF steel made by Nakayama Steel Works, which is expected to increase the stability of YODOKO's supply chain. YODOKO also plans to develop and manufacture products using this steel. Supplying these products will allow YODOKO to meet an even broader range of the needs of its customers. Meanwhile, Nakayama Steel Works will be able to secure stable demand and create more applications for EAF steel. YODOKO and Nakayama Steel Works expect that the alliance will further improve their ability to meet customers' requirements involving EAF steel and to increase sales of products made of this steel with added value.

3. Profile of Nakayama Steel Works

(1)	Name	Nakayama Steel Works, Ltd.		
(2)	Location	1-1-66, Funamachi, Taisho-ku, Osaka		
(3)	Representative	Nobuhiko Naito ,Representative Director and President		
(4)	Business	1. Manufacture and sale of steel and steel products 2. Design, fabrication and sale of steel fish/fish farming reefs and other marine steel structures 3. Manufacture, sale and repairs of steel rolls and valves and other mechanical devices 4. Real estate transactions, leasing, brokerage and management 5. All businesses associated with the preceding items		
(5)	Capital	20,040 million yen (as of the end of September 2025)		
(6)	Established	December 1923		
(7)	Major shareholders and shareholding ratio (as of September 30, 2025) (Note 1)	Hanwa Co., Ltd.		14.86%
		The Master Trust Bank of Japan, Ltd. (Trust Account)		9.57%
		AIR WATER INC.		8.72%
		MARUICHI STEEL TUBE LTD.		4.90%
		Osaka Gas Co., Ltd.		3.54%
		Amagasaki Siekan Co., Ltd.		2.35%
		Custody Bank of Japan, Ltd. (Trust Account)		1.57%
		Nakayama Shareholding Association		1.52%
		NIPPON STEEL TRADING CORPORATION		1.50%
		DIMENSIONAL ETF TRUST-DIMENSIONAL INTERNATIONAL SMALL CAP VALUE ETF (Standing proxy: Citi Bank, N.A., Tokyo Branch)		0.98%
(8)	Relationships between YODOKO and Nakayama Steel Works	Capital	Not applicable.	
		Personnel	Not applicable.	
		Business	YODOKO purchases steel from Nakayama Steel Works and sells materials and supplies to this company	
		Related parties	Not applicable.	
(9) Consolidated results of operations and financial position for the past three years				
	Year ended	March 2023	March 2024	March 2025
	Consolidated net assets (Millions of yen)	96,859	104,553	106,810
	Consolidated total assets (Millions of yen)	148,787	152,087	149,148
	Consolidated net assets per share (Yen)	1,789.18	1,930.54	1,971.57
	Consolidated net sales (Millions of yen)	188,514	184,445	169,329
	Consolidated operating profit (Millions of yen)	13,644	12,327	8,436
	Consolidated ordinary profit (Millions of yen)	13,371	12,244	8,119
	Profit attributable to owners of parent (Millions of yen)	10,227	8,904	5,695
	Consolidated net income per share (Yen)	188.92	164.43	105.14
	Dividend per share (Yen)	55.00	50.00	40.00

Notes 1. Major shareholders and shareholding ratio (as of September 30, 2025) information is from the Major Shareholder List in the report for the first half of the fiscal year ending in March 2026 that was submitted by Nakayama Steel Works to the director-general of the Kanto Local Finance Bureau on November 13, 2025.

2. The above figures are quoted from Nakayama Steel Works' 131st Annual Securities Report.

4. Schedule

(1) Signing of basic agreement: December 12, 2025

(2) Start of business alliance: To be determined in the separate alliance contract

5. Outlook

YODOKO believes that this business alliance will contribute to the medium to long-term growth of sales and earnings and of corporate value. However, the alliance will have only a negligible effect on results of operations in the fiscal year ending in March 2026. An announcement will be made promptly if there is information concerning this alliance that requires disclosure.