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June 18, 2025

Company name: YAMATO KOGYO CO., LTD.
Representative: Mikio Kobayashi
Representative Director, President
Securities code: 5444 (TSE Prime Market)
Contact: Yoshikazu Kotera
Managing Executive Officer
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Notice regarding Share transfer of Equity-method affiliated companies in Middle East

We have resolved to sell all of our ownership interests in two equity-method affiliated companies in the Middle East —SULB Company B.S.C. (c) ("SULB") and United Steel Company (SULB) Bahrain Venture Co. W.L.L. ("BV") — to Foulath, our joint venture partner in the region. Following this resolution by our Board of Directors, we have signed a share sale and purchase agreement today.

The transfer will be completed upon receiving the necessary approvals and permits from the relevant authorities in each jurisdiction.

Following completion of this share transfer, SULB, BV, and United Steel Company LLC ("Saudi Sulb") will no longer be accounted for as our equity-method affiliated companies.

1. Price of the share transfer

Transfer Price	140 million US dollars

※As a result of the final discussions between parties, the amount represents a US Dollars 35 million reduction from the originally anticipated Transfer Price of US Dollars 175 million. The adjustment reflects a comprehensive evaluation of current business environment and other transaction related factors.

2. Schedule for the share transfer

(1) Board Resolution	June 18, 2025
(2) Signing of Share Purchase Agreement	June 18, 2025
(3) Closing of the share transfer	2nd quarter (July - September) of FY2025 (tentative) ※ We plan to proceed with the transfer once the necessary procedures based on local laws and regulations are completed.

3. Future prospect

In the previous fiscal year, we recorded an additional 25.4 billion yen of equity in loss of affiliate, including impairment losses, associated with our decision to withdraw from our business in the Middle East. We expect to record an additional loss (approximately 5 billion yen) in the first quarter of the current fiscal year due to the reduction in the transfer price.

End