



Financial Results Briefing for FY2023

Yokogawa Bridge Holdings Corp.

May 21, 2024

1 Progress of the 6th Medium-Term Management Plan

2 Toward Enhancing Corporate Value

3 Consolidated Settlement of Accounts for FY2023

4 Business Forecast for FY2024

5 Appendix



Yokogawa Bridge Holdings Corp.

Progress of the 6th Medium-Term Management Plan

Kazuhiko Takata
President and Representative Director

Summary for FY2023 ①

- ✓ Net sales were flat year-on-year. By segment, the Bridge Business posted a record high, while the Engineering Business and Precision Equipment Business saw sluggish growth.
- ✓ Operating profit remained high. By segment, the Precision Equipment Business was sluggish, but profitability improved in the Engineering Business, mainly in the Engineered Structure System Business, and the Bridge Business showed steady progress in construction ordered.
- ✓ Net profit reached a record high due to the recording of a gain on sale of investment securities.

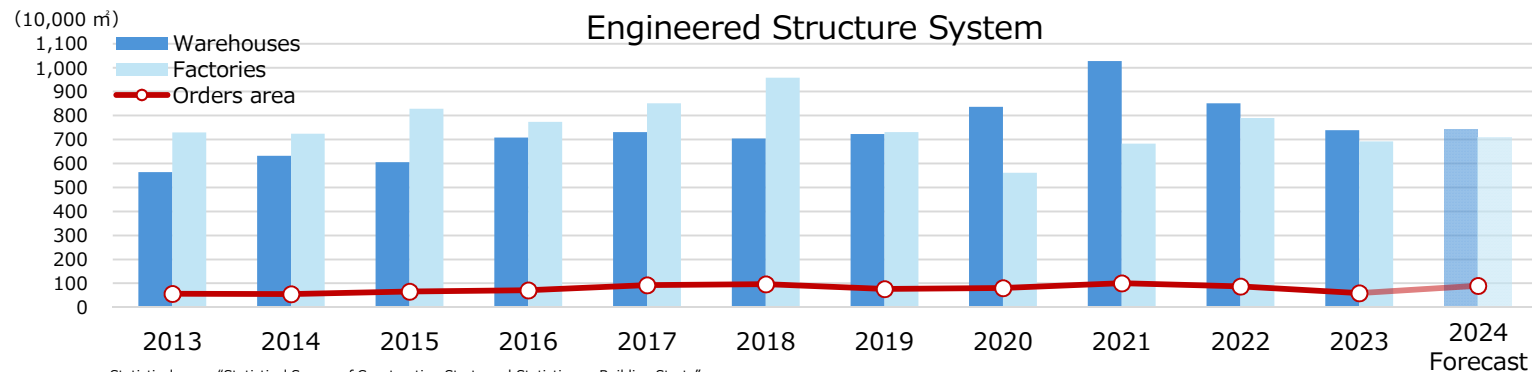
Summary for FY2023 ②

● Bridge Business

- ✓ While the orders for new domestic bridge construction were sluggish due to the backlog of plans, we were able to win several large projects for both New Bridge Construction and Maintenance, mainly in the second half of the year, and results were generally in line with our expectations.
- ✓ Although the orders placed for New Bridge Construction in FY2024 are expected to remain sluggish, we will increase orders by enhancing the certainty of orders and strengthening our response to maintenance work.

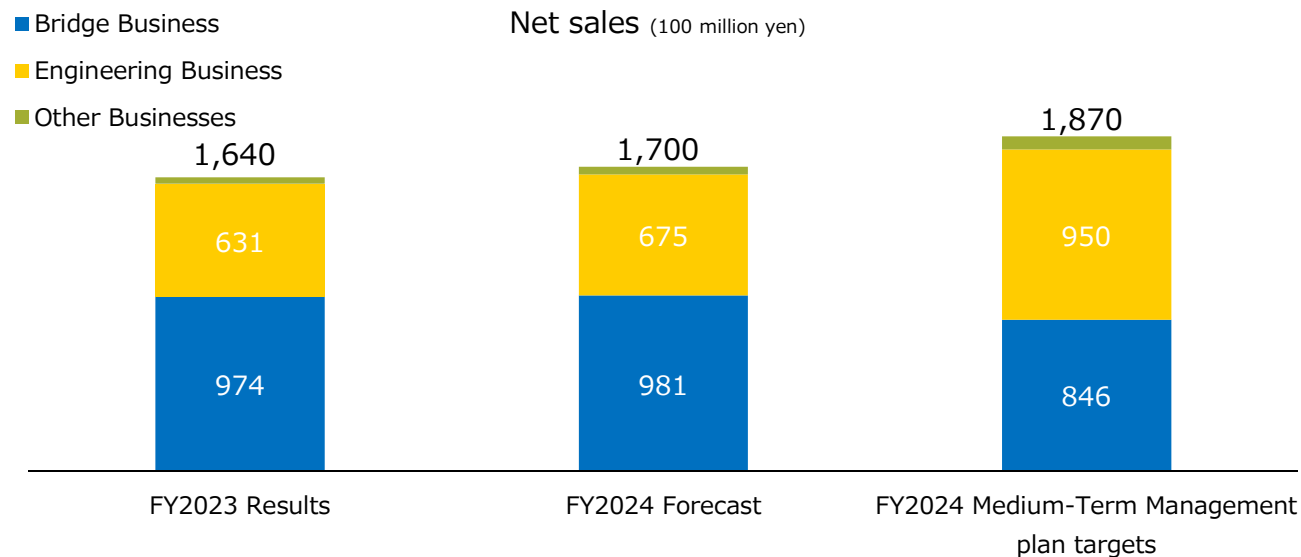
● Engineered Structure System

- ✓ Orders were sluggish due to the postponement or revision of capital investment plans, mainly for small and medium-sized factories and warehouses due to rising construction costs, but inquiries remained steady throughout the year.
- ✓ We will steadily capture demand due to the return of the supply chain to the domestic market and the 2024 problem, and will restore the business to our original growth trajectory by strengthening efforts in stores and offices and direct sales to clients.



Full-Year Forecast for FY2024

- ✓ Net sales are expected to increase, while operating profit is expected to decrease slightly due to an increase in selling, general and administrative expenses and other expenses.
- ✓ By segment, the Bridge Business will perform well in terms of both net sales and operating profit. In the Engineered Structure System Business, we expect an increase in sales due to the recovery of orders, but profits are expected to decrease due to an increase in fixed costs and a lapse in the effects of price increases.
- ✓ Further reduction of cross-shareholdings is planned, and a certain level of extraordinary income is expected.



6th Medium-Term Management Plan (FY 2022~FY 2024)

| | FY 2022 Results | FY 2023 Results | FY 2024 Forecast | FY2024 Medium-Term Management plan targets |
|--|-----------------|-----------------|---------------------|--|
| Net sales (100 million yen) | 1,649 | 1,640 | 1,700 | 1,870 |
| Operating profit (100 million yen) | 152 | 159 | 155 | 183 |
| EPS (yen) | 273 | 291 | 287 | 290 |
| ROE | 10.1% | 9.9% | 9% or higher | 9% or higher |
| Dividend payout ratio | 31.1% | 32.6% | 38.3% | 30% or higher |

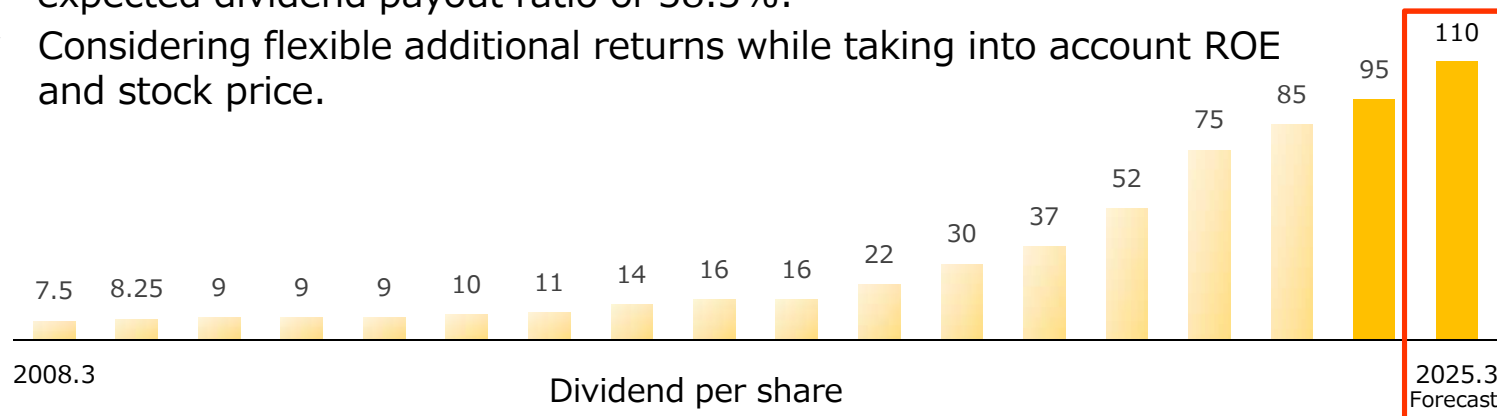
Shareholder Returns

● FY2023

- ✓ Shareholder returns increased by changing from previous “stable dividends” to “progressive dividends.”
- ✓ Dividend increased from 90 yen/share to 95 yen/share. Dividend payout ratio is 32.6%.
- ✓ As in FY2022, 1 billion yen’s worth of treasury shares were acquired.

● FY2024

- ✓ Dividend to be increased to 110 yen/share (+15 yen vs. FY2023), with an expected dividend payout ratio of 38.3%.
- ✓ Considering flexible additional returns while taking into account ROE and stock price.





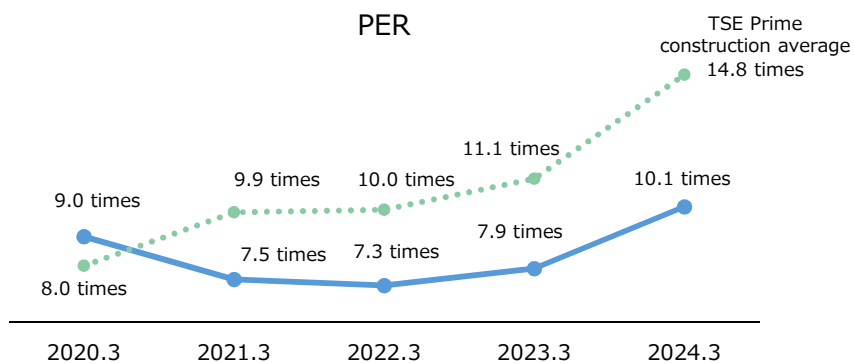
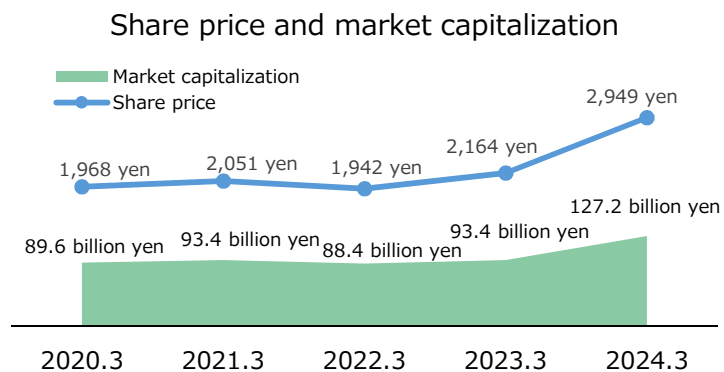
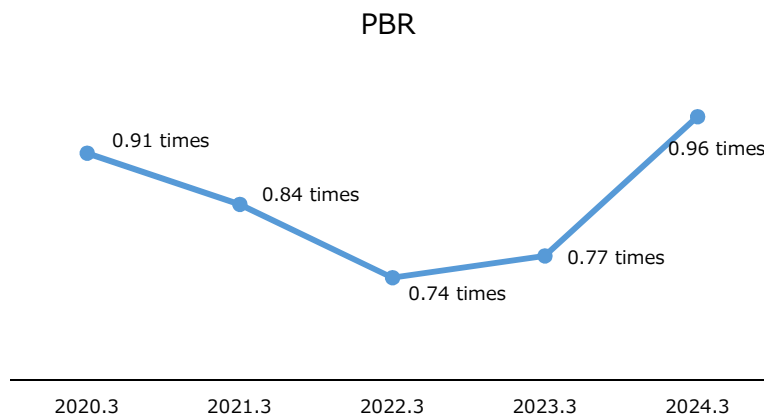
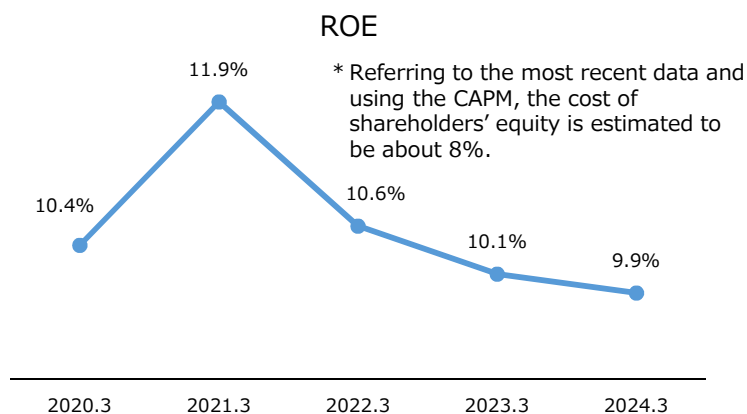
Yokogawa Bridge Holdings Corp.

The background of the slide features a stylized, light blue graphic of a city skyline with various building silhouettes. Overlaid on this skyline are two bridge structures: a suspension bridge on the left and a truss bridge on the right. The text 'Toward Enhancing Corporate Value' is centered over the middle of the image in a dark blue, bold font.

Toward Enhancing Corporate Value

Current Analysis and Assessment

- ✓ ROE achieved a return on capital that exceeds the cost of shareholders' equity (around 8%).
- ✓ PBR is on the verge of 1× due to the rise in the share price.
- ✓ PER is below the industry average. It is assumed that the reason for this is that the growth potential has not been sufficiently evaluated by the market.



Toward Enhancing Corporate Value



- ✓ Improve PBR by working to increase ROE, control the cost of shareholders' equity, and increase expected growth rate.

| Initiative | Progress and achievements |
|---|---|
| 1 Execution of the 6th Medium-Term Management Plan | <ul style="list-style-type: none"> ✓ Bridge Business performed better than expected. Established “Floor Slab Renewal Promotion Office” at operating companies to strengthen support for maintenance projects (FY2023) ✓ Overall performance is expected to be lower than expected due to sluggish orders in Engineered Structure System business and delayed progress in large projects in Civil Engineering business |
| 2 Maintenance and improvement of ROE | <ul style="list-style-type: none"> ✓ Achieved return on capital in excess of cost of shareholders' equity, maintaining a level above the 6th Medium-Term Management Plan target (9% or more) |
| 3 Expansion of shareholder returns | <ul style="list-style-type: none"> ✓ Introduced a progressive dividend with a minimum dividend payout ratio of 30% (FY2023) ✓ Maintain trend of dividend increases ✓ Acquired 1 billion yen's worth of treasury shares (FY2022 and FY2023) |
| 4 Challenge in new business fields | <ul style="list-style-type: none"> ✓ Established the “New Project Promotion Office” to develop technologies and products for new projects such as offshore wind power generation at operating companies (FY2024) |

| Initiative | Progress and achievements |
|--|--|
| 5 Reduction of cross-shareholdings | <ul style="list-style-type: none"> ✓ Sold 5 issues for 1.9 billion yen (FY2022) ✓ Sold 7 issues for 3.1 billion yen (FY2023) ✓ Further reductions planned for FY2024 |
| 6 Enhancement of corporate governance structure | <ul style="list-style-type: none"> ✓ Plans to shift to a Company with Audit and Supervisory Committee ✓ Plans to have a majority of independent outside directors appointed (All of the above are to be submitted to the Annual General Meeting of Shareholders in June 2024) ✓ Establish Integrated Risk Management Committee (FY2024) |
| 7 Utilization of intellectual property | <ul style="list-style-type: none"> ✓ Establish an Intellectual Property Office to promote the management and utilization of intellectual property and apply it to business strategies and R&D to enhance competitiveness (FY2024) |
| 8 Revision of executive compensation plan and introduction of restricted stock incentive plan for employees | <ul style="list-style-type: none"> ✓ Reflect the total shareholder return (TSR) of the Company's shares in executive compensation and further deepen value-sharing with shareholders through the granting of shares to employees (FY2023) |
| 9 Strengthening of information dissemination | <ul style="list-style-type: none"> ✓ Revamp corporate website and enhance disclosure of IR information, including disclosure in English (FY2024) ✓ Start recorded video streaming of financial results briefings (FY2024) |

Construction of the first steel bridge using green steel in the domestic bridge industry

- ✓ “Fukuoka 201 Shin-Asakura Bridge (in-bound line) outside superstructure construction work” (ordered by the Kyushu Regional Development Bureau of the Ministry of Land, Infrastructure, Transport and Tourism) was the first bridge industry project in Japan to use green steel, a steel material that reduces CO₂ emissions by 100% through applying the mass balance method*¹.
- ✓ In addition to achieving carbon neutrality in the construction of this bridge, we will continue to work with related parties to reduce CO₂ emissions.

*¹Green steel with mass balance method applied:

Steel products that are supplied with certificates that pool the GHG or CO₂ emission reductions from additionality reduction projects implemented by the steelmaker within the organization and allocate the reductions to any component

Challenge in new business fields (Floating Offshore Wind Turbine business)

- ✓ Yokogawa NS Engineering conducted a full-scale construction test of a large spar type floating structure as a NEDO Green Innovation Fund*² project, commissioned by Toda Corporation.
- ✓ Narasaki Seisakusyo has joined MOPA*³ to search cross-industry collaboration.



Japan's first floating offshore wind Turbine facility put to practical use in Goto City, Nagasaki Prefecture
(Referenced from Toda Corporation official website)



Murooran Port

*²A fund established by the New Energy and Industrial Technology Development Organization (NEDO) to provide 10 years of continuous support to companies which committed to ambitious goals for achieving carbon neutral by 2050, from R&D and demonstration to social implementation.

*³Association aiming to turn Murooran Port into a base for offshore wind power generation, with a focus on local companies that wish to utilize offshore wind power to revitalize industry in the Murooran area (in Hokkaido)

Misato Nagareyama Bridge



WEINS PARK Ebina U-BASE building



Yanagawa Transportation Co., Ltd. Chiyoda Warehouse





Yokogawa Bridge Holdings Corp.

Consolidated Settlement of Accounts for FY 2023

Hidenori Miyamoto
Director and Managing Executive Officer

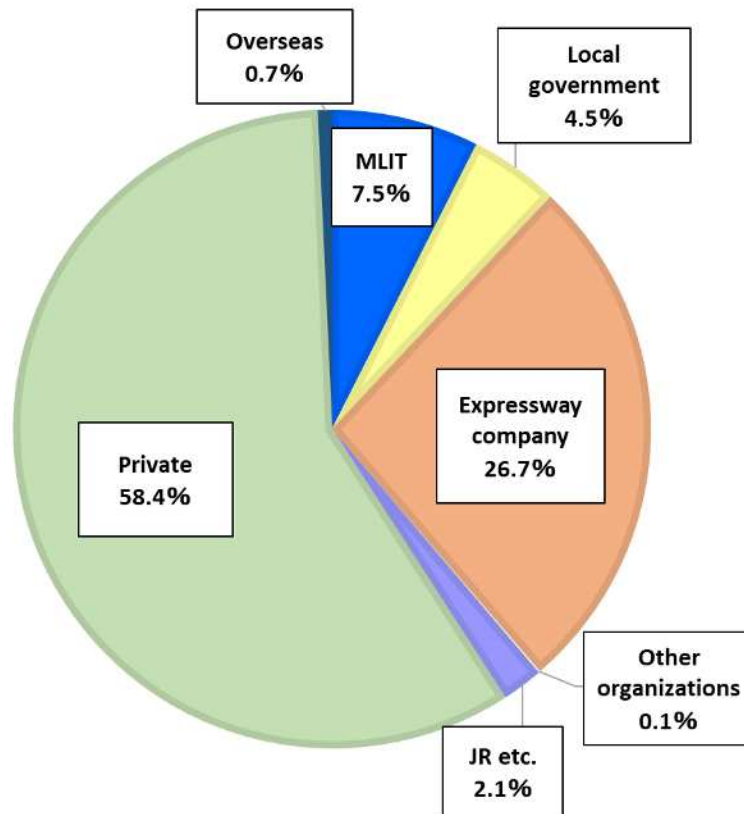
Consolidated of Orders Received by segment



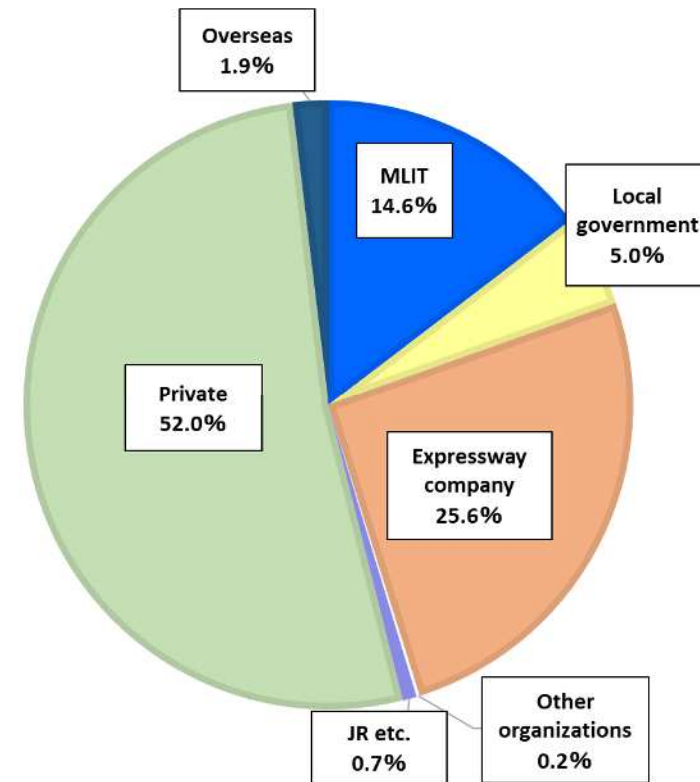
(million yen)

| | | FY 2022 | FY 2023 | Change |
|----------------------------|---|----------------|----------------|-----------------|
| Bridge | New bridge Construction | 68,867 | 59,018 | (9,849) |
| | Maintenance | 13,227 | 24,856 | 11,629 |
| | Overseas | (199) | 2,369 | 2,569 |
| | Subtotal | 81,895 | 86,245 | 4,349 |
| Engineering | Engineered structure system | 52,657 | 38,411 | (14,245) |
| | Civil engineering | 9,412 | 11,695 | 2,282 |
| | Architecture, machinery and steel structure | 9,312 | 6,514 | (2,798) |
| | Subtotal | 71,382 | 56,621 | (14,761) |
| Precision Equipment | Precision equipment manufacturing | 2,824 | 2,110 | (713) |
| | Information processing | 894 | 732 | (161) |
| | Subtotal | 3,718 | 2,843 | (875) |
| Total | | 156,996 | 145,709 | (11,287) |

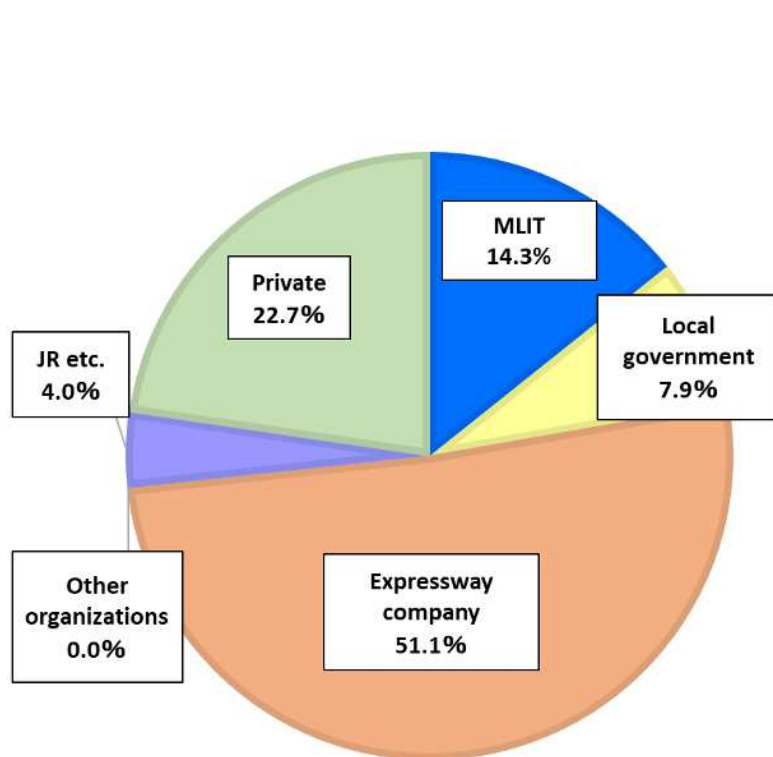
FY 2022 (Full year)



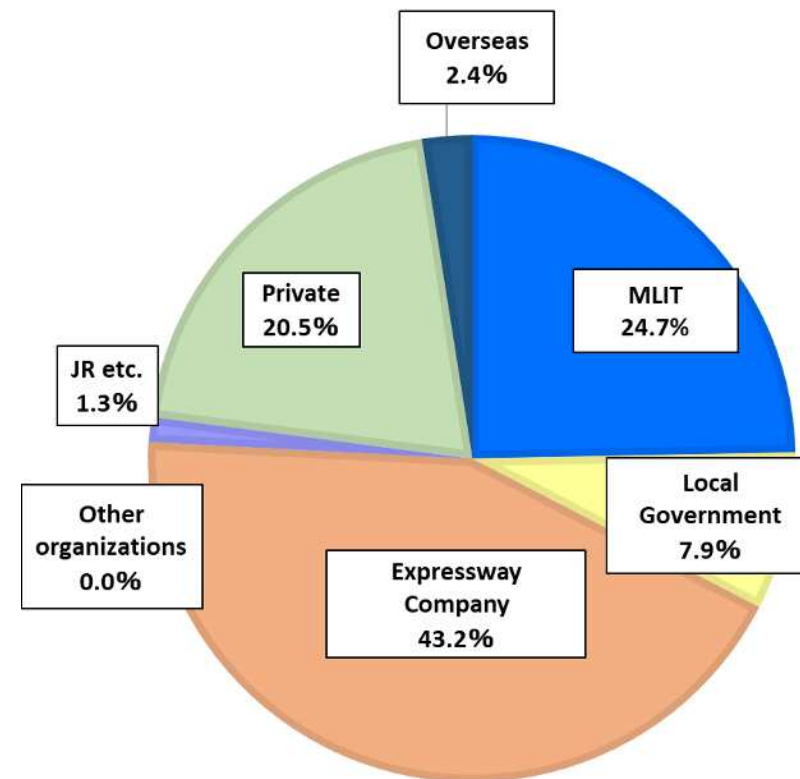
FY 2023 (Full year)



FY 2022 (Full year)



FY 2023 (Full year)



Summary of Consolidated Settlement of Accounts



(million yen)

| | FY 2022 | FY 2023 | Change |
|--|----------------|----------------|---------------|
| Net sales | 164,968 | 164,076 | (892) |
| Operating profit | 15,218 | 15,946 | 728 |
| Ordinary profit | 15,452 | 15,857 | 404 |
| Profit attributable to owners of parent | 11,243 | 11,854 | 611 |

Consolidated Net Sales by segment



(million yen)

| | | FY 2022 | FY 2023 | Change |
|----------------------------|---|----------------|----------------|----------------|
| Bridge | New bridge Construction | 57,612 | 64,904 | 7,292 |
| | Maintenance | 26,759 | 27,443 | 684 |
| | Overseas | 2,646 | 5,063 | 2,416 |
| | Subtotal | 87,018 | 97,411 | 10,393 |
| Engineering | Engineered structure system | 54,593 | 46,903 | (7,689) |
| | Civil engineering | 10,179 | 8,718 | (1,460) |
| | Architecture, machinery and steel structure | 8,161 | 7,510 | (651) |
| | Subtotal | 72,933 | 63,132 | (9,801) |
| Precision Equipment | Precision equipment manufacturing | 3,520 | 2,154 | (1,366) |
| | Information processing | 867 | 787 | (80) |
| | Subtotal | 4,388 | 2,941 | (1,446) |
| Real Estate | | 628 | 591 | (36) |
| Total | | 164,968 | 164,076 | (892) |

Consolidated Business Results by segment



FY 2023

(million yen)

| | | 1Q | 2Q | 3Q | 4Q | Full Year | Previous Year |
|-------------------------------|-------------------------|--------|--------|--------|--------|-----------|---------------|
| Bridge | Net sales | 22,410 | 23,563 | 25,872 | 25,565 | 97,411 | 87,018 |
| | Operating profit | 1,349 | 1,587 | 3,310 | 2,568 | 8,816 | 8,954 |
| Engineering | Net sales | 16,726 | 18,012 | 16,248 | 12,145 | 63,132 | 72,933 |
| | Operating profit | 2,539 | 2,554 | 2,464 | 838 | 8,398 | 6,785 |
| Precision Equipment | Net sales | 738 | 554 | 618 | 1,029 | 2,941 | 4,388 |
| | Operating profit | 41 | (42) | (29) | 140 | 109 | 633 |
| Real Estate | Net sales | 151 | 149 | 146 | 144 | 591 | 628 |
| | Operating profit | 98 | 98 | 97 | 89 | 384 | 368 |
| Corporate expenses | | (464) | (447) | (448) | (403) | (1,763) | (1,523) |
| Total Operating profit | | 3,565 | 3,751 | 5,395 | 3,234 | 15,946 | 15,218 |

Consolidated statements of income



(million yen)

| | FY 2022 | FY 2023 | Change |
|---|---------|---------|--------|
| Net sales | 164,968 | 164,076 | (892) |
| Gross profit | 25,472 | 26,828 | 1,355 |
| Selling, general and administrative expenses | 10,254 | 10,881 | 627 |
| Operating profit | 15,218 | 15,946 | 728 |
| Non-operating income | 563 | 487 | (76) |
| Non-operating expenses | 329 | 576 | 247 |
| Ordinary profit | 15,452 | 15,857 | 404 |
| Extraordinary income | 1,144 | 1,946 | 801 |
| Extraordinary expenses | 69 | 271 | 202 |
| Profit before income taxes | 16,527 | 17,531 | 1,004 |
| Profit attributable to owners of parent | 11,243 | 11,854 | 611 |

(million yen)

| | As at March 31,2023 | As at March 31,2024 | Change |
|---|------------------------|------------------------|----------|
| Current assets | 133,354 | 146,255 | 12,901 |
| Non-current assets | 61,101 | 64,590 | 3,488 |
| Total assets | 194,456 | 210,846 | 16,389 |
| Current liabilities | 50,660 | 38,297 | (12,362) |
| Non-current liabilities | 26,143 | 44,525 | 18,381 |
| Total liabilities | 76,803 | 82,822 | 6,018 |
| Net assets | 117,653 | 128,023 | 10,370 |
| Total liabilities and net assets | 194,456 | 210,846 | 16,389 |

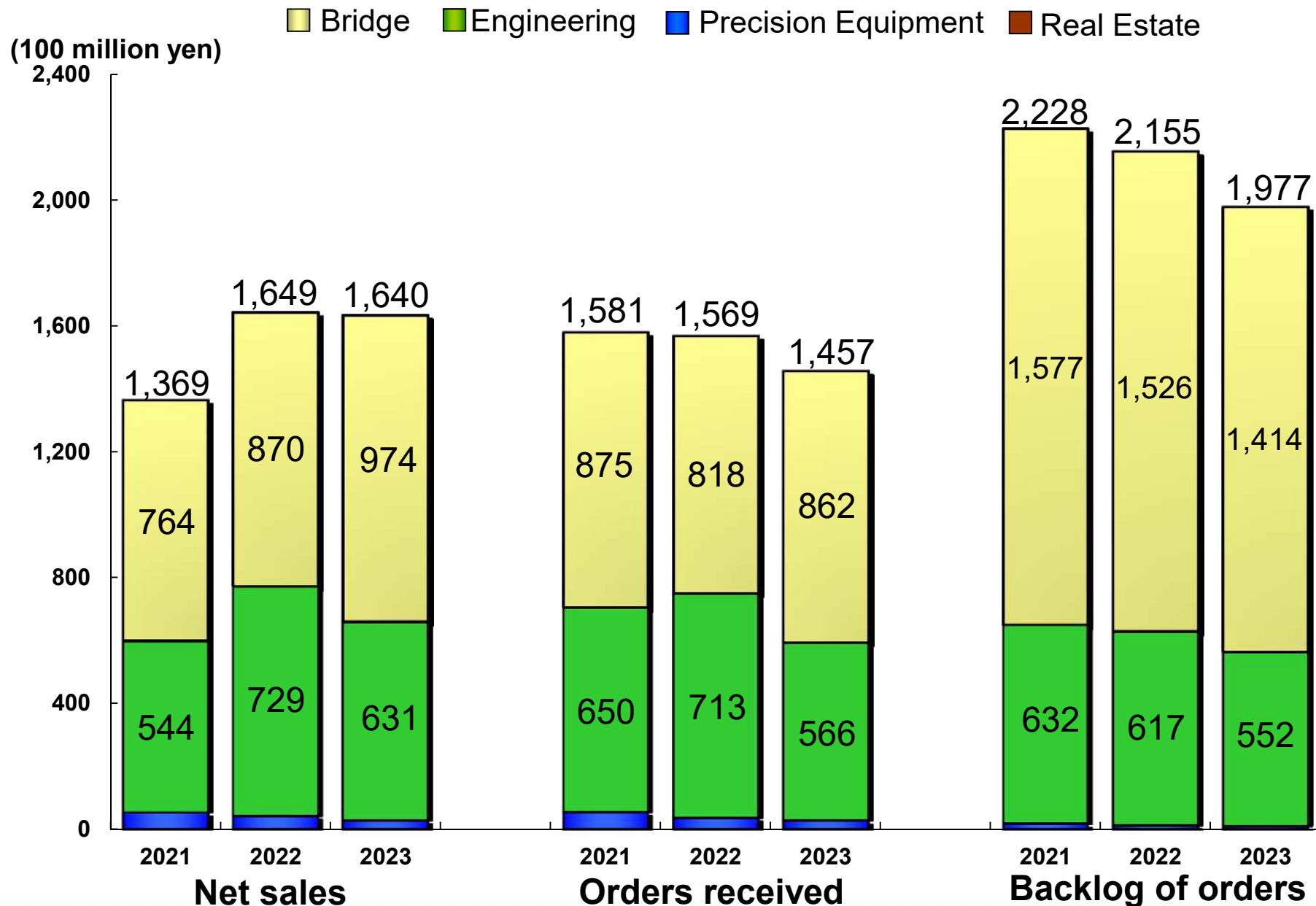
Consolidated statements of Cash flows



(million yen)

| | FY 2022 | FY 2023 | Change |
|--|---------|---------|---------|
| Cash flow from operating activities | (4,350) | (1,637) | 2,712 |
| Cash flow from investing activities | (1,844) | (972) | 872 |
| Cash flow from financing activities | 7,850 | 2,516 | (5,334) |
| Effect of exchange rate change on cash and cash equivalents | 28 | (60) | (89) |
| Net increase (decrease) | 1,684 | (154) | (1,838) |
| Cash and cash equivalents at beginning of period | 23,458 | 25,143 | 1,684 |
| Cash and cash equivalents at end of period | 25,143 | 24,988 | (154) |

Net Sales / Orders Received / Backlog of Orders



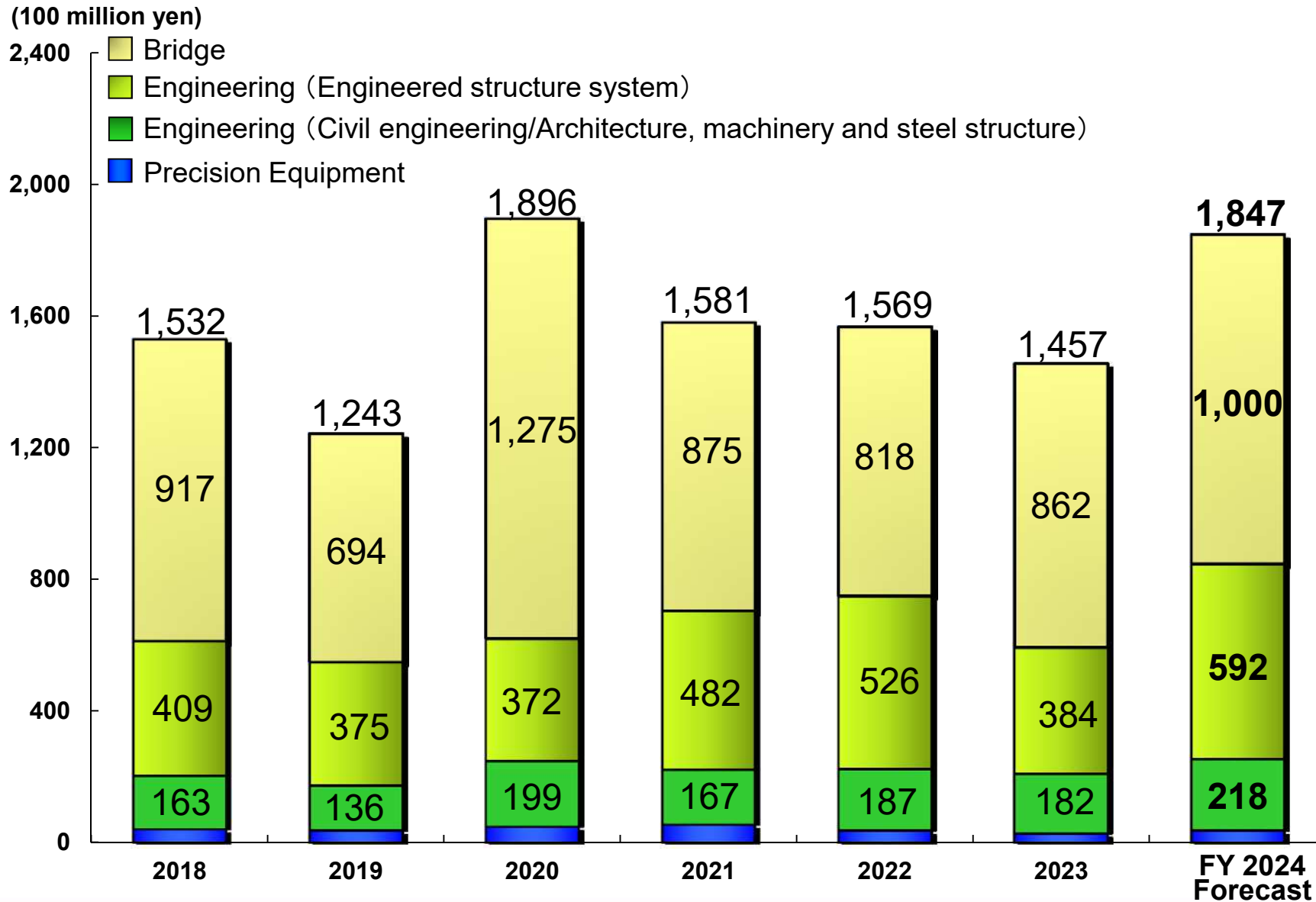


Yokogawa Bridge Holdings Corp.

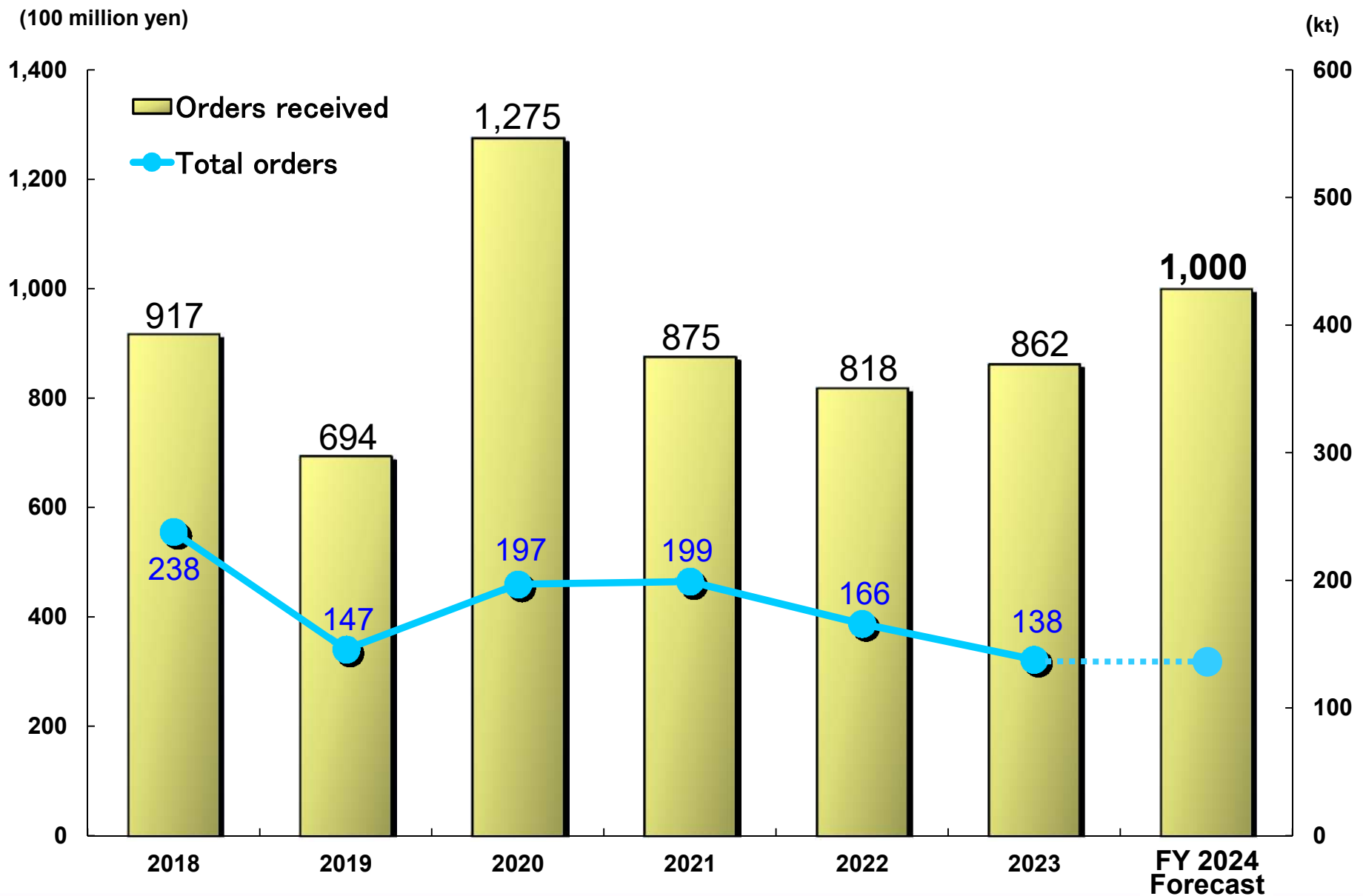
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Business Forecast for FY 2024

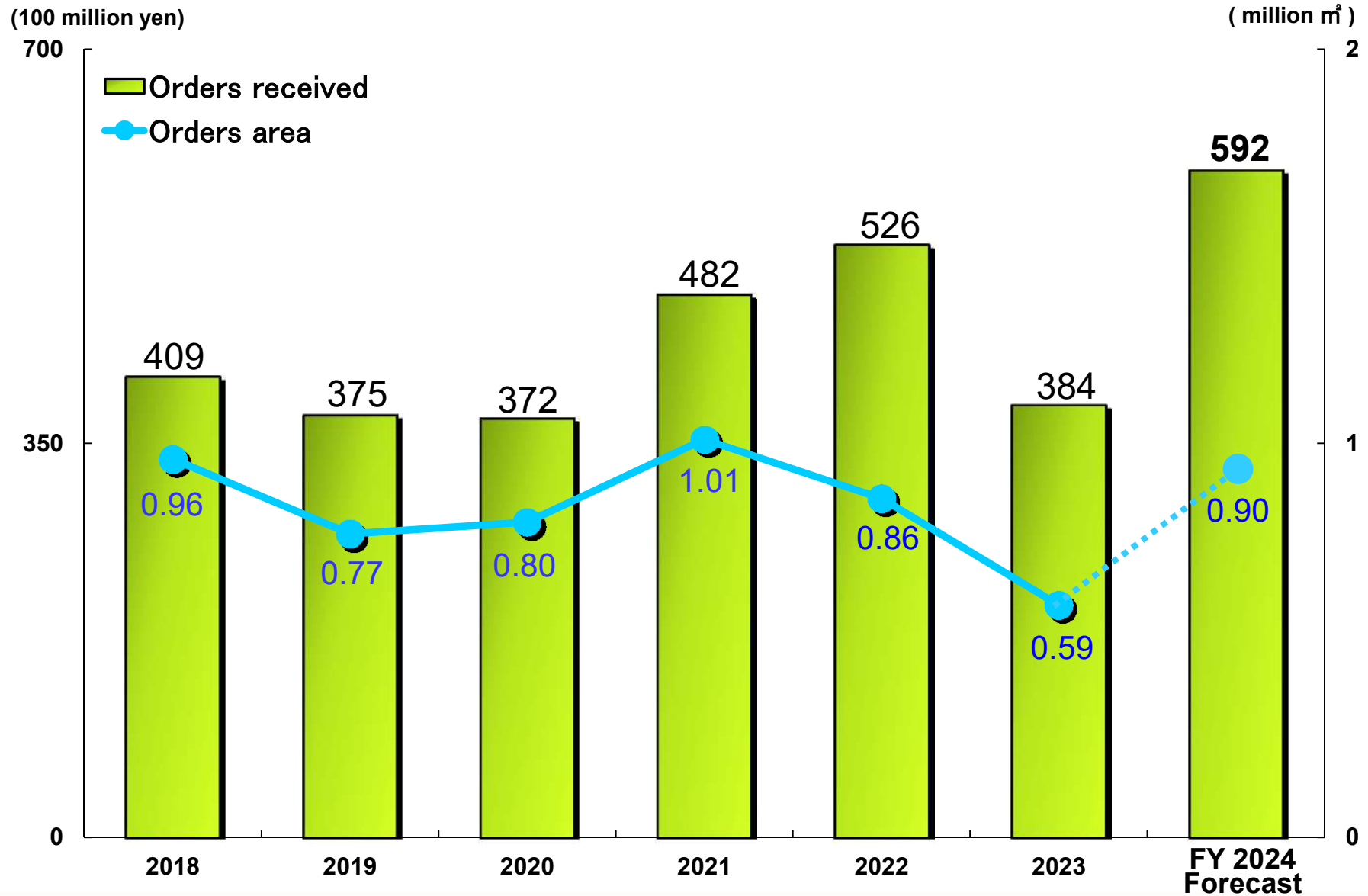
Orders Received



The Amount of Total Orders / Orders Received (Bridge)



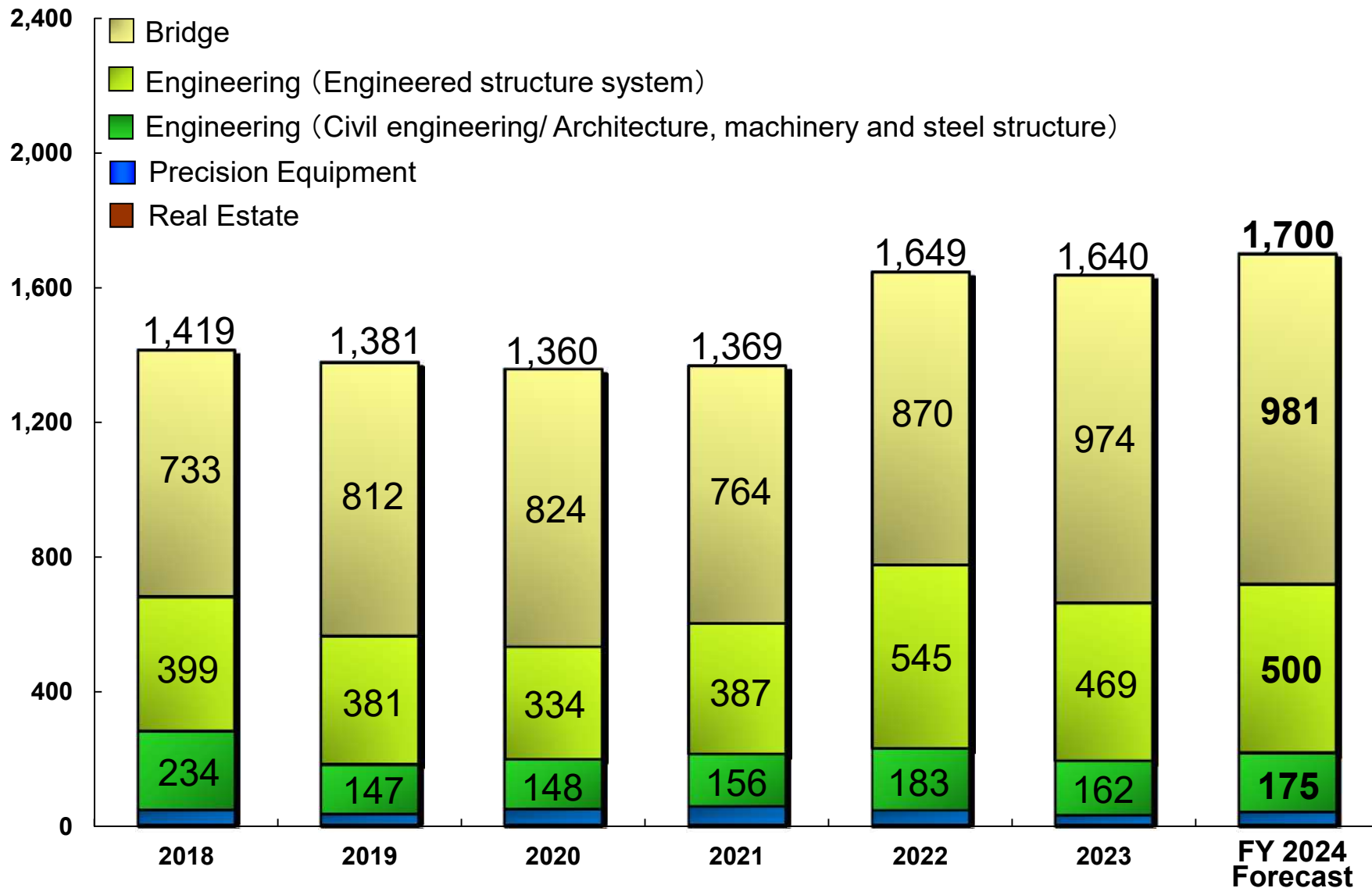
Orders Area / Orders Received (Engineered Structure system)



Net Sales



(100 million yen)



Forecast of Consolidated Business Performance



FY 2024

(million yen)

| | 1st half | 2nd half | Full year |
|---|-----------------|-----------------|------------------|
| Net sales | <i>* 82,306</i> | <i>* 81,770</i> | <i>* 164,076</i> |
| | 78,200 | 91,800 | 170,000 |
| Operating profit | <i>* 7,316</i> | <i>* 8,629</i> | <i>* 15,946</i> |
| | 7,100 | 8,400 | 15,500 |
| Ordinary profit | <i>* 7,477</i> | <i>* 8,379</i> | <i>* 15,857</i> |
| | 7,100 | 8,300 | 15,400 |
| Profit attributable to owners of parent | <i>* 5,855</i> | <i>* 5,999</i> | <i>* 11,854</i> |
| | 5,600 | 6,100 | 11,700 |

** Result of FY 2023*

Forecast of Consolidated Business Performance

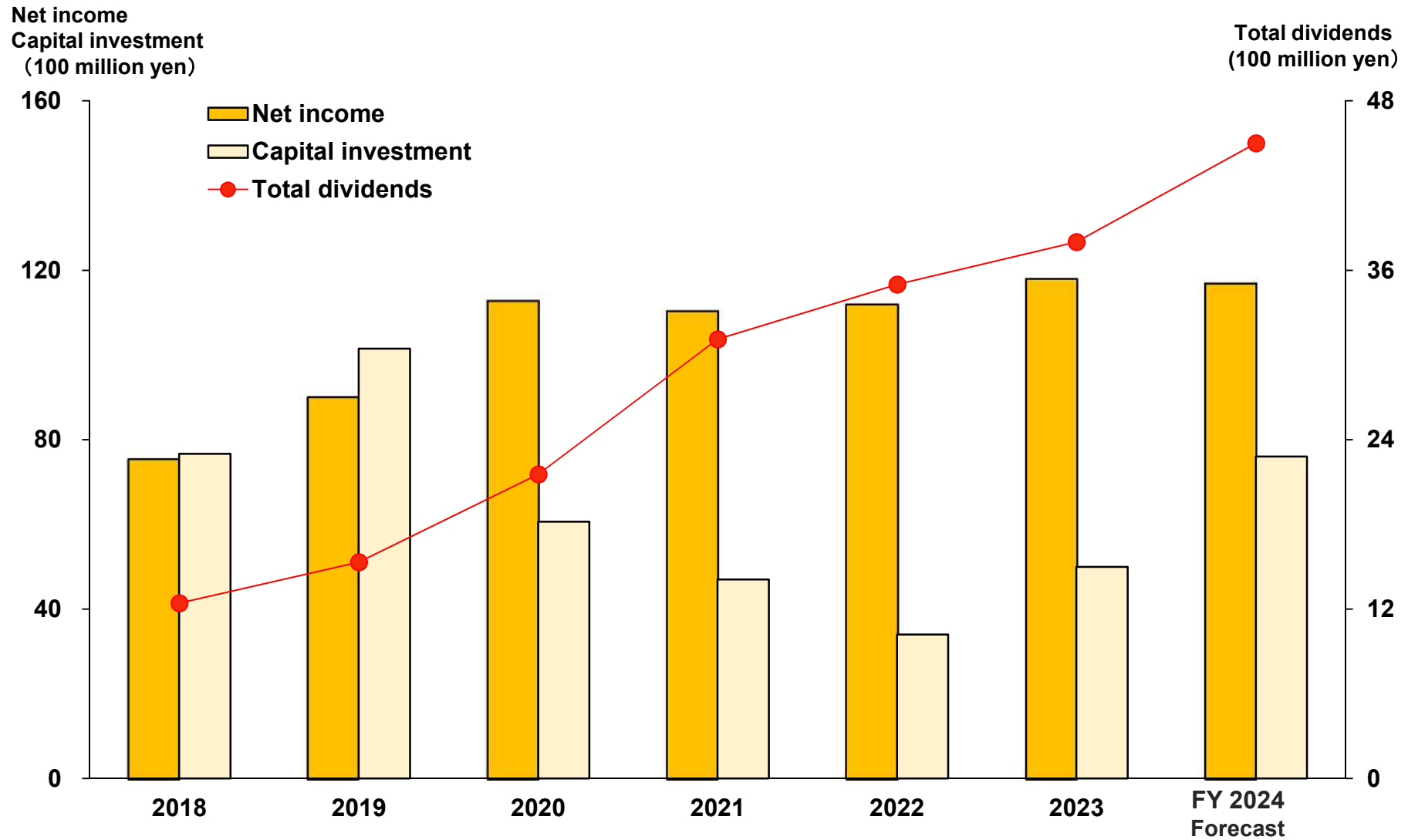
(Operating Profit and Loss by Segment)



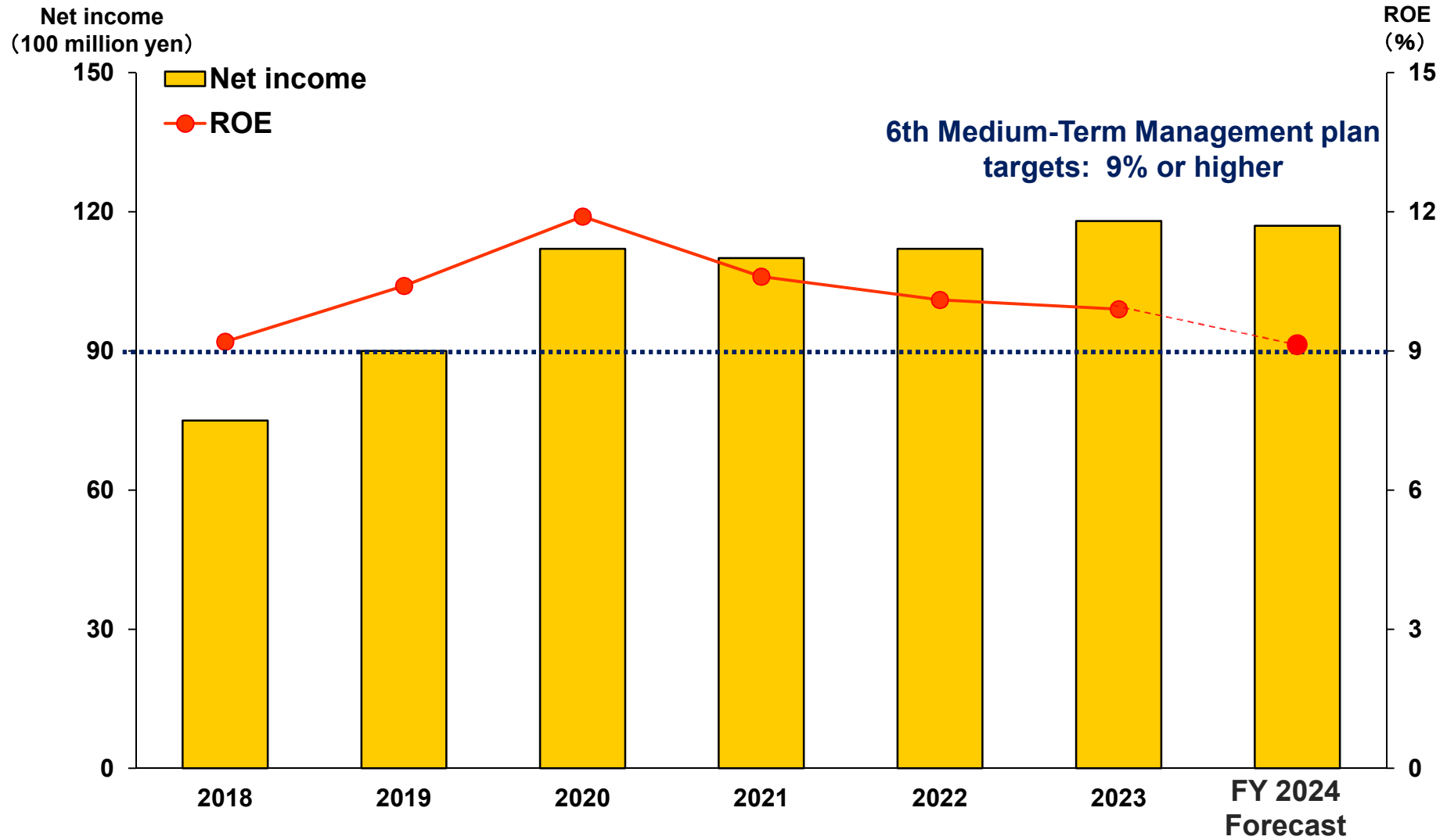
(million yen)

| | | FY 2023 Result | FY 2024 Forecast |
|--------------------------------|-------------------------|---------------------------|-----------------------------|
| Bridge | Net sales | 97,411 | 98,100 |
| | Operating profit | 8,816 | 10,300 |
| Engineering | Net sales | 63,132 | 67,500 |
| | Operating profit | 8,398 | 6,800 |
| Precision Equipment | Net sales | 2,941 | 3,800 |
| | Operating profit | 109 | 300 |
| Real Estate | Net sales | 591 | 600 |
| | Operating profit | 384 | 300 |
| Corporate expenses | | (1,763) | (2,200) |
| Total Operating profit | | 15,946 | 15,500 |

The Amount of Total Dividends



Net Income/ROE



(100 million yen)

| | | Results of FY2022 | Results of FY2023 | <i>Forecast of FY2024</i> | |
|-----------------|---------------------|---|-------------------|---------------------------|--------------|
| Net Sales | Bridge | New bridge construction | 576 | 649 | 675 |
| | | Maintenance | 267 | 274 | 291 |
| | | Overseas | 26 | 50 | 15 |
| | | Subtotal | 870 | 974 | 981 |
| | Engineering | Engineered structure system | 545 | 469 | 500 |
| | | Civil engineering | 101 | 87 | 85 |
| | | Architecture, machinery and steel structure | 81 | 75 | 90 |
| | | Subtotal | 729 | 631 | 675 |
| | Precision Equipment | Precision equipment | 35 | 21 | 30 |
| | | Info. processing | 8 | 7 | 8 |
| | | Subtotal | 43 | 29 | 38 |
| Real Estate | | 6 | 5 | 6 | |
| Total | | 1,649 | 1,640 | 1,700 | |
| Orders Received | Bridge | New bridge construction | 688 | 590 | 724 |
| | | Maintenance | 132 | 248 | 250 |
| | | Overseas | (1) | 23 | 26 |
| | | Subtotal | 818 | 862 | 1,000 |
| | Engineering | Engineered structure system | 526 | 384 | 592 |
| | | Civil engineering | 94 | 116 | 115 |
| | | Architecture, machinery and steel structure | 93 | 65 | 103 |
| | | Subtotal | 713 | 566 | 810 |
| | Precision Equipment | Precision equipment | 28 | 21 | 30 |
| | | Info. processing | 8 | 7 | 7 |
| | | Subtotal | 37 | 28 | 37 |
| Total | | 1,569 | 1,457 | 1,847 | |