



May 14, 2025

For Immediate Release

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Yokogawa Bridge Holdings Group (the “Group”)  
 Seventh Medium-Term Management Plan

We hereby announce that at the meeting of the Board of Directors held today, May 14, 2025, the Board resolved to approve the Seventh Medium-Term Management Plan (covering FY2025 to FY2027), with FY2025 as its initial year (the “new plan”), as detailed below. Please refer to the attached materials for further information.

1. Review of Sixth Medium-Term Management Plan

In the Sixth Mid-Term Management Plan (the “previous plan”) from FY2022 to FY2024, net sales and operating profit did not reach our earnings targets due to factors such as a sluggish market in the engineered structure system business due mainly to surging material costs, and a shift in the completion timeline of a large project in the engineering business. However, due to the acquisition of large-scale design changes in the bridge business, operating profit reached a record high. Earnings per share (EPS) and return on equity (ROE) achieved our targets.

\* Previous plan targets and earnings trends (underlines show achieved targets)

	Targets	FY2022	FY2023	FY2024
Net sales (billion yen)	187.0	164.9	164.1	159.3
Operating profit (billion yen)	18.3	15.2	15.9	16.6
Earnings per share (EPS) (yen per share)	290	273	<u>291</u>	<u>317</u>
Return on equity (ROE)	9% or higher	<u>10.1%</u>	<u>9.9%</u>	<u>10.1%</u>

2. Background of the new plan

Changes in the external environment surrounding our company, such as a lower-than-

anticipated order volume for new bridge construction, are significant, and uncertainty is increasingly high. Recognizing this environmental landscape, we believe a transformation into a corporate group agile enough to respond to change is essential for sustainable growth. Accordingly, the new plan includes revisions to our management vision, our roles, and materiality. To this end, we defined the long-term vision for our company considering a new set of principles and changes in the external landscape, and developed the new plan as our three-year operational plan to achieve that vision. By steadily implementing the initiatives of the new plan, we will sustainably realize our corporate philosophy: Contribution to society and the public, and sound management.

(1) Basic policy of the new plan

**Aggressive investment of the Group's management resources in growth fields and reinforcement of earnings structure**

1) Strategies for core businesses

(i) Bridge business

Expanding business domain centered on the maintenance business, and enhancing safety, quality, and productivity through digitalization

(ii) Engineered structure system business

Maintaining top market share and increasing the market share based on the improvement of product value and the marketing strategy

(iii) Engineering business

Entering new fields aggressively

2) Strategies for robust operational foundation

Linking people, goods, technologies and money with business strategies

(2) Earnings targets for the final-year (FY2027)

Net sales	Operating profit	Earnings per share EPS
200 billion yen	18.5 billion yen	350 yen

(3) Capital policy and shareholder returns

The basic goal of the Company's capital policy remains "balancing sound finances with capital efficiency," consistent with our previous approach. Financial soundness is sufficiently secured, and as an indicator of capital efficiency, our target for ROE in the final year of the new plan (FY2027) is ROE of 10% or higher, a level significantly exceeding the cost of equity (estimated at about 7% using the CAPM method). Regarding shareholder returns, we will newly introduce DOE as a means to sustain progressive dividends while mitigating the impact of earnings fluctuations, aiming to maintain an upward dividend trend with a target of 3.5% or higher. We will implement share buybacks flexibly.

Return on equity ROE	Dividend on equity DOE
10% or higher	3.5% or higher



**Yokogawa Bridge Holdings Corp.**

# Seventh Medium-Term Management Plan

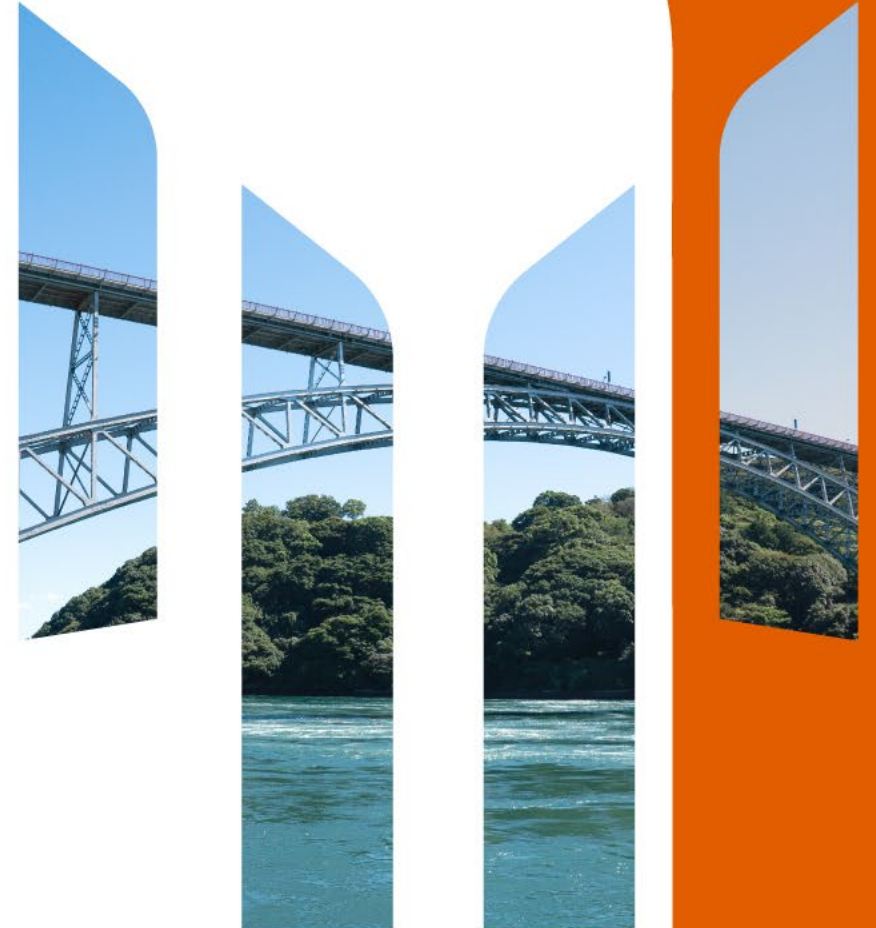
**(FY2025-FY2027)**

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Yokogawa Bridge Holdings Corp.

May 14, 2025

**TSE Prime | Securities code: 5911**



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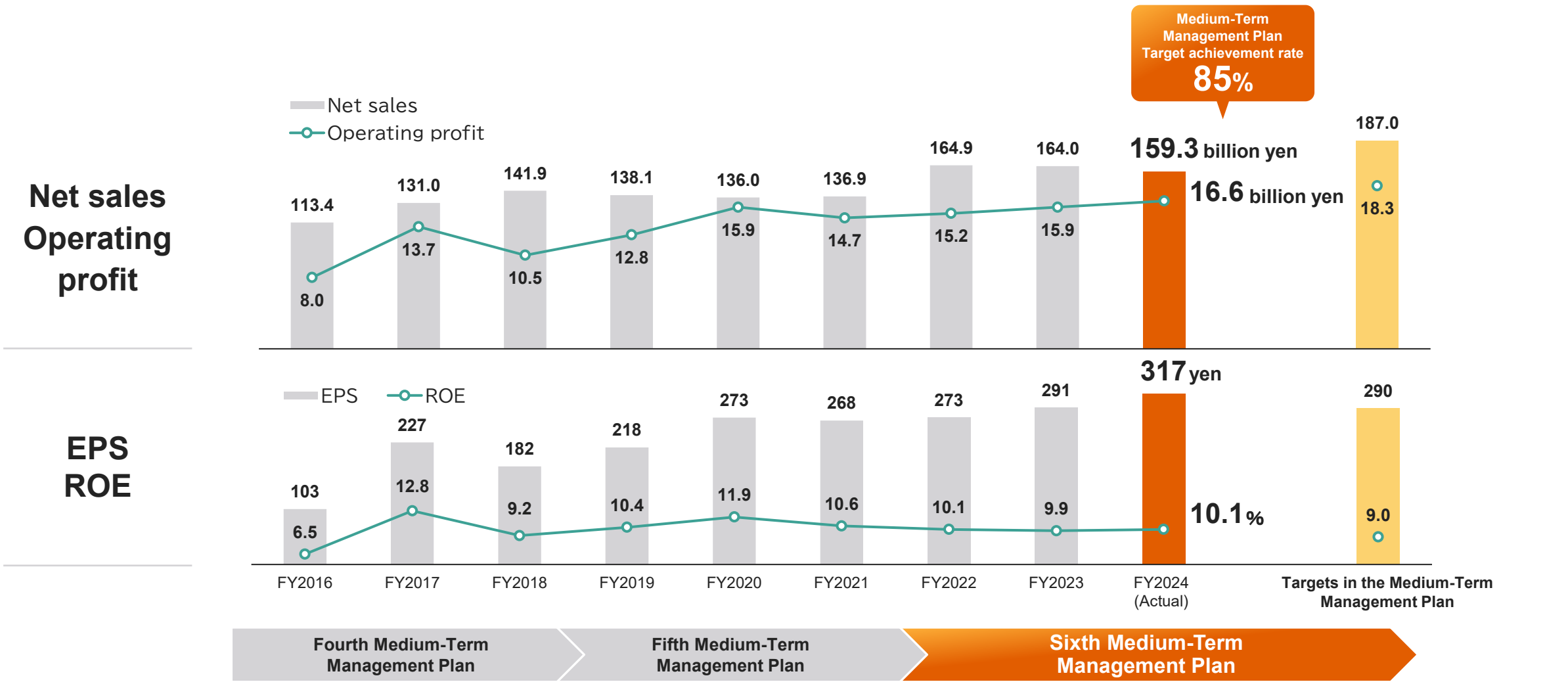
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# **Review of the Previous Medium-Term Management Plan**

# Business Performance and Results vs. Numerical Targets



Under the Sixth Medium-Term Management Plan, we endeavored to achieve net sales of ¥187.0 billion by further strengthening core businesses. While the target was not achieved, due to growth in the bridge business, resulting in record-high operating profit.



# Basic Policy Achievements

We were able to push forward with corporate activities, such as the enhancement of maintenance services in the bridge business, the construction of various management systems in the engineered structure system business, and the company-wide acceleration of digital transformation (DX), almost in line with the Basic Policy.

Basic Policy under the Sixth Medium-Term Business Plan	Achievements	Issues
<b>1.</b> <b>Further reinforce core businesses</b>	<ul style="list-style-type: none"> <li>Bridge: Established a department dedicated to deck replacement to reinforce the maintenance business. Increased the ratio of maintenance projects and won the right of first negotiation and design contract for a cable-stayed bridge on the Seishin-bu (western extension) of Osaka Wangan Road.</li> <li>Engineered structure system: There was steady progress in the development of various management system and operations were started.</li> </ul>	<ul style="list-style-type: none"> <li>It has grown even more difficult to predict market changes, mainly reflecting the shrinking of the new bridge market and delays in plans attributed to rising material and labor costs.</li> <li>Sustainable growth is difficult in the existing business.</li> </ul>
<b>2.</b> <b>Create and develop diverse businesses</b>	<ul style="list-style-type: none"> <li>Offshore wind power generation business: Participation in the NEDO Green Innovation Fund Project and the Muroran Offshore Wind Industry Promotion Association (MOPA)</li> </ul>	<ul style="list-style-type: none"> <li>The offshore wind power generation business environment in Japan is growing increasingly difficult due to various factors including inflation, the weak yen and rising interest rates. There is the possibility that there will be setbacks in plans.</li> <li>We need to disperse the risk by making investment decisions carefully and considering other businesses widely.</li> </ul>
<b>3.</b> <b>Establish a robust business base for the next 100 years</b>	<ul style="list-style-type: none"> <li>Developed and studied technologies for reducing environmental impact, such as new materials and new construction methods</li> <li>Implemented a plan for using renewable energy ahead of schedule</li> <li>IT-related investments were made as planned. Introduced a new mission-critical system and acquired DX certification</li> </ul>	<ul style="list-style-type: none"> <li>Purchased steel accounts for the majority of CO<sub>2</sub> emissions, and it is necessary to reduce Scope 3 emissions to achieve carbon neutrality.</li> <li>Information Security risks and costs have been increasing due to the rapid progress in the utilization of digital technologies.</li> <li>Securing and developing necessary human resources and developing an organizational culture are also urgent tasks.</li> </ul>

# Achievements and Tasks of Core Businesses



Major factors in the failure to achieve targets were the sluggish growth of the market in the engineered structure system business, mainly reflecting the rising cost of materials, as well as the postponement of major construction projects in the engineering business.

	Bridge	Engineered structure system	Engineering
Net sales Achievements (FY2021-FY2024)	<div><ul style="list-style-type: none"><li>The quantity of orders for bridge construction was below the predicted level, but the target was achieved by increasing market share.</li><li>In maintenance, we succeeded in increasing orders targeting major retrofitting projects.</li></ul><div><div>(Billion yen)</div><div><div><div></div><div></div><div></div><div></div><div></div></div><div><div>76.4</div><div>87.0</div><div>97.4</div><div>98.2</div><div>84.6</div></div><div><div>FY2021</div><div>FY2022</div><div>FY2023</div><div>FY2024</div><div>FY2024 target</div></div></div><div>Sixth Medium-Term Management Plan</div></div></div>	<div><ul style="list-style-type: none"><li>Projects involving small and medium-sized enterprises as the main customers of builders, and others were suspended or delayed, mainly reflecting the rising cost of construction materials, etc.</li></ul><div><div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div>38.7</div><div>54.5</div><div>46.9</div><div>40.7</div><div>72.0</div></div><div><div>FY2021</div><div>FY2022</div><div>FY2023</div><div>FY2024</div><div>FY2024 target</div></div></div><div>Sixth Medium-Term Management Plan</div></div>	<div><ul style="list-style-type: none"><li>There were delays in construction work for civil engineering steel structures including tunnel segments and seawalls instigated by the ordering parties.</li><li>However, sales activities for future orders in the tunnel segment steadily produced results.</li></ul><div><div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div>15.6</div><div>18.3</div><div>16.2</div><div>15.5</div><div>23.0</div></div><div><div>FY2021</div><div>FY2022</div><div>FY2023</div><div>FY2024</div><div>FY2024 target</div></div></div><div>Sixth Medium-Term Management Plan</div></div>
Issues	<div><ul style="list-style-type: none"><li>Expanding business domains including a shift to maintenance and expansion to other industries</li><li>Securing field engineers and subcontractors</li></ul></div>	<div><ul style="list-style-type: none"><li>Increasing market share for factories and warehouses and strengthening sales of other buildings (offices, stores and two-story buildings)</li><li>Building diverse sales channels (including sales activities targeting clients)</li></ul></div>	<div><ul style="list-style-type: none"><li>Steadily receiving orders for tunnel segment projects for which we submit proposals, steadily producing properties for which we have received orders and reducing costs</li><li>Developing new products by strengthening cooperation with customers and leveraging our ability to propose proprietary technologies</li></ul></div>

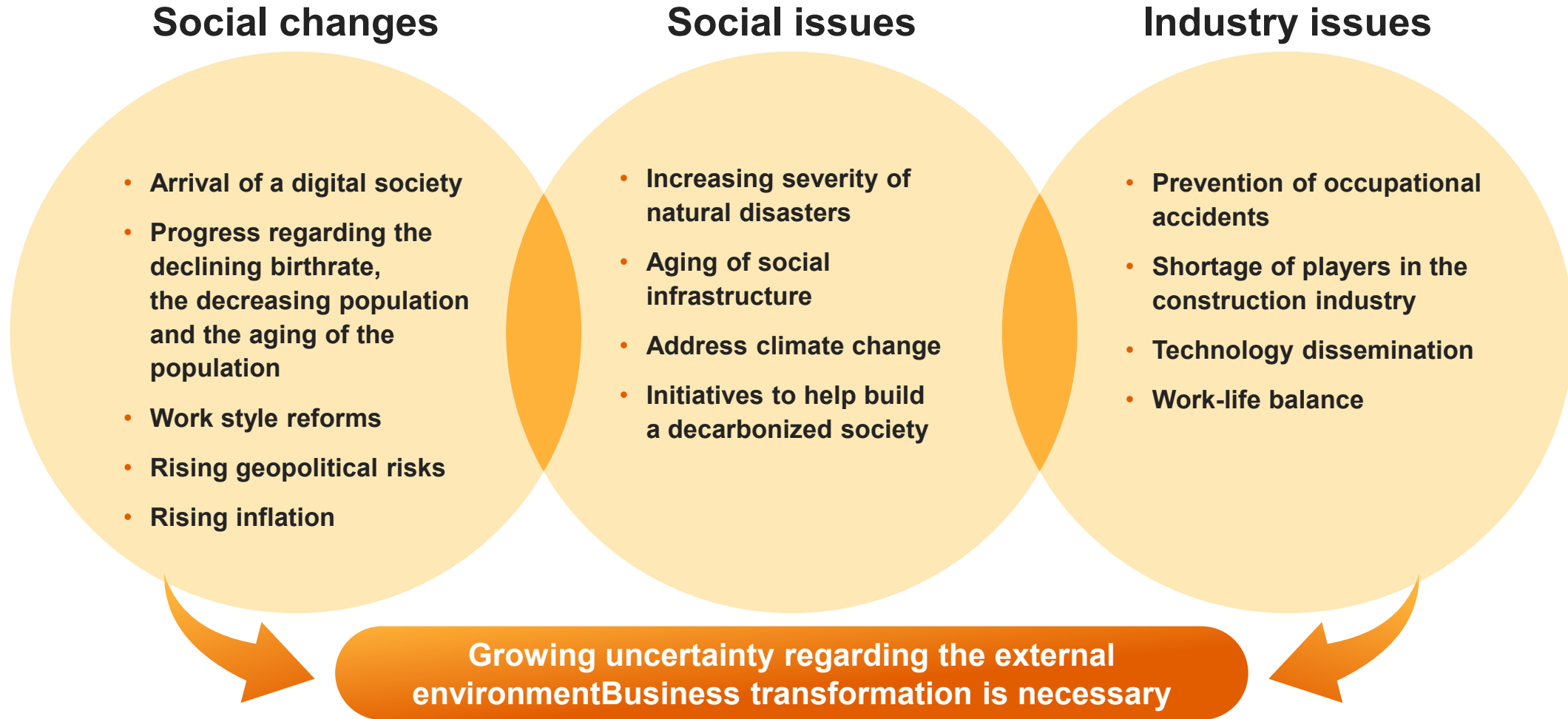


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## **Our Philosophy and Material Issues**

# Perceived External Environment

The external environment surrounding us is changing remarkably, and uncertainty is increasing more than ever. We believe that, in this environment, it is necessary to transform into a business which is able to respond flexibly to changes in the environment to achieve sustainable growth.



# Material Issues and Measures to Solve Them

We examined our material issues by analyzing changes in the external environment and the business environment in a way that considered our corporate culture of diligent "monozukuri" manufacturing. We will ensure that our business strategies reflect these material issues to enhance our corporate value and solve social issues.

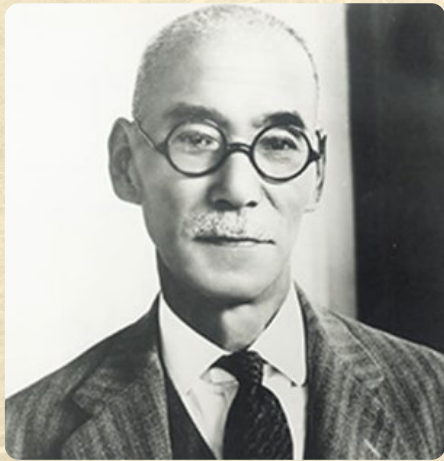
Material issues	Measures to solve material issues	
<b>Commitment to "monozukuri" manufacturing</b>	<ul style="list-style-type: none"> <li>✓ Elimination of serious injuries and accidents</li> <li>✓ Ensuring quality</li> <li>✓ Stable product supply</li> </ul>	<ul style="list-style-type: none"> <li>✓ Shift to AI-native products and services</li> <li>✓ Improved labor productivity</li> </ul>
<b>Building infrastructure that supports the future</b>	<ul style="list-style-type: none"> <li>✓ Product development for building disaster-resilient infrastructure</li> <li>✓ Disaster recovery support</li> </ul>	<ul style="list-style-type: none"> <li>✓ Provision of infrastructure retrofitting and maintenance services</li> <li>✓ Strengthening overseas business initiatives</li> </ul>
<b>Building a society where diverse human resources gather and can demonstrate their capabilities</b>	<ul style="list-style-type: none"> <li>✓ Promoting DE&amp;I and improving engagement</li> <li>✓ Promoting employees' good health and a healthy work-life balance.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Respecting the human rights of employees, partners and suppliers</li> </ul>
<b>Contributing to a people-friendly and nature-friendly environment with partners</b>	<ul style="list-style-type: none"> <li>✓ Expansion into green energy-related businesses</li> <li>✓ Developing products which help address global warming</li> </ul>	<ul style="list-style-type: none"> <li>✓ Achieving carbon neutrality</li> <li>✓ Reduction of environmental impact</li> </ul>
<b>Honest, fair business practices</b>	<ul style="list-style-type: none"> <li>✓ Strengthen corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>✓ Information security management</li> </ul>

# Corporate Philosophy and Management Vision

Based on the changes in external environment, material issues, the Group's history, and its strengths and weaknesses, we reviewed our management vision and our roles to achieve sustainable growth based on our corporate philosophy.

## Corporate philosophy

**Contribution to society  
and the public, and sound  
management**



**Embody integrity.  
Create outstanding  
things.**

Founder : Tamisuke Yokogawa

## Management vision

**We will contribute to safe, secure and  
prosperous lives by integrating  
our craftsmanship and digital technologies  
to provide high-quality social infrastructure.**

## Roles of YBHD Group

1. Continuing to take on challenges as an industry-leading company
2. Accelerating the shift to smart business operations using digital technologies
3. Developing resilient social capital and achieving co-existence with the natural environment
4. Developing diverse human resources who will link technologies and the future

※See the Appendix for more information about the shift to smart operations.

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## Long-Term Vision

The bridge business will remain almost flat. The non-residential construction market, which is the target of the engineered structure system business, is expected to recover. In the engineering business, the demand for civil engineering steel structures in particular is forecast to continue over the medium to long term.

		Medium term (up to FY2027)	Long term
Bridge	New construction	Temporary recovery reflecting the order received for the construction of a cable-stayed bridge on the Seishin-bu (western extension) of Osaka Wangan Road	Total quantity of orders placed in Japan will remain at the baseline level of approx. <b>120,000 tons/year</b> due to the stock of designs and projects to increase lanes to four.
	Maintenance	Orders for large-scale retrofitting/repair and earthquake-proofing work will remain at a certain level ( <b>¥300.0 billion/year</b> ), but competition with general contractors and companies specialized in precast concrete will be fierce.	The size of the market size will remain at the <b>¥300.0 billion/year</b> level until 2030 with the presence of large-scale retrofitting/repair projects.
Engineered structure system		<p>Steady recovery is expected because the appetite for capital expenditures remains alive and well.</p> <ul style="list-style-type: none"><li>• National and local governments will continue to support domestic companies' reshoring of production sites by providing subsidies.</li><li>• Increase in demand for logistics warehouses (2024 problem), hazardous material warehouses, and refrigerated/frozen warehouses, etc.</li><li>• Expectations for investments related to e-commerce, semiconductors, EVs and consumption by inbound tourists</li><li>• Attracting increasing attention due to benefits for quick delivery, labor reduction, and the environment</li></ul>	<p>Demand for engineered structure systems as a labor-saving method will increase in warehouse and factory construction.</p> <ul style="list-style-type: none"><li>• Measures to support the reinforcement of supply chains will continue.</li><li>• Increase in demand for the replacement of the many buildings that were built during the economic bubble (e.g., approx. 50% of refrigerated/frozen warehouses will be more than 30 years old.)</li><li>• Logistics networks will expand nationwide with the development of arterial high-standard highways and multimode transportation, resulting in an increase in demand in local regions.</li><li>• Continuation of the enhancement of the e-commerce and logistics real estate business</li></ul>

# Forecast of the Business Environment

Engineering

Precision equipment



Review of the Previous  
Medium-Term  
Management Plan

Our Philosophy and  
Material Issues

Long-Term Vision

Seventh Medium-Term  
Management Plan

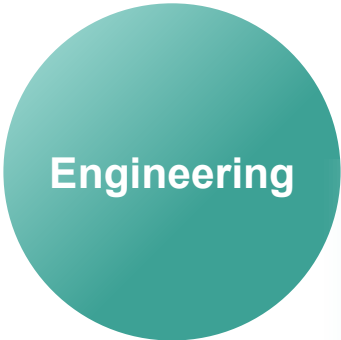
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		Medium term (up to FY2027)	Long term
Engineering	Tunnel segments	Demand will remain strong mainly due to progress in a new railway line project (approx. 150,000 tons) in an urban area in addition to the Tokyo-Gaikan Expressway and the Linear Chuo Shinkansen.	Progress in plans to extend the Hokuriku Shinkansen and the Linear Chuo Shinkansen to Osaka and plans to effectively use underground spaces (approx. 250,000 tons), such as underground rivers in urban areas
	Offshore wind power generation	Preparations are underway for construction work for a demonstration experiment of a floating structure in an offshore area, and it is expected that a new market will be created. Regarding bottom-mounted structures, orders will be placed for equipment related to offshore wind power generation in the preparation phase in Muroran.	It is expected that demand for civil engineering steel structures will increase due to the expansion of the floating offshore wind turbine market, etc. The order for bottom-mounted structures, secondary materials and related equipment will increase.
	Construction	The market will boom due to large-scale redevelopment projects, plans regarding stadiums and other projects.	The order environment is forecast to remain brisk.
	Machinery steel structure	It is expected that orders for the maintenance of hydropower generation equipment and for nuclear power generation equipment and the replacement of environmental machinery and industrial machinery products will continue.	The business environment will remain as stated at left during the period of the medium-term forecast, and it is also expected that biomass power generation will expand.
Precision equipment	Precision equipment	Flat panel displays are expected to recover to a certain level due to full-scale investments in organic EL panels. The semiconductor market is expected to grow due to the recovery of investments in products for memory combined with products for AI, which are strong.	The size of the flat panel display market will reach a ceiling and remain flat while replacement with newly manufactured devices continues. Semiconductors are expected to continue growing due to the prevalence of AI technologies and growth fields such as AR/VR, EVs and autonomous driving.
	Information processing	IT investments to improve the efficiency of business will be increasing to compensate for the shortage of workers due to the declining birthrate and the aging of the population. It is expected that new technologies, such as AI and cloud computing, will be utilized.	The shortage of workers due to the declining birthrate and the aging of the population will be even more remarkable, and IT investments will continue to increase. It is anticipated that there will be progress in digital transformation using new technologies, such as sophisticated AI and cloud computing technologies.

# Roles of and Future Vision for the Core Businesses



Based on the forecast business environment, we have determined the roles that each business should play and a medium- to long-term vision for our business portfolio.

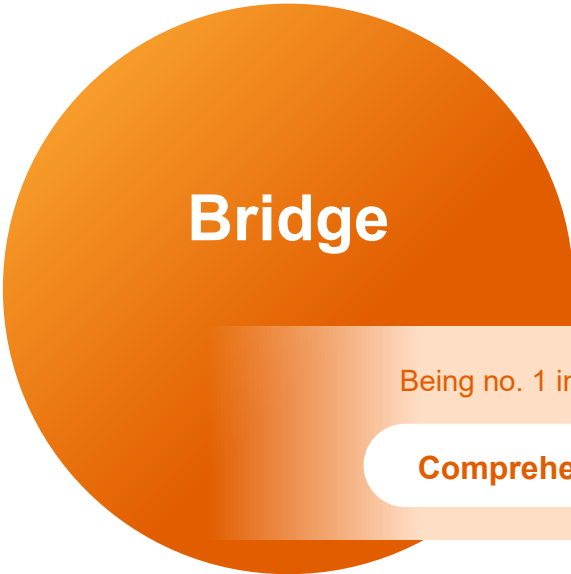


## Developing new fields and increasing the power of our corporate brand

Entering new businesses, such as the use of underground spaces and offshore wind power generation, by developing unique technologies and products which will fulfill society's needs to achieve growth

Leading the industry with creative technologies and products

Unique engineering business

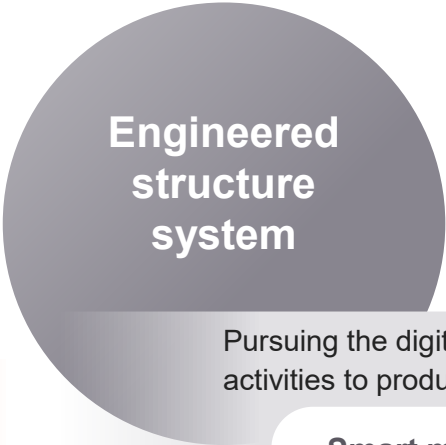


## Foundation supporting the Group's revenue

We will expand our business domains to include other types of construction work (such as concrete and paint application) instead of steel alone, and expand into overseas business by using the maintenance business as a foothold. We will lead the industry through digitalization and the integration of data in each process.

Being no. 1 in entire bridges, instead of just the steel alone

Comprehensive bridge engineering business



## Driving the Group's growth

Increasing competitiveness by building an integrated digital production management system that includes sales, design, production and the worksite, and focusing efforts on sales activities targeting clients as well as builders, thereby establishing diverse sales channels and achieving growth

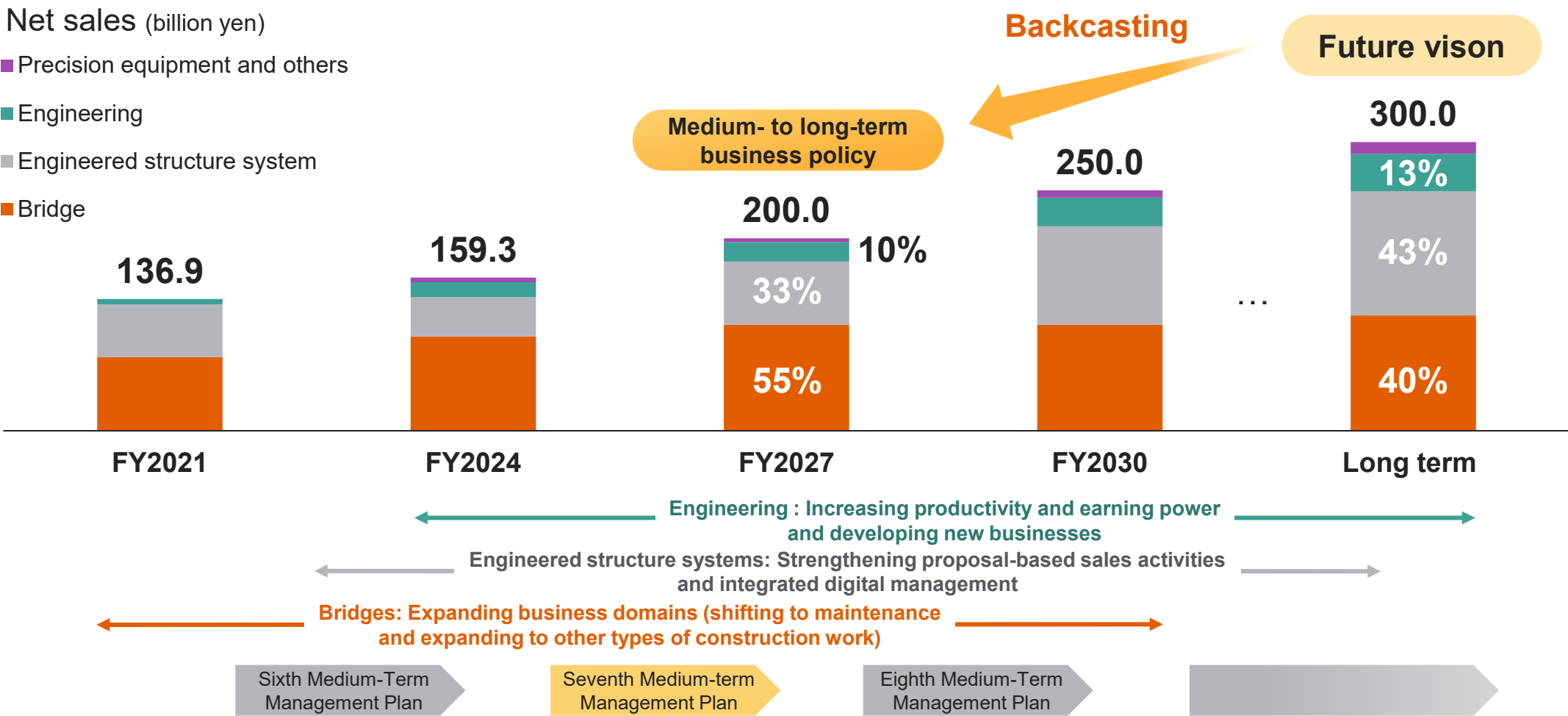
Pursuing the digital management of all processes, from sales activities to production

Smart manufacturing building business

Review of the Previous Medium-Term Management Plan
Our Philosophy and Material Issues
Long-Term Vision
Seventh Medium-Term Management Plan
APPENDIX



We used a backcasting approach based on our future vision to formulate our medium- to long-term business policy. We will push forward with business activities in accordance with the policy, aiming to achieve net sales of ¥300.0 billion in the future. During the Seventh Medium-Term Management Plan, we will create systems for achieving growth.



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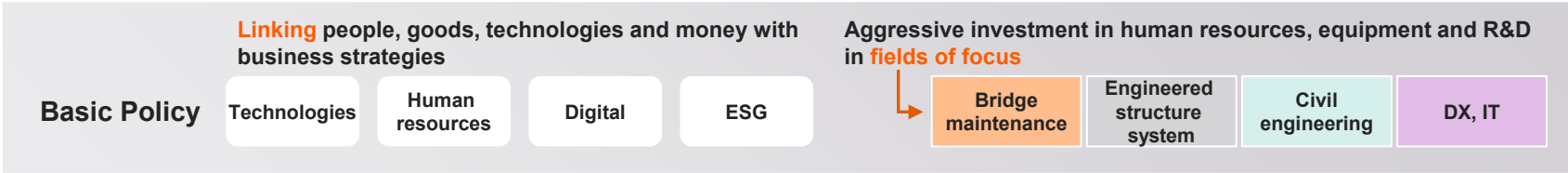
## **Seventh Medium-Term Management Plan**

Under the Seventh Medium-Term Management Plan, we will invest management resources aggressively in the bridge maintenance business, engineered structure system business, engineering business, and company-wide digitalization, aiming to achieve the Group's long-term vision.

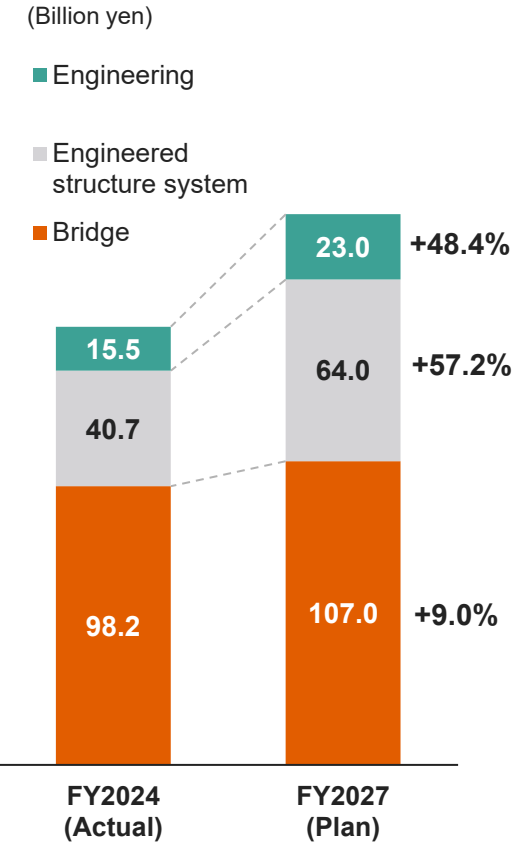
Basic Policy Aggressive investment of the Group's management resources in growth fields and reinforcement of earnings structure

Priority businesses	Basic Policy	
Bridge business	Expanding business domain centered on the maintenance business, and enhancing safety, quality, and productivity through digitalization	Allocating human resources, developing technologies, securing subcontractors and building alliances in consideration of the optimal balance between new construction and maintenance, and further promoting digitalization.
Engineered structure system business	Maintaining top market share and increasing the market share based on the improvement of product value and the marketing strategy	Enhancing value through reinforcement of the process chain through DX, IT and R&D, and building an effective sales structure aligned with attributes such as region, purpose of use and the customer
Engineering business	Entering new fields aggressively	Venturing into new fields, including underground river structures and offshore wind power generation equipment, with proprietary technologies and the development of novel technologies

Management foundation



Changes in the business portfolio (Net sales)

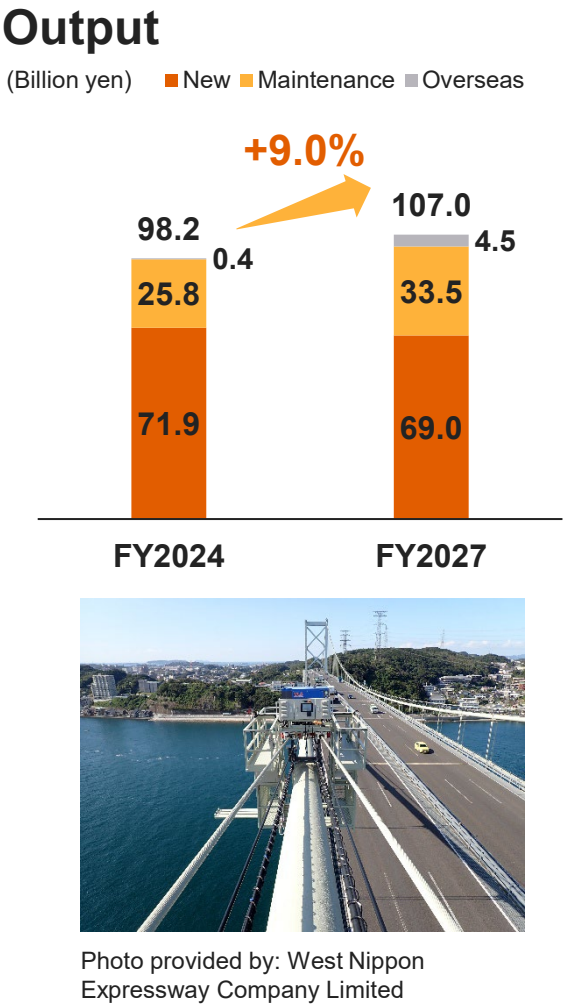


While the quantity of orders for new construction is decreasing, we will further strengthen maintenance work with a focus on large-scale retrofitting work. At the same time, we will push forward with the digitalization of production processes in our efforts to further improve safety, quality and productivity.

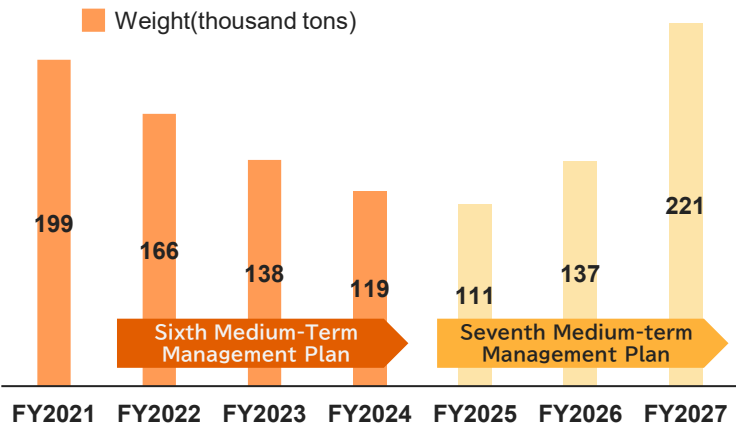
Basic Policy

Expanding business domain centered on the maintenance business, and enhancing safety, quality, and productivity through digitalization

	Issues	Key initiatives
New	<ul style="list-style-type: none"><li>Increasing the bidding rate and the probability of receiving orders at a time when the order quantity has been decreasing.</li></ul>	<ul style="list-style-type: none"><li>Improving the corporate score and enhancing technical proposals</li><li>Strengthening measures for private-sector work</li></ul>
Maintenance	<ul style="list-style-type: none"><li>Increasing competitiveness in large-scale retrofitting work</li><li>Expanding business domains, including other types of construction work</li></ul>	<ul style="list-style-type: none"><li>Pushing forward with the development of technology related to deck replacement work</li><li>Strengthening alliances with operators engaged in other types of construction work (including concrete and paint application)</li><li>Participation in repainting work and work for the prevention of paint peeling</li><li>Functional enhancement and differentiation of bridge-related products</li></ul>
Overseas	<ul style="list-style-type: none"><li>Implementing initiatives for large-scale ODA construction</li><li>Preparing for the expansion of business in the future</li></ul>	<ul style="list-style-type: none"><li>Building bases in the Philippines and Bangladesh</li><li>Sowing seeds of new businesses, including projects of the Asian Development Bank, local projects, temporary bridges and maintenance business</li></ul>
Common	<ul style="list-style-type: none"><li>Securing necessary human resources and subcontractors</li><li>Improving productivity and profit margin</li></ul>	<ul style="list-style-type: none"><li>Developing engineers capable of working on new construction and maintenance</li><li>Promoting the digitalization of each production process</li></ul>



Assumptions regarding orders for new bridge construction in Japan

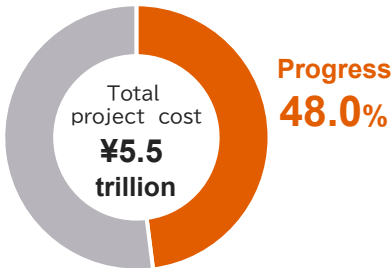


- While the market has been shrinking, our market share has been increasing.
- During the period of the current Medium-Term Management Plan, a temporary recovery is expected reflecting the placement of an order for a bridge on the Seishin-bu (western extension) of the Osaka Wangan Road.
- The baseline is assumed to be around 120,000 tons.

※ Data through 2024 regarding the weight of orders is based on research by the Japan Bridge Association, and data after 2024 is based on our own research.

Assumptions regarding orders for bridge maintenance

Large-scale repair/retrofitting projects (renewal projects) of expressway operators (Project period: 2015 to 2030)



Source: Ministry of Land, Infrastructure, Transport and Tourism of Japan (as of Dec. 2023)

Estimated costs of remaining projects

Our business domain	NEXCO East NEXCO Central NEXCO West	Deck replacement	1,000 billion yen
		Girder replacement	160 billion yen
		Girder reinforcement	120 billion yen
	Metropolitan & Hanshin Expressway	Large-scale retrofitting	430 billion yen
		Large-scale repairs	280 billion yen

The placement of orders of approx. ¥300.0 billion/year is projected in our business domain.

Promoting the development related maintenance work

Using technologies and products that cater to customer needs, such as rapid construction technologies and precast components, in technology proposals, etc. to increase opportunities to receive orders

Precast composite deck and replacement method



- Precast composite deck we developed ourselves which can be used for lane-by-lane construction
  - NEXCO Central: Plans to use it for Inarizaka Bridge
- ※ See the Appendix for details.

NY Rapid Bridge (NYRB)



- A bridge with a precast composite deck, which makes it possible to rapidly replace the decks of small- and medium-sized bridges
- Used in the large-scale retrofitting work for the section between Ikeda IC and Takarazuka IC (Kohama Bridge)

STEEL-C.A.P. method (S-CAP)



- A steel deck construction method that makes it possible to rapidly replace the reinforced concrete decks of existing bridges
- Pilot construction work (Midorikawa Bridge) was carried out.

Promoting digitalization

Reducing work hours and improving quality by proactively using digital technologies

Design and production

- Shift to electronic forms
- Introduction of management app
- Use of IC tags for managing materials and components
- Use of AI for checking bills of quantities and drawings



Bar arrangement inspection using AI

Construction site

- ICT measurement (bar arrangement inspection using AI and 3D as-built quality control measures)
- Remote labor management (face recognition for entry and exit and telepresence technologies)
- Smart communication (eYACHO)
- Safety management system (management of health information and location information)



Patrol by a four-legged robot



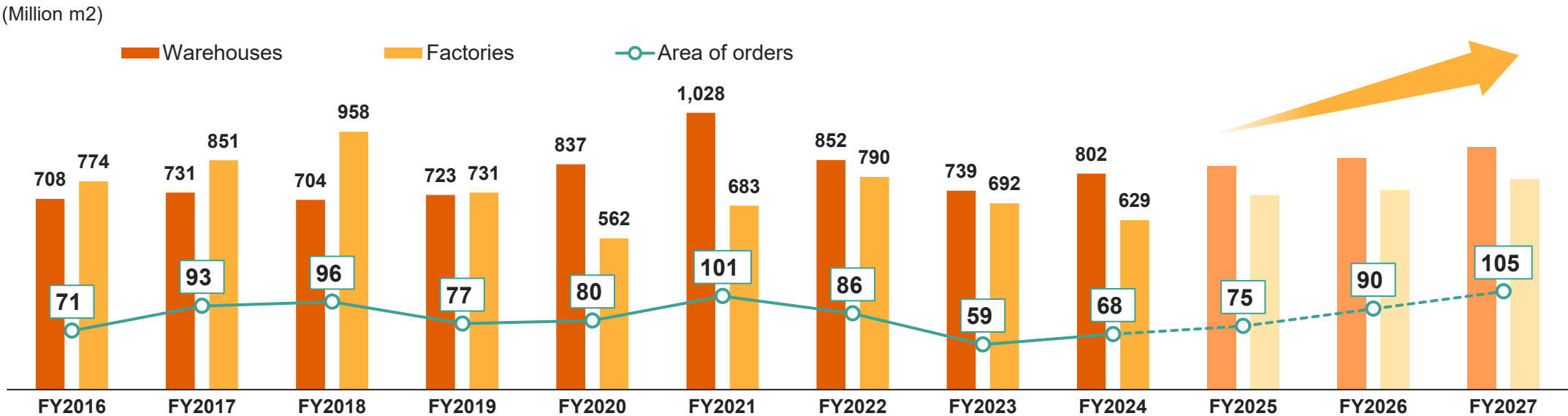
3D workability review using point cloud data

Trends in the area of construction starts  
(Review of the Sixth Medium-Term Management Plan)

- Warehouse construction starts were expected to remain on the level of FY2021, but they trended downward mainly reflecting the impact of price increases.
- Factory construction starts grew sluggishly even though they were expected to recover due to the normalization of the economy and the reshoring of manufacturing.

Assumptions and targets in the Seventh Medium-Term Management Plan

- The demand for low-rise warehouses and factories will remain steady, but a **modest recovery** is assumed.
- Based on this assumption, we will increase our warehouse and factory market share and strengthen measures to expand to other applications, aiming to receive orders for **more than 1.0 million m2**.



Statistic name: Building Starts (Statistics of Japan)

Statistical table name: Building Starts: by Structure, Use, Size (Steel Frame), Number of Buildings, Floor Area, Floor Areas of Factories, Workshops and Warehouses

Fourth Medium-Term Management Plan

Fifth Medium-Term Management Plan

Sixth Medium-Term Management Plan

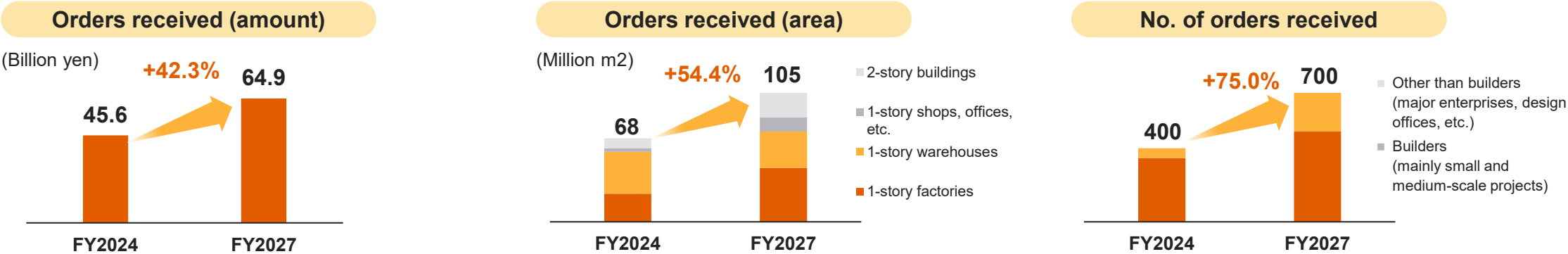
Seventh Medium-Term Management Plan



We will build an effective sales structure aligned with uses, customers, and other attributes and continue sales activities for promoting the appeal of the advantages of our products. We will also develop products by identifying customer needs and proceed with streamlining through digitalization.

Basic Policy

Maintaining top market share and increasing the market share based on the improvement of product value and the marketing strategy



Issues	Key initiatives	
<ul style="list-style-type: none"><li>Strengthening initiatives for major projects with stable investment market conditions</li></ul>	<ul style="list-style-type: none"><li>Direct sales activities targeting major enterprises and design offices</li><li>Strengthening relationships with trading companies and major and second-tier general contractors</li></ul>	<div>Engaging in activities with the Strategic Sales Office taking the lead</div>
<ul style="list-style-type: none"><li>Increasing competitiveness vs. conventional methods and competing products</li></ul>	<ul style="list-style-type: none"><li>Improving customer convenience by enhancing the functions of 3D estimates</li><li>Further enhancing after-sales services</li></ul>	
<ul style="list-style-type: none"><li>Further enhancing the lineup of products that cater to customers' needs</li></ul>	<ul style="list-style-type: none"><li>Responding to demand for 2-story buildings with high movable load and wider intervals between columns</li><li>Developing environmentally friendly products (such as high thermal insulation products) and new high added-value products</li></ul>	
<ul style="list-style-type: none"><li>Improving production by order by enhancing the functions of mission-critical systems</li></ul>	<ul style="list-style-type: none"><li>Strengthening strategic sales activities using customer information systems</li><li>Improving production efficiency by developing production management systems</li></ul>	

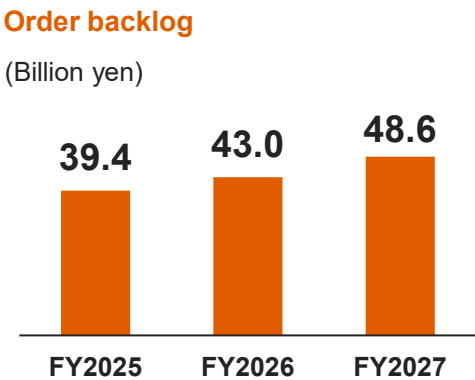


While proceeding steadily with production for projects for which orders have been received, such as the Haneda Access Line and the Linear Shinkansen, we will work on R&D and the commercialization of civil engineering steel structures (renovation of nuclear power plants, offshore wind turbines and ports), which is an area that is expected to grow in the future.

Basic Policy

Aggressive entry into new fields

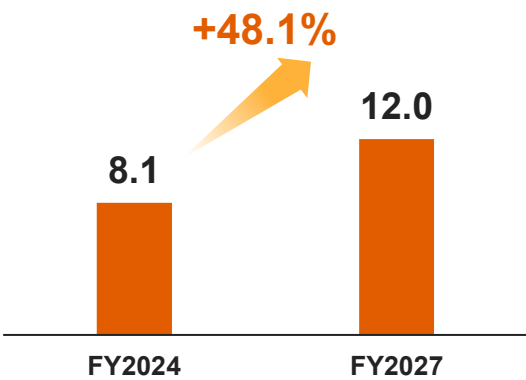
Orders expected to be placed for major projects	
Naniwasuji Line	Ordering Period
Linear Shinkansen	
Tokyo-Gaikan Central Junction	FY2024 ~FY2028
New railway line in the Tokyo Metropolitan Area	Gross order weight
New roads on the Hanshin and Metropolitan Expressways	
Underground rivers in Tokyo	
150,000 ton	
※Based on our own research	



In these three years, we will see orders received accumulate, mainly orders for tunnel segments, due to large-scale projects.

Output

(Billion yen)



	Issues	Key initiatives
Tunnel segments and underground structures	<ul style="list-style-type: none"><li>Steady production for projects for which orders have been received and continued improvement of productivity</li><li>Proposal activities and development of new products for future projects</li></ul>	<ul style="list-style-type: none"><li>Streamlining production and improving productivity by expanding tunnel segment production equipment</li><li>Developing growth products, including five-sided steel shell composite segments for underground rivers, and pushing forward with their commercialization</li></ul>
Civil engineering steel structures (nuclear power, offshore wind power, port and defense facilities)	<ul style="list-style-type: none"><li>Tapping into demand for steel components related to nuclear power generation</li><li>Participating in the offshore wind power generation equipment supply chain</li><li>Expanding into new business domains, such as port renovation and defense facilities</li></ul>	<ul style="list-style-type: none"><li>Promoting cooperation and joint research with general contractors</li><li>Receiving orders for production of steel structures related to offshore wind power generation</li><li>Pushing forward with activities with the Muroran Offshore Wind Industry Promotion Association (MOPA)</li><li>Collecting information and proposing technologies to related companies and associations and conducting joint research with universities</li></ul>





The market is booming in the construction business, so we will improve the quality of the services we provide using distinctive technological capabilities. In the machinery steel structure business, we have been working mainly in Hokkaido. We will expand it nationwide by strengthening relationships with the customers we have received orders from to increase orders received.

Basic Policy

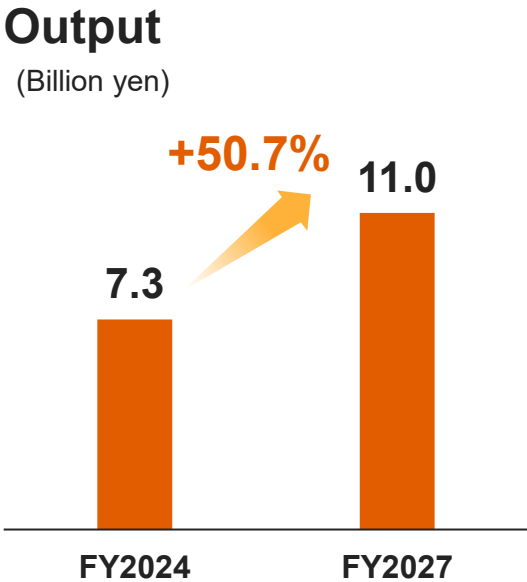
Construction

Machinery steel structure

Improving the quality of the services we provide using distinctive technological capabilities

Receiving more orders by expanding the business nationwide and tapping into demand for retrofitting

	Issues	Key initiatives
Construction	<ul style="list-style-type: none"><li>• Securing and developing field engineers</li><li>• Increasing the visibility of special construction for stadiums and arenas</li></ul>	<ul style="list-style-type: none"><li>• Securing human resources through mid-career recruiting and job rotation</li><li>• Training activities to improve skills and hand them down to new employees</li><li>• Enhancing branding activities for movable building products and developing specifications that are not available from other companies</li></ul>
Machinery steel structure	<ul style="list-style-type: none"><li>• Increasing orders received through nationwide expansion</li><li>• Tapping into demand for the retrofitting of ship-lifting equipment and water treatment equipment</li></ul>	<ul style="list-style-type: none"><li>• Strengthening relationships with customers, including general contractors and trading companies</li><li>• Reinforcing the structure by establishing a dedicated department for maintenance, inspections and after-sales services</li></ul>



Construction of a football stadium in Hiroshima



Phovare 3 indoor floor elevation system



Ship-lifting equipment at Oarai Fishing Port



We will build a mass production system and improve production efficiency with a focus on the market of products for semiconductors, which has been trending toward a recovery. The information processing business plays a role in supporting the digitalization of Group companies.

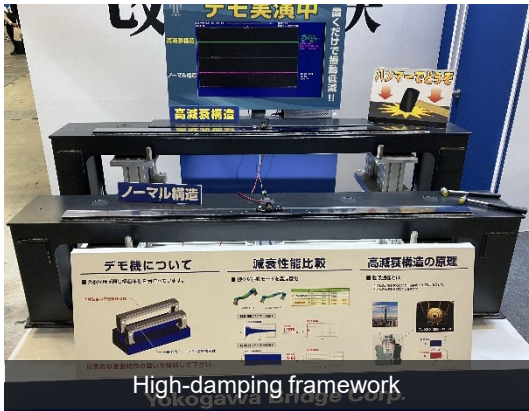
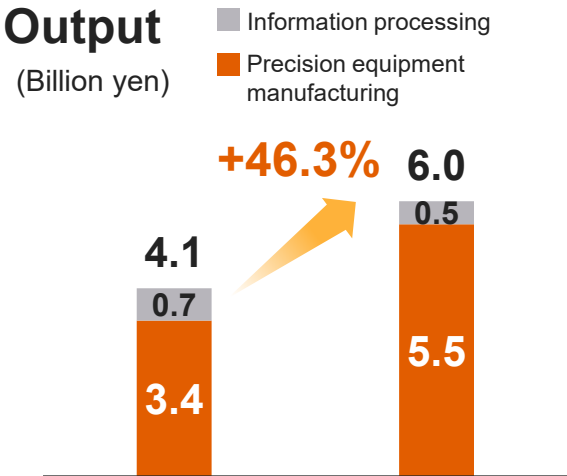
Basic Policy

- Precision equipment manufacturing
- Information processing

Aiming to increase orders received and revenue by implementing strategies for individual product groups

Maintaining and expanding the business by developing new products and services while supporting the digitalization of Group companies

	Issues	Key initiatives
Precision equipment manufacturing	<ul style="list-style-type: none"><li>Products for flat panel displays: Securing profit while reducing costs</li><li>Products for semiconductors: Building a production system for responding to fluctuations in demand</li></ul>	<ul style="list-style-type: none"><li>Starting the mass production of currently developed products developed and developing next-generation products</li><li>Capital investment in factories to prepare for the expansion of production</li><li>Process expansion (embedded products) and material expansion (casting, etc.)</li></ul>
Information processing	<ul style="list-style-type: none"><li>Pushing forward with the digitalization of the entire Group</li><li>Building information infrastructure</li><li>Maintaining existing products and services</li><li>Creating new products and services</li></ul>	<ul style="list-style-type: none"><li>Building information infrastructure and enhancing security</li><li>Updating existing software reflecting the revision of the Specifications for Highway Bridges and integrating it with steel bridge data</li><li>Linking the enhancement of AI infrastructure and support for the digitalization of Group companies to future new services</li></ul>



We will push forward with R&D focused on four priority items in accordance with the basic policy.

## Basic Policy

1. Aiming to position the Group's technologies as industry-leading and establish the new technologies we provide as industry standards
2. Accelerating the development of technologies supporting the growth of bridge maintenance, engineered structure systems, and civil engineering businesses to achieve the targets set in line with the business strategy
3. Continuing to aggressively promote the DX of construction to improve quality, productivity, and safety
4. Providing environmentally friendly technologies to help build a decarbonized society

### Bridge maintenance

- Developing technologies and products (such as precast composite decks) that help increase the competitiveness of the maintenance business
- Development to expand business domains to include the concrete business and overseas business



### Engineered structure system

- In-house design and construction of foundation structures and the development of products for two-story buildings
- Developing components for streamlining structures
- Developing next-generation roofs and walls



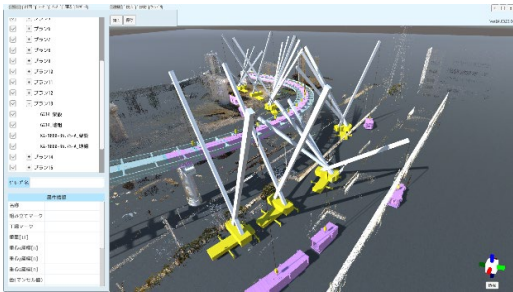
### Engineering (civil engineering)

- Developing five-sided steel shell segments for underground river tunnels
- Considering entry into new businesses and the development of the technologies which will be needed to do so



### Digital technologies Decarbonization and the environment

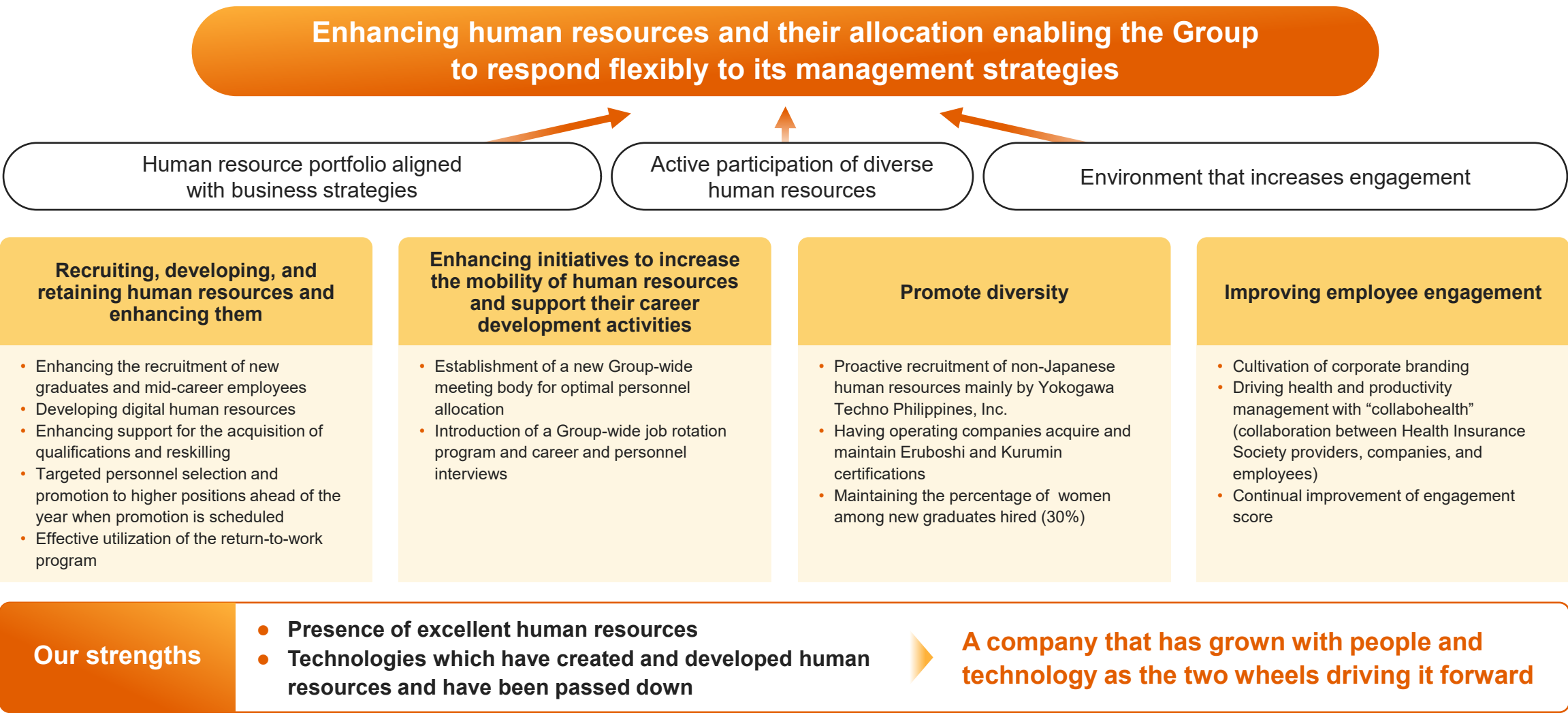
- Pushing forward with the shift to smart business operations (digitalizing all types of construction work)
- Improving safety mainly using digital technologies
- Reducing the CO2 emissions of all types of construction work



# Business Base Strategies: Human Resources Strategy

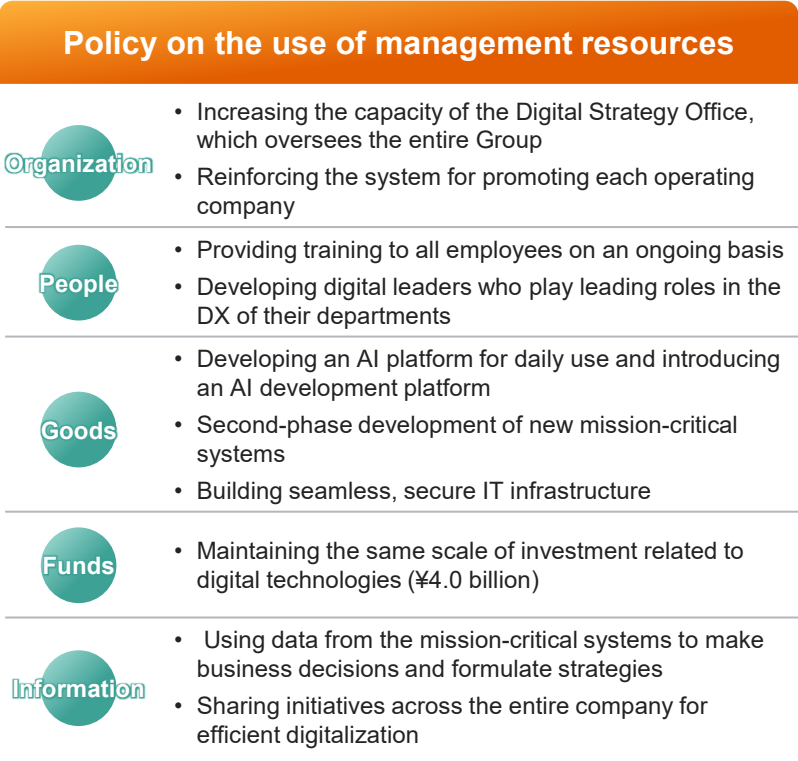
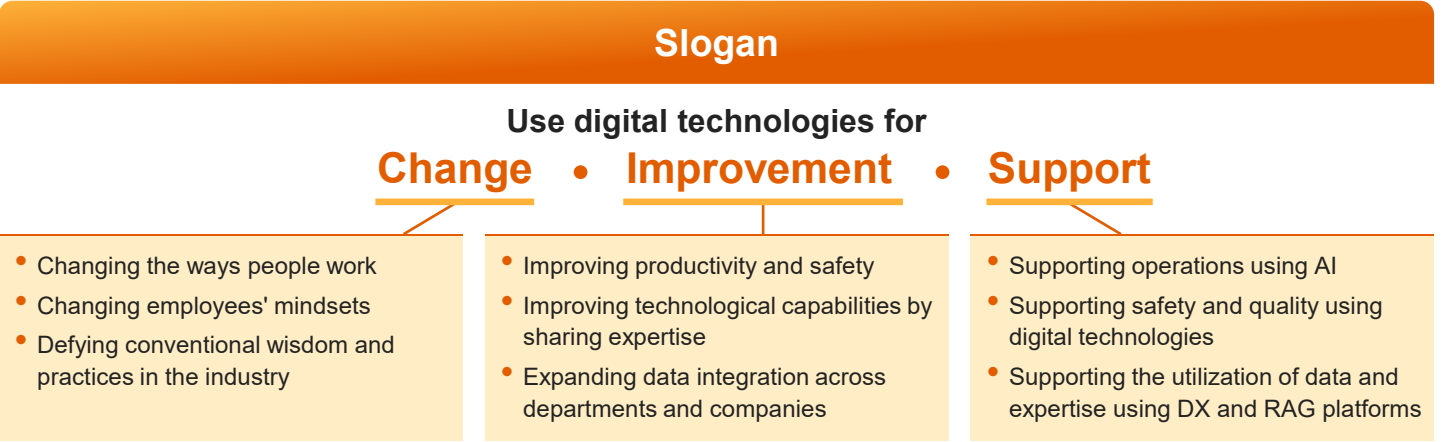


As a company that has grown with people and technology as the two wheels driving it forward, we will continue to enhance and optimize our human resource portfolio to help achieve the Group's management strategies.





We will push forward with shifting each business to smart operations based on the culture of using digital technologies and the Information infrastructure platform we established during the previous Medium-Term Management Plan.



A digital leaders activity presentation

# Business Base Strategies: ESG Initiatives (1)

We will manage the company based on the material issues it faces and fulfill our responsibilities to the environment and society, thus further solidifying our business base.

 : Target (FY2027)

E

## Environment

### Achieving carbon neutrality

- Reducing Scope 1 and 2 CO2 emissions 30% reduction from the FY2020 level
- We will continue working to reduce Scope 3 emissions as well by working together with related parties including supplies and customers.



Shin-Asakura Bridge, for which we used green steel for the first time

S

## Society

### Elimination of serious injuries and accidents

- Number of fatal accidents 0
- Number of accidents that resulted in four or more days of absence from work 0
- Frequency rate 0.9
- Severity rate 0.05

### Ensuring quality

- Number of quality deficiencies 30% reduction

### Disaster recovery support

- Building a support system based on disaster agreements

### Respecting the human rights of employees, partners and suppliers

- Human rights risk survey To be conducted at least once a year

G

## Governance

### Strengthening corporate governance

- Compliance training for all employees Participation rate: 100%
- Strengthening the cooperation between Audit and Supervisory Committee Members and the Audit Office
- Having Outside Directors be a majority of the Board of Directors
- The Nomination Advisory Committee and the Remuneration Advisory Committee are chaired by independent Outside Directors.

### Information security management

- Educating and training all employees Participation rate: 100%
- Building an integrated ID management and authentication infrastructure

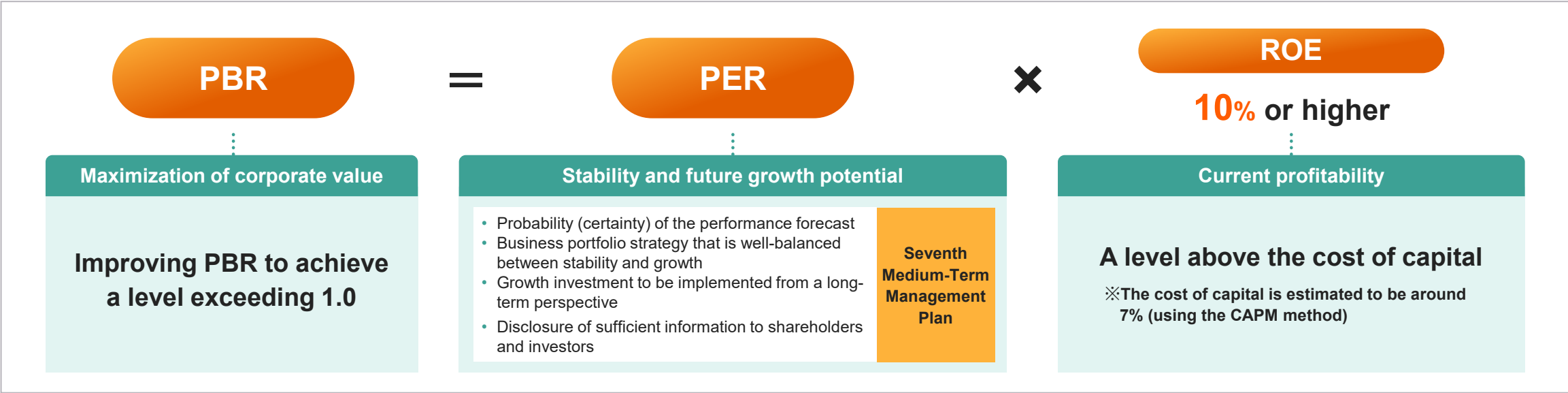
※ See the Appendix for more information about Roadmap for the Achievement of Carbon Neutrality.

# Numerical Performance Targets



Our targets for the final fiscal year of the Seventh Medium-Term Management Plan are net sales of ¥200.0 billion, operating profit of ¥18.5 billion, and an ROE of 10% or higher. We will achieve a PBR that exceeds 1.0 by improving profitability from its current level and demonstrating the stability and growth potential of the business.

	Targets in the Sixth Medium-Term Management Plan (FY2024)	Targets in the Seventh Medium-Term Management Plan (FY2027)
Net sales	¥159.3 billion	¥200 billion
Operating profit	¥16.6 billion	¥18.5 billion
ROE	10.1%	10% or higher
EPS	¥317	¥350



Starting with the Seventh Medium-Term Management Plan, we will set the dividend on equity ratio (DOE). We will realize progressive dividends by limiting the impact of performance fluctuations.

## Capital Policy

Basic Policy

Achieving both financial soundness and capital efficiency

Target

ROE of **10%** or higher (FY2027)

Aiming to achieve an ROE of 10% or higher, a level exceeding a cost of shareholders' equity of around 7%, in the final fiscal year of the Seventh Medium-Term Management Plan

## Shareholder Returns

Basic Policy

To realize progressive dividends by limiting the impact of performance fluctuations, we will **introduce dividend on equity ratio (DOE)**, aiming to maintain the trend of increasing dividends and **buy back shares flexibly** to steadily increase shareholder returns.

Dividend

**DOE of 3.5% or higher**  
Continuing progressive dividends  
Maintain the trend of increasing dividends

Share buyback

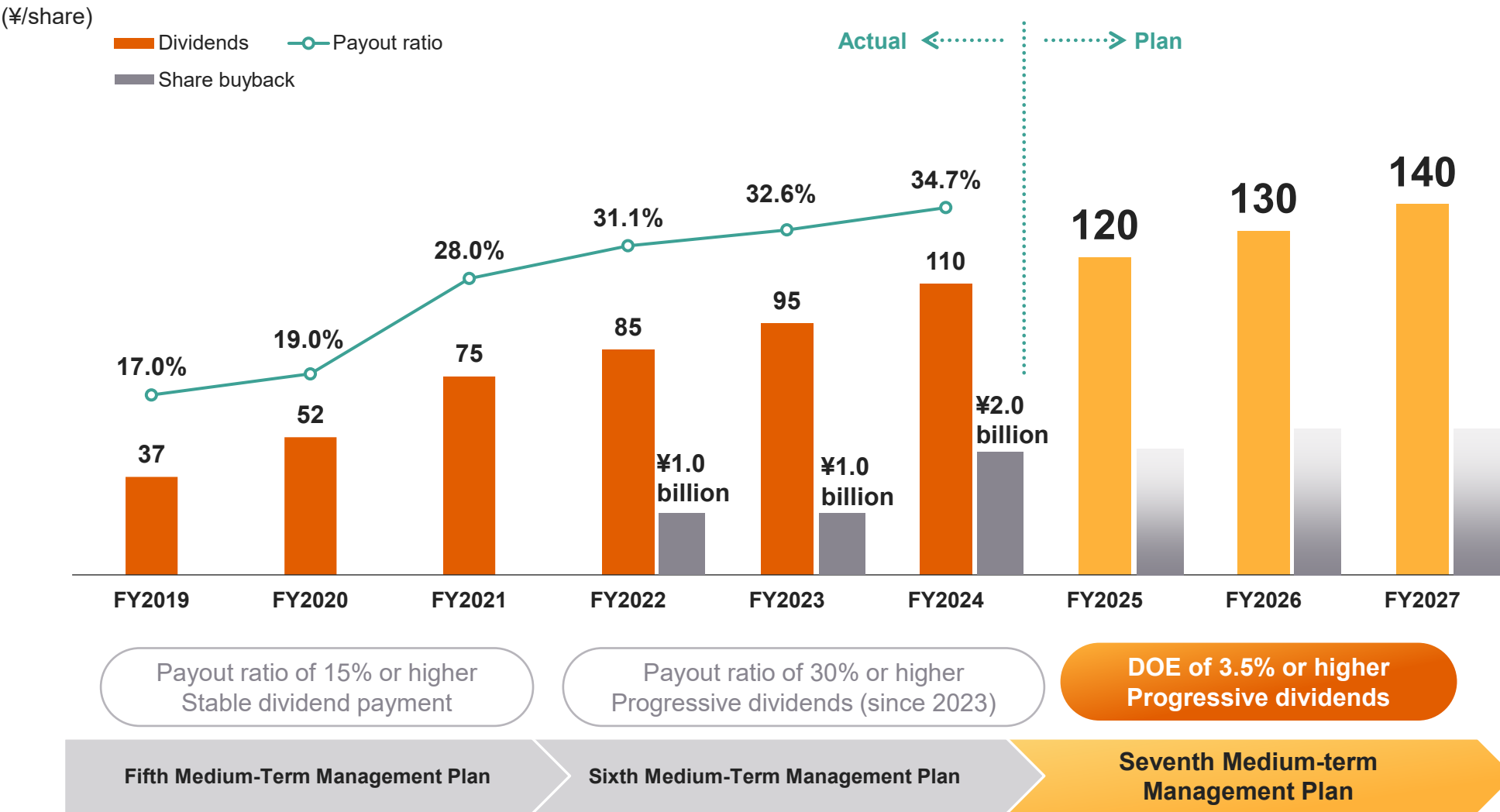
Buying back shares flexibly in comprehensive consideration of other investments that can be implemented, cash on hand, stock price trends, performance trends, ROE, and other conditions



# Shareholder Returns



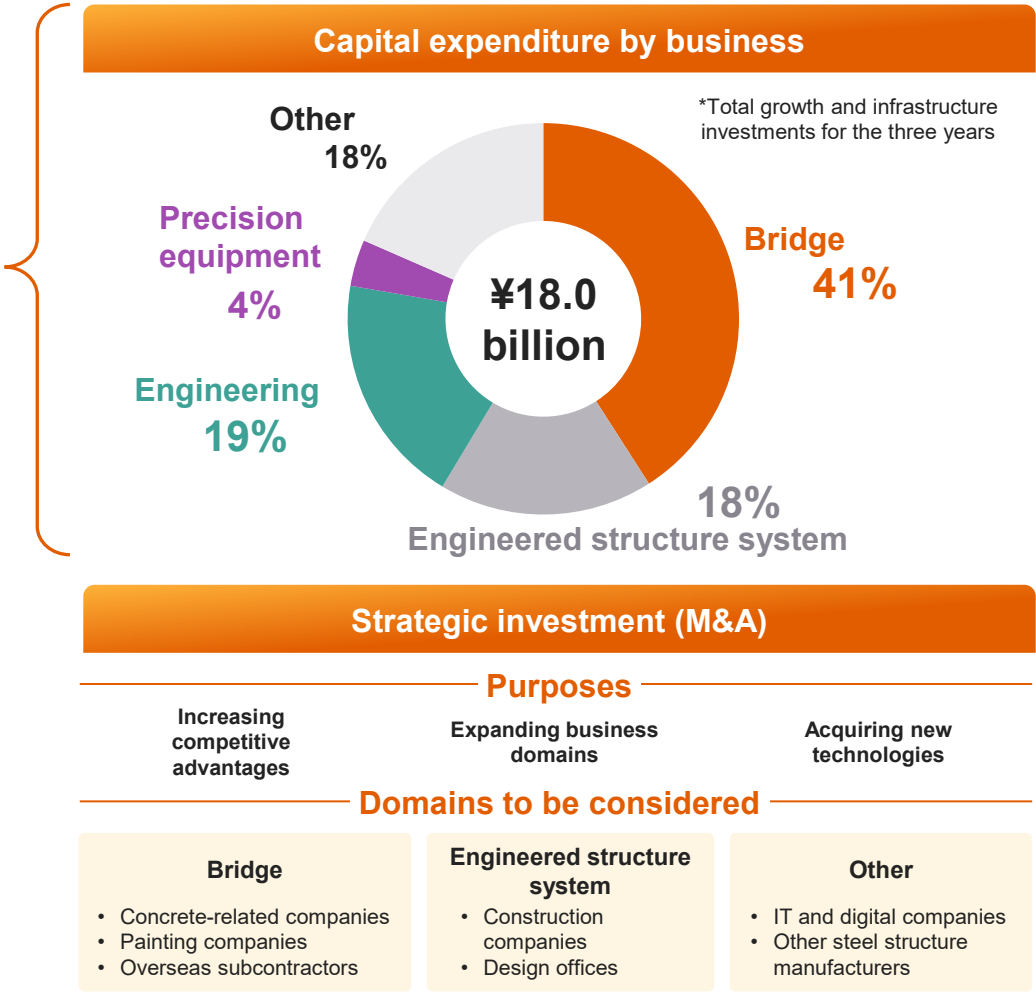
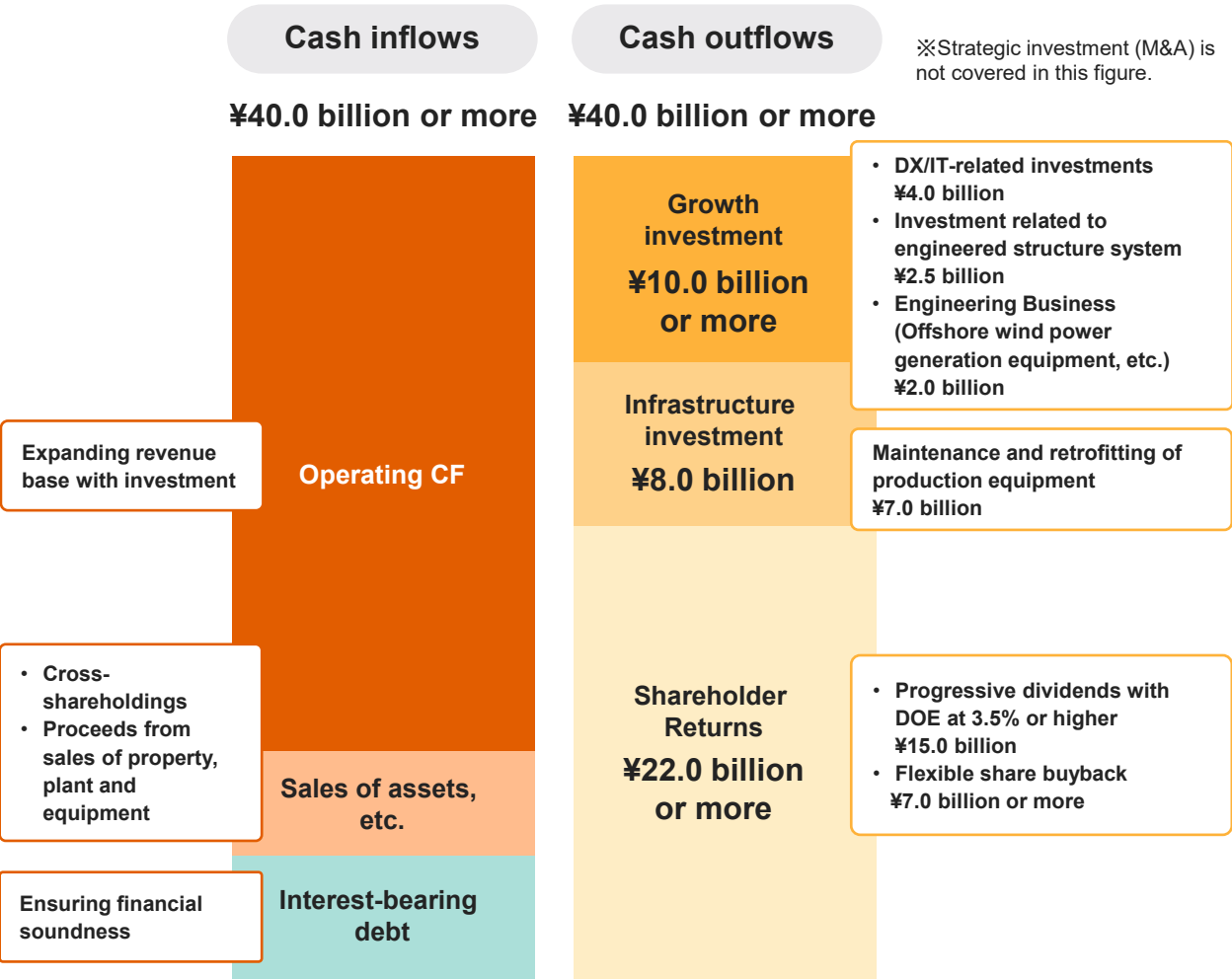
We will pay dividends of ¥120 in FY2025, ¥130 in FY2026, and ¥140 in FY2027, thus realizing progressive dividends in the period of the Seventh Medium-Term Management Plan.



# Cash allocation



We forecast cash inflows of ¥40.0 billion over the three years. Approx. 25% of cash outflows are to be allocated to growth investment and approx. 55% to shareholder returns. We will proactively consider M&A investments based on the Group's growth strategy.



## BRIDGE — Building links to the future

### External Evaluation



- Neither this presentation document nor any of its contents may be disclosed or used by any third party for any other purpose without the prior written consent of the Company.
- This presentation document contains forward-looking statements about future business performance. Various risks and uncertainties could cause actual business performance to be materially different from the explicit and implicit forecasts contained in these forward-looking statements.

# 5

## APPENDIX

Since our founding in 1907, we have continued to contribute to society as a group of bridges and steel structure specialists.

**1907**

Yokogawa Bridge Works Ltd.  
is founded.

**1991**

Name of the company is changed  
to Yokogawa Bridge Corp.

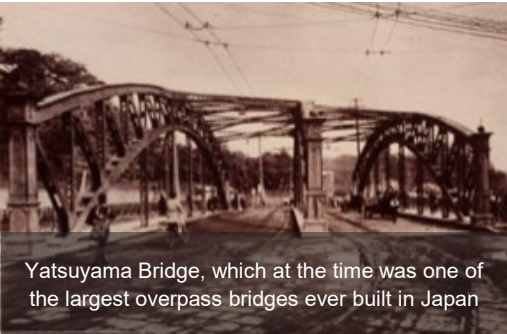
**2007**

Yokogawa Bridge Holdings Corp.  
is established.

Bridge

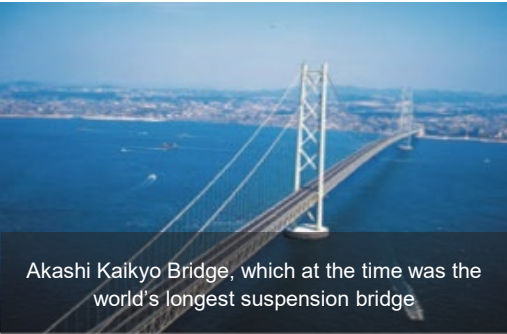
Construction  
and  
Engineering

**1913**



Yatsuyama Bridge, which at the time was one of  
the largest overpass bridges ever built in Japan

**1998**



Akashi Kaikyo Bridge, which at the time was the  
world's longest suspension bridge

**2022**



Tama River Sky Bridge, Japan's largest three-  
span composite rigid-frame bridge designed in  
consideration of ecosystems

**1913**



Production of the steel frame used in the Dai-Ichi  
Life Insurance head office building

**2001**



Toyota Stadium, which was built using the YMA  
moveable building system

**2024**



Hazardous Materials Warehouses of Oita  
Logistics Center, Senko Co., Ltd.

Our bridge business boasts a history that spans more than 100 years. We also use the expertise we have cultivated in this business in our engineered structure system, engineering, and precision equipment businesses, providing industry-leading "monozukuri" manufacturing solutions.

## Bridge

As a leading company in the bridge industry, we are constantly working to develop cutting-edge technologies and are involved in a large number of leading bridge construction projects in Japan. In response to the demand for initiatives to address the aging of existing facilities and build disaster-resilient infrastructure, we have established a total maintenance business system that enables us to serve customers throughout the entire process, from inspections and surveys to design, production, and onsite work for maintenance and repairs. Combining this with the construction of new bridges, we are helping maintain safe, high-quality social infrastructure.



## Engineered structure system

Our yess buildings, which utilize Yokogawa's proprietary steel structural technology, are engineered structures with first-rate design and flexibility. They range from buildings with standard dimensional specifications to highly flexible custom-made specifications, depending on the purpose and use. With high quality, low cost, and quick delivery, this business has been steadily increasing its share of the market in the industry and continues to grow as our second core business after the bridge business.



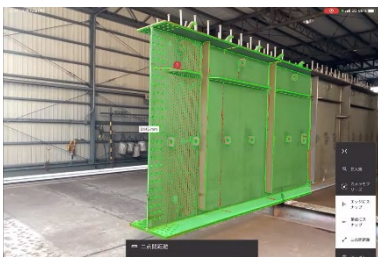
## Engineering

In the civil engineering business, we focus on the steel segment business that handles port and offshore structures for earthquake and tsunami protection and the utilization of underground space such as major urban ring roads. In our special structures business, we are engaged in integrated design, construction, and maintenance services related to movable buildings, such as retractable roofs for swimming pools and stadiums. We are also contributing in a variety of other fields, including the construction business, through efforts such as our work on steel frameworks for high-rise buildings and the construction of stadiums, and the business of producing machinery steel structures for water gates (floodgates), ship-lifting equipment, and other equipment.



## Precision equipment

In the precision equipment manufacturing business, we provide a stable supply of high-precision products with excellent cost performance for use in the production of precision machinery manufacturing equipment for semiconductors, LCD panels, etc., through our integrated production management system from structural frame design to manufacturing. In the information processing business, the APPOLO total steel bridge design system and the manufacturing simulation system have gained the largest shares of their markets.





# Reorganization of Business Segments



Under the Seventh Medium-Term Management Plan, we will change our business segments. For example, we will make the engineered structure system business independent from the engineering business, in which it was included. The goal of this is to clarify the positions of the businesses as businesses which will drive the Group's growth and to communicate more information about them.

Segment	Business
Bridge	New bridge construction
	Maintenance
	Overseas
Engineering Business	Engineered structure system
	Civil engineering
	Architecture, machinery and steel structure
Precision equipment	Precision equipment manufacturing
	Information processing
Real Estate Business	Real Estate Business

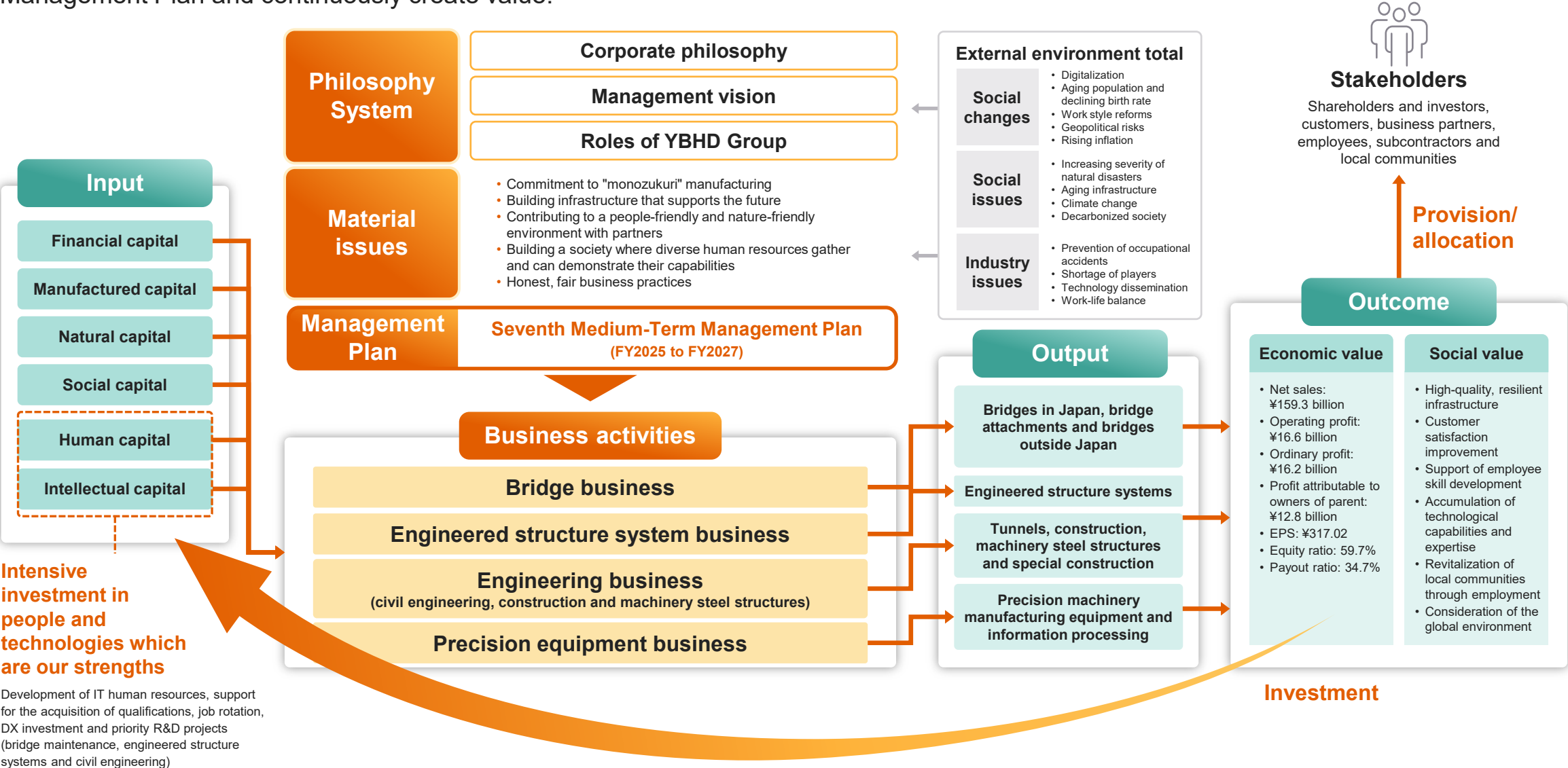


Segment	Business	Details
Bridge	New bridge construction	<ul style="list-style-type: none"><li>Design, production and onsite construction of new bridges</li></ul>
	Maintenance	<ul style="list-style-type: none"><li>Maintenance and repair of existing bridges</li></ul>
	Overseas	<ul style="list-style-type: none"><li>Design, production and onsite construction of bridges in overseas countries</li></ul>
Engineered structure system	Engineered structure system	<ul style="list-style-type: none"><li>Design, production and onsite construction of engineered structure systems</li></ul>
Engineering	Civil engineering	<ul style="list-style-type: none"><li>Design and production of tunnel segments</li><li>Design and production of civil engineering steel structures</li></ul>
	Architecture, machinery and steel structure	<ul style="list-style-type: none"><li>Construction of steel frameworks and forge work for high-rise buildings, etc.</li><li>Design, production and onsite construction of movable building systems (YMA)</li><li>Design, production and construction of ship-lifting equipment, and manufacturing of water treatment equipment</li></ul>
	Precision equipment manufacturing	<ul style="list-style-type: none"><li>Production of high-precision frames for manufacturing equipment for LCD panels, OLED panels and semiconductors</li></ul>
Precision equipment	Information processing	<ul style="list-style-type: none"><li>Software development</li></ul>
	Real Estate Business	<ul style="list-style-type: none"><li>Leasing some real estate owned as logistics warehouses, etc.</li></ul>
Other		

# Value Creation Process



To achieve the new management vision and our roles, we will push forward with business activities in line with the Seventh Medium-Term Management Plan and continuously create value.



Review of the Previous Medium-Term Management Plan

Our Philosophy and Material Issues

Long-Term Vision

Seventh Medium-Term Management Plan

APPENDIX



# What We Aim to Achieve through the Shift to Smart Operations



We will solve issues by integrating our craftpersonship and digital technologies (AI, robotics, and data integration), which are Yokogawa's strengths, to expand our business domains.

Yokogawa's strengths

(craftpersonship)

Bridge

Leading the digitalization of steel bridge production technologies as a leading manufacturer

1975

ADAMS, an automatic design, drawing, full-scale drawing, and NC production system

1979

Development of ALIGN, a program for road alignment calculation

1988

CA\*BRIDGE, dedicated bridge CAM software

1994

Launch of the Computed Assembling Test System (CATS), a system for testing the geometry of temporarily assembled structures

1997

Jupiter, a 3D manufacturing information system

1998

Launch of APOLLO, a design and drawing system

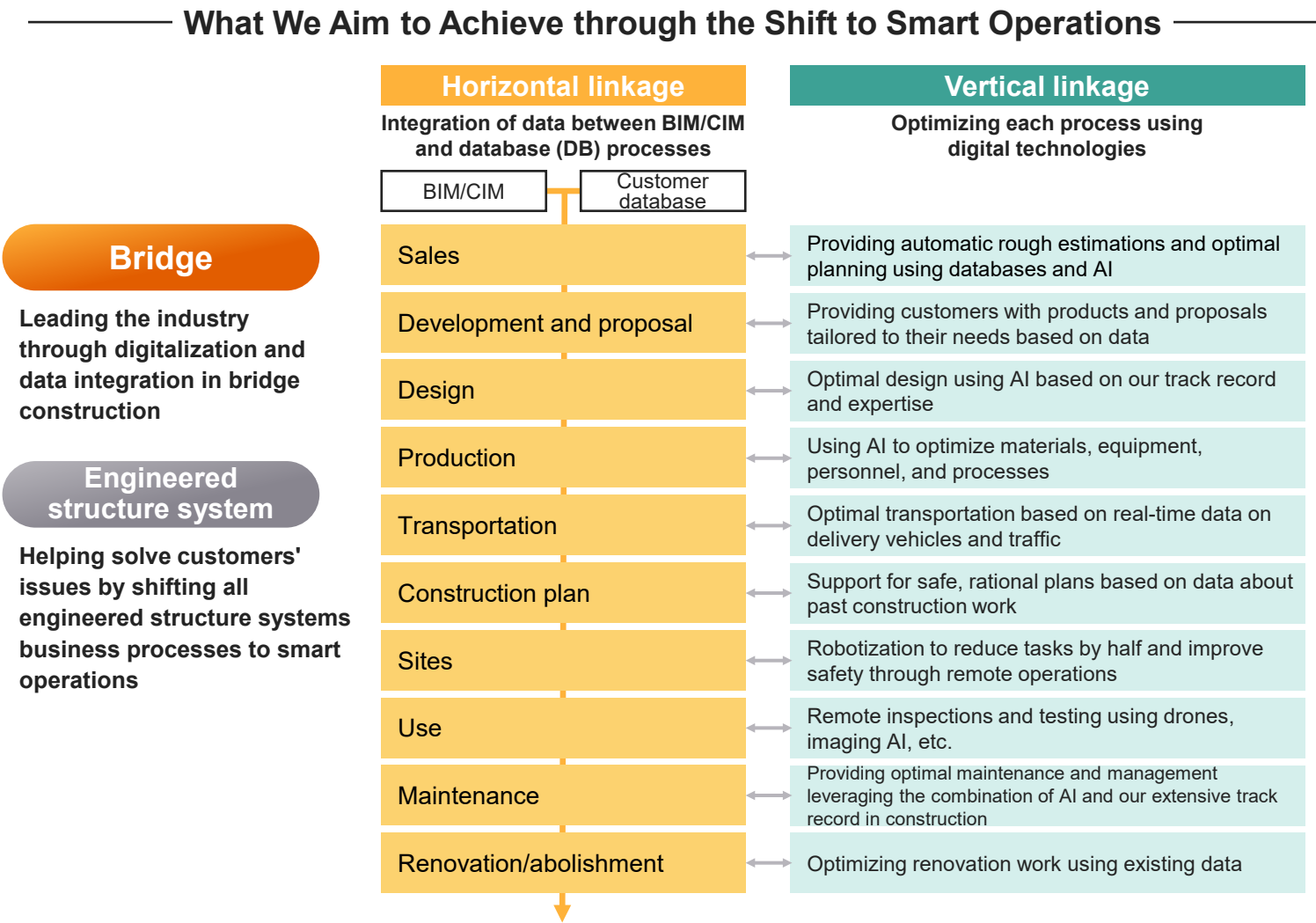
Engineered structure system

We are the only company in the industry that owns a dedicated engineered structure system factory.

The engineered structure system concept, which standardizes and systematizes processes, is highly aligned with smart operations.

Yokogawa Techno-information Service INC.

The Group company, whose strengths are in the introduction of IT in the production of steel structures, supports the shift to smart business operations.



# Roadmap for the Achievement of Carbon Neutrality



To achieve carbon neutrality (CN), we will continue to take existing initiatives and also endeavor to reduce Scope 3 emissions. Thus, we aim to achieve CN by 2050.

## Initiatives taken in FY2024 and before

### Scope1

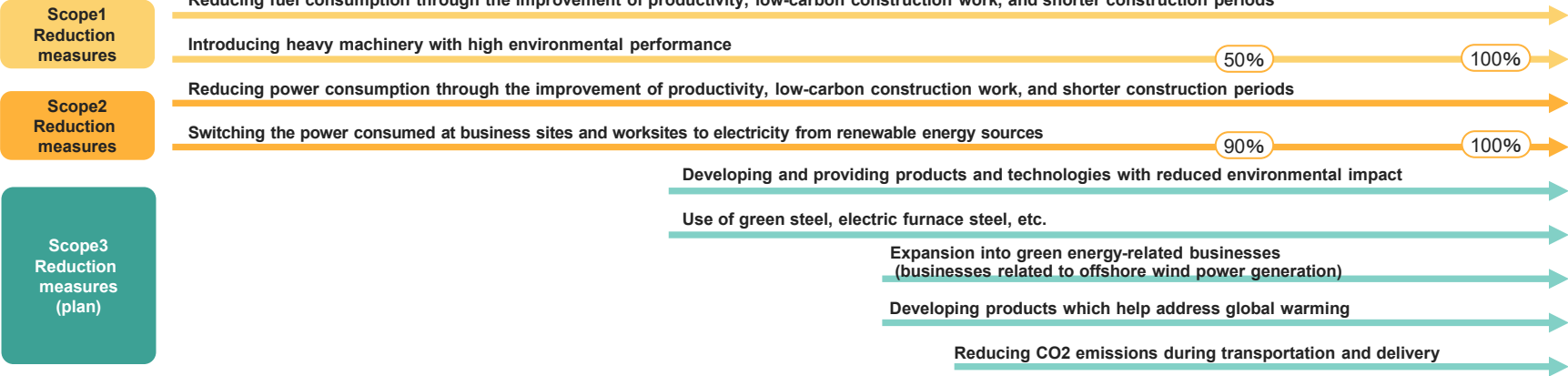
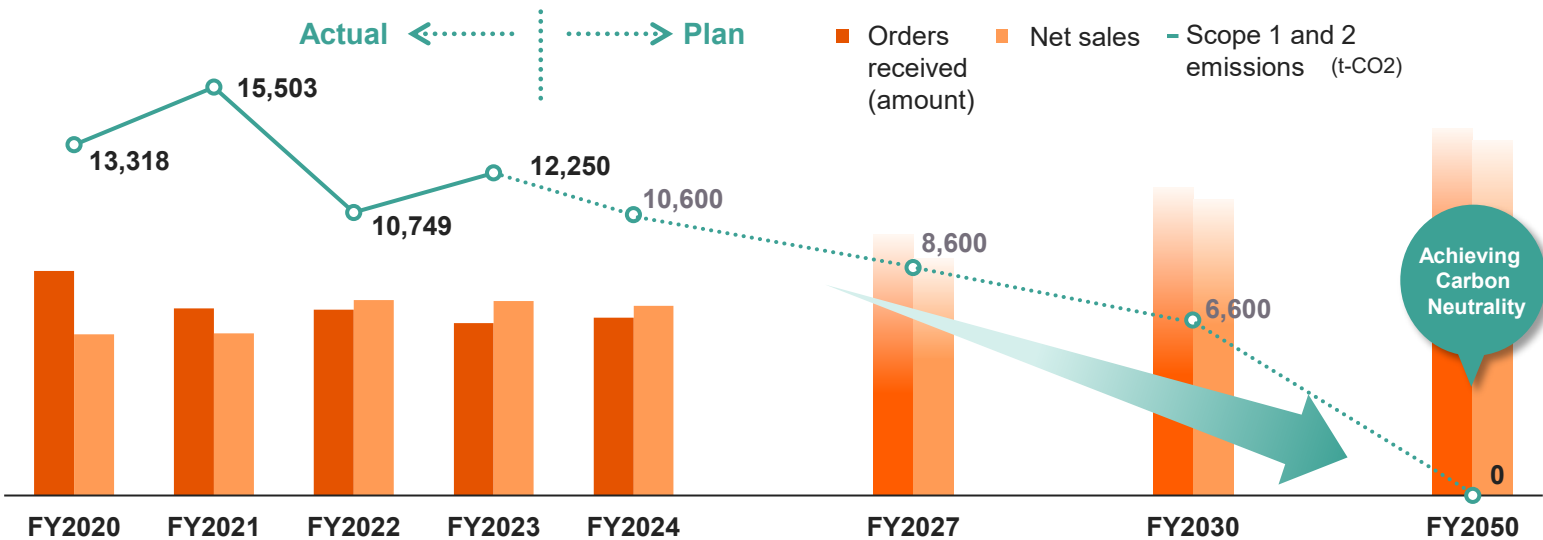
- Energy conservation through the improvement of productivity, low-carbon construction work, and shorter construction periods
- Biofuel used at one worksite

### Scope2

- Switched to electricity from renewable energy sources at major factories and offices
- Installed solar power generation equipment on factory roofs and other places where it can be installed, beginning in-house power generation and consumption

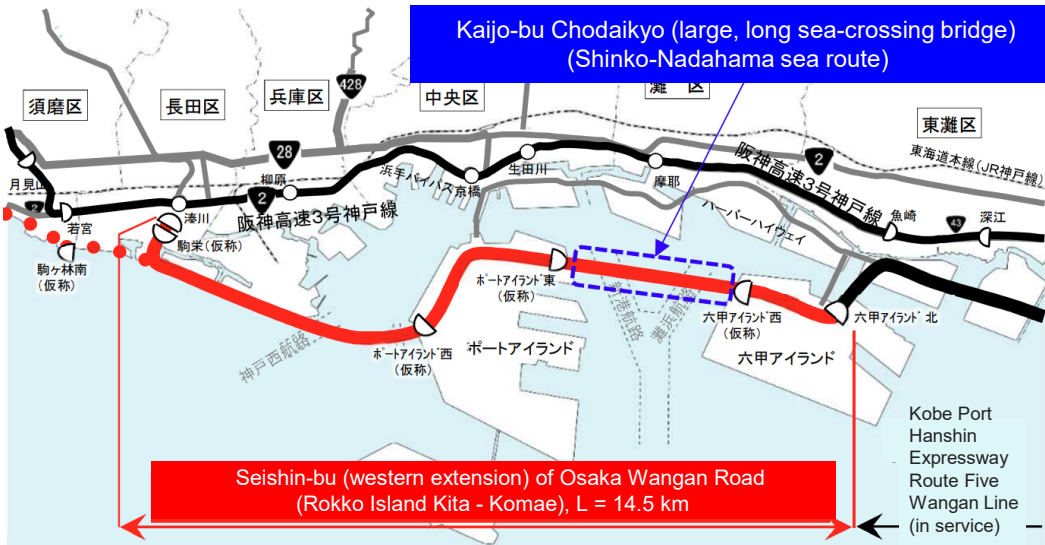
### Scope3

- Started to use green steel, a first in the bridge industry



This is a project for the construction of a seven-span, four-tower continuous steel cable-stayed bridge between Rokko Island and Port Island on the Seishin-bu (western extension) of Osaka Wangan Road. At present, design work is being done by a design joint venture including YBHD Group companies.

Location map



Outline of the design work

Design companies	West section: JV involving Yokogawa, MMB, JFE, Miyaji, FaB-Tec Japan, Sumitomo Mitsui Construction Steel Structures Engineering, and Yokogawa NS
Content of the work	Detail design (including considerations of the overall configuration of the cable-stayed bridge, wind-tunnel experiments, and maintenance and management planning)
Line name	Seishin-bu (western extension) of Osaka Wangan Road (Rokko Island Kita - Komae)
Construction period	December 25, 2024 to June 12, 2027
Ordering party	Construction Department, Hanshin Expressway Company Limited

Render of the bridge (structure, design, and color)



Details of the bridge

Towers	Steel towers with a maximum height of 213 m (A-shaped steel towers that are perpendicular to the bridge axis)
Main girder	Steel deck, twin box girder (maximum span length: 653 m) Cable configuration: Multiple-fan design with 18 cable stays and two planes

Outline of the construction work (west section)

Approx. 1.4-km section to the west of the seven-span, four-tower continuous steel cable-stayed bridge (construction of steel towers (two towers), cable work, construction of steel girders and steel piers, etc.)  
Towers: 15,500 t (3P, 4P), Main girders: 29,500 t, bridge piers 5,000 t Total: 50,000 t

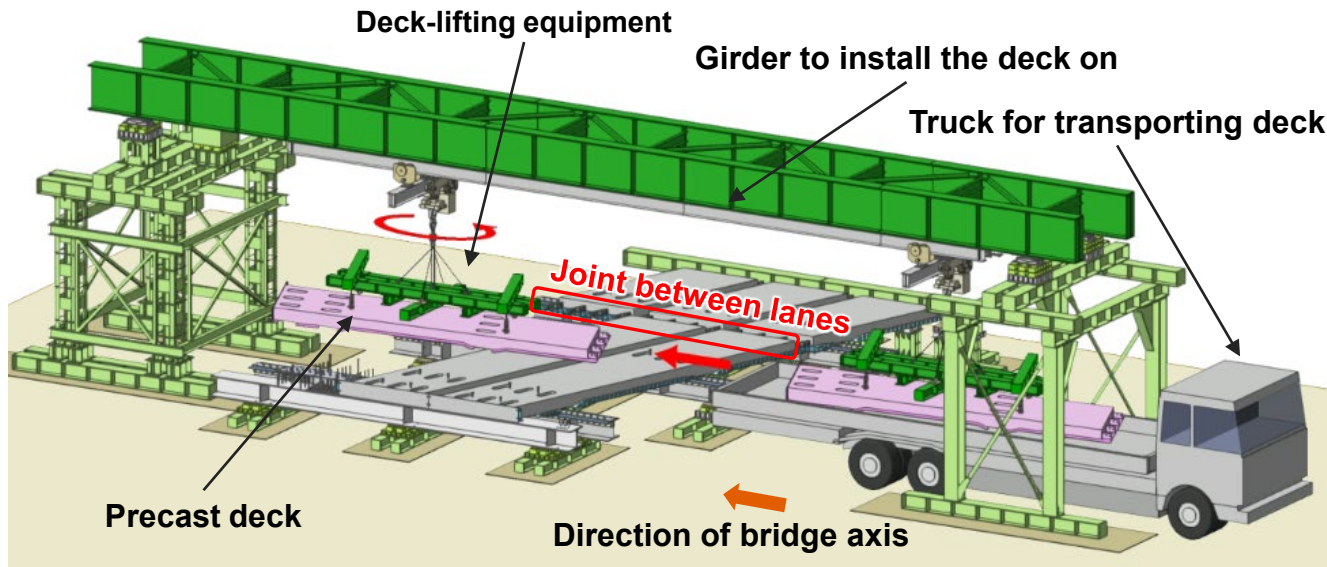
Source: Presentation materials used in the construction project briefing by the Kobe Construction Division of the Construction Department of Hanshin Expressway Company Limited



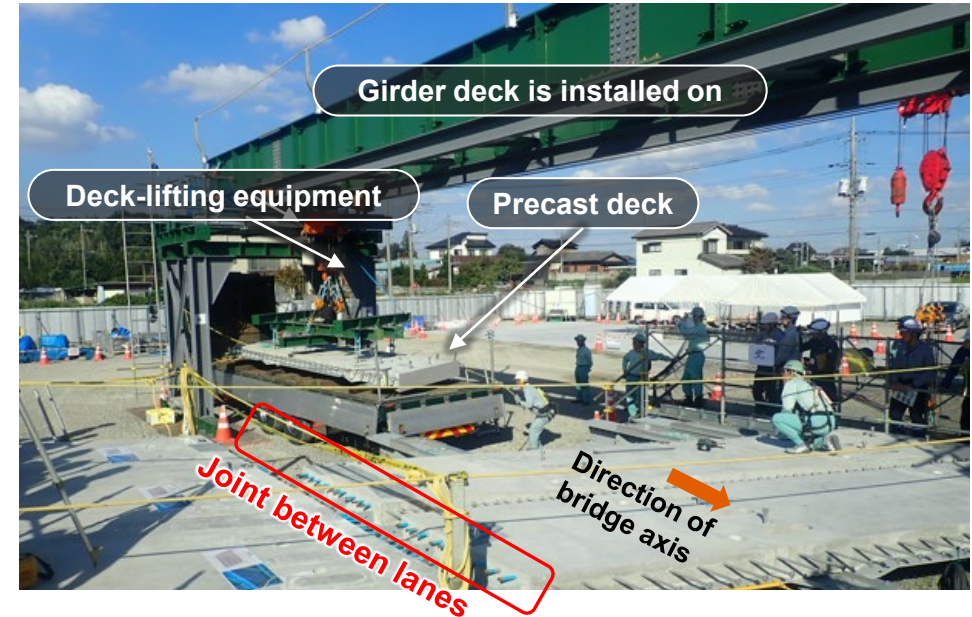
# Topics: Product Development for Deck Replacement Work

Demand for lane-by-lane deck replacement work has been growing, reflecting the need to reduce the social impact of mainly traffic controls. We are pushing forward with the development of precast decks and replacement methods that enable us to cater to these needs. We implemented a real-scale, open construction test for expressway operators. We plan to use this method in deck replacement work for Inarizaka Bridge within the area of the Hachioji branch of NEXCO Central, for which Yokogawa Bridge has received an order.

## Illustration of the full-scale construction test



## Photograph of the open test for expressway operators

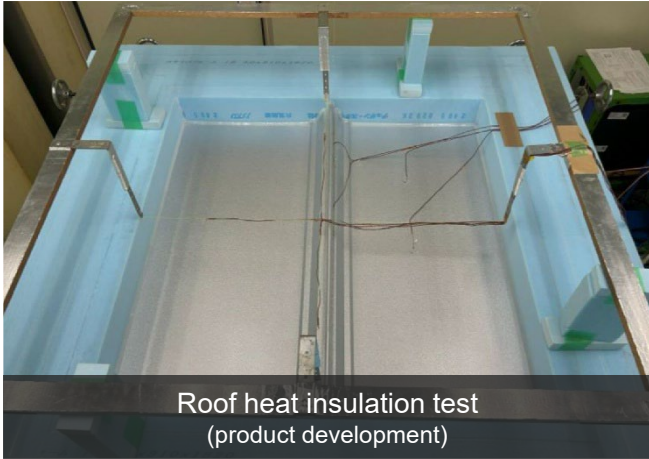




We are aggressively pushing forward with R&D efforts to further enhance products catering to customers' needs.

## Development of next-generation products

- Development of new products which conform to the revised energy conservation standards
- Development of a roof exterior wall with a new material and a new construction method



Roof heat insulation test  
(product development)

## Increasing the added value of existing products

- Increasing the capacity for two-story building work
- Introducing new roof materials and developing construction methods



Exterior wall fireproof test  
(product development)



New quake-resistant brace  
(construction method development)

## Strengthening cost-cutting initiatives

- Developing design methods and construction methods aimed at reducing cost
- Developing technologies for shortening construction periods and reducing labor



Labor-saving exterior wall construction method  
(technology development)



Roof water-tightness test  
(product development)



Structural test of a new design method  
(construction method development)