YOTAI REFRACTORIES CO.,LTD

YOTAI REFRACTORIES CO., LTD.

FY2026

Financial Results Briefing Materials

May 29, 2026

TSE Prime Market: 5357

YOTAI REFRACTORIES CO.,LTD

Overview of Consolidated Financial Results for the Year Ended March 2026

Consolidated Statement of Income

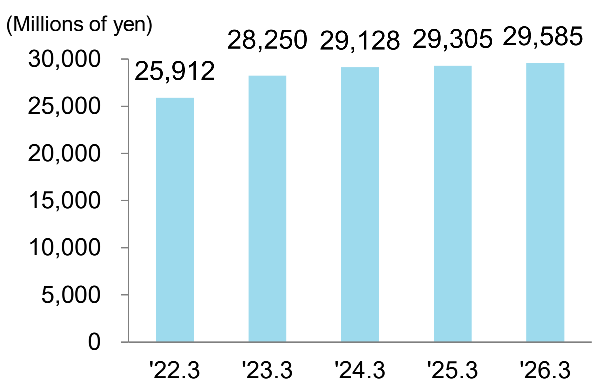
YOTAI REFRACTORIES CO.,LTD

- Net sales increased by 1.0% year-on-year, reaching a record high, due to increased orders for glass, cement, and nonferrous metals.
- Ordinary profit increased by 3.6% year-on-year due to price revisions and an increase in production volumes, despite factors such as raw material and fuel costs remaining high.
- Profit attributable to owners of parent decreased by 5.8% year-on-year due to factors such as the posting of expenses related to the takeover bid.

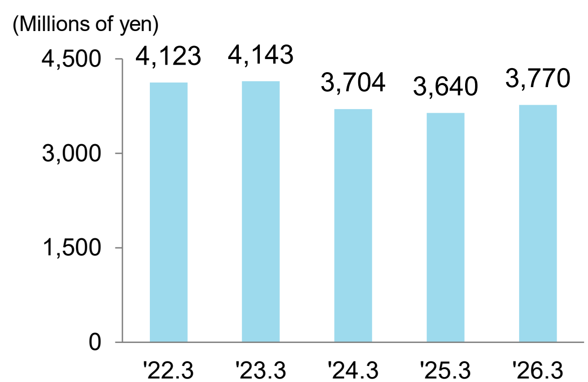
(Millions of yen)

	FY2025	FY2026	Year-on-year change	
			Amount	Rate
Net sales	29,305	**29,585**	+279	+1.0%
Operating profit (Operating profit to sales ratio)	3,484 (11.9%)	**3,595** **(12.2%)**	+111	+3.2%
Ordinary profit (Ordinary profit to sales ratio)	3,640 (12.4%)	**3,770** **(12.7%)**	+130	+3.6%
Profit attributable to owners of parent (Profit to sales ratio)	2,623 (9.0%)	**2,469** **(8.3%)**	−153	−5.8%

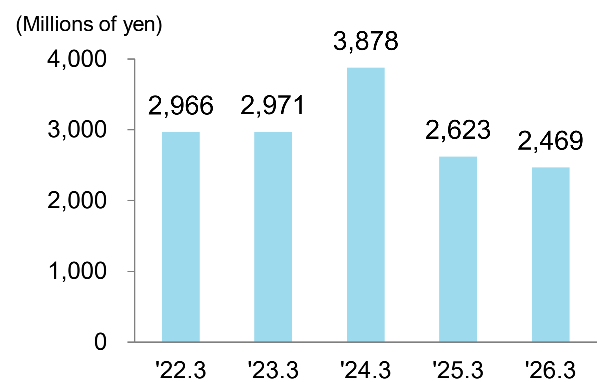
Net sales



Ordinary profit

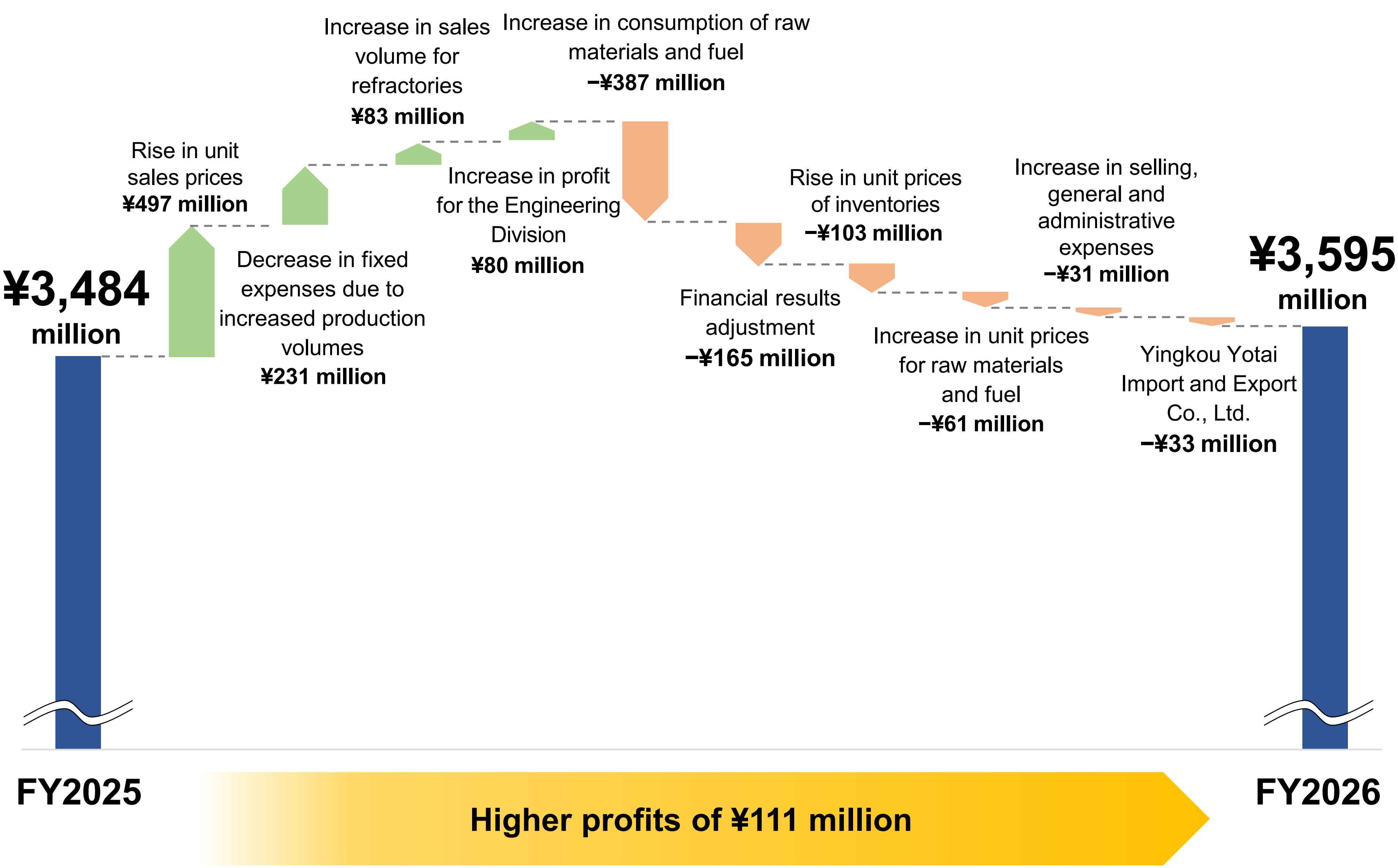


Profit attributable to owners of parent



Analysis of Factors Underlying the Increase/Decrease in Consolidated Operating Profit (Year-on-year Change)

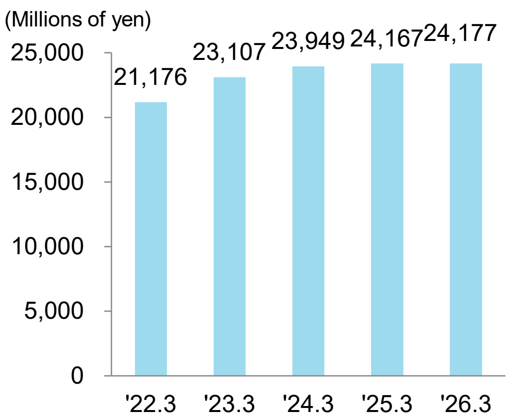
YOTAI REFRACTORIES CO.,LTD



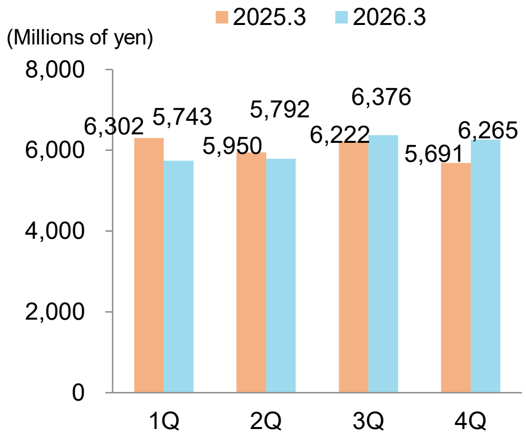
Refractories Business

Net sales were 24,177 million yen, on par with the previous year, and segment profit was 4,757 million yen, up 0.7% year-on-year.

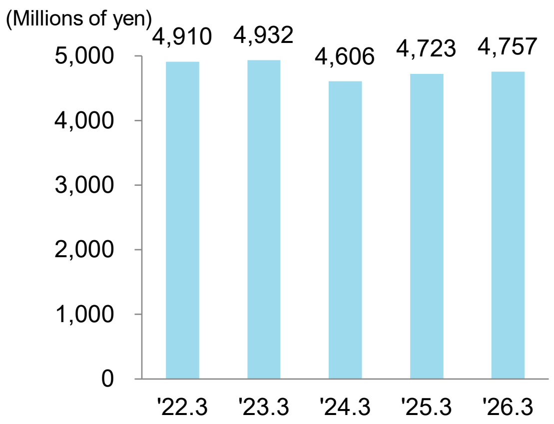
Net sales



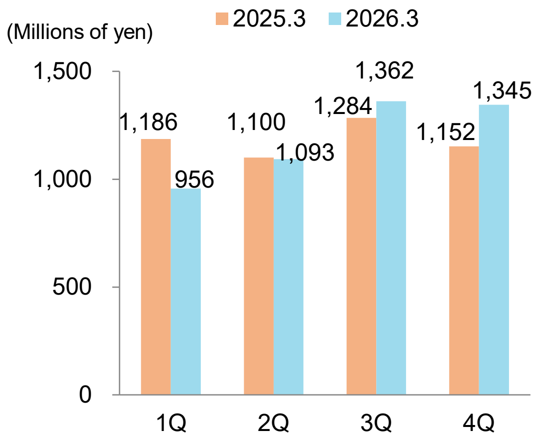
Net sales (Quarterly)



Segment profit



Segment profit (Quarterly)



Highlights of the current term

- Steel: Orders decreased slightly due to the effects of decreases in production volumes.
- Cement: Stable orders were secured due to periodic repair.
- Nonferrous metals: Orders for large projects increased.
- Ceramics: Orders decreased as a reaction to the large projects in the previous year.
- Glass: Orders for large projects increased.
- Overseas: Although orders for nonferrous metals decreased, orders for glass and electronic parts increased slightly.
- Profit increased due to price revisions and increased production volumes.

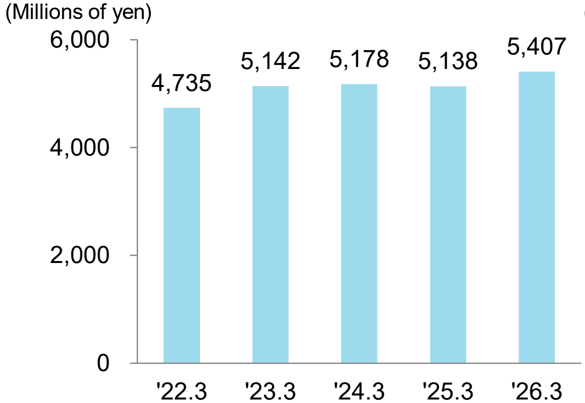
Magnesia-carbon bricks

Engineering Business

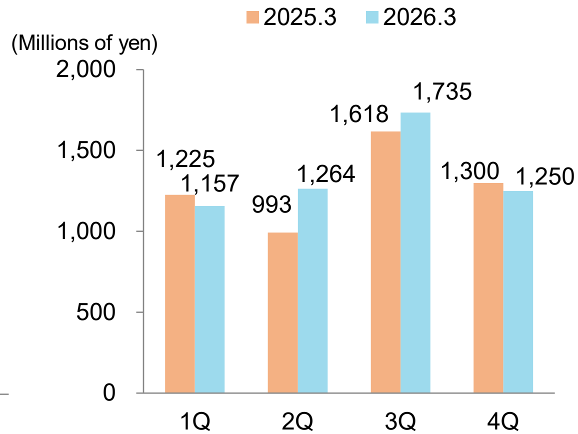
YOTAI REFRACTORIES CO.,LTD

Net sales were 5,407 million yen, up 5.2% year-on-year, and segment profit was 796 million yen, up 11.2% year-on-year.

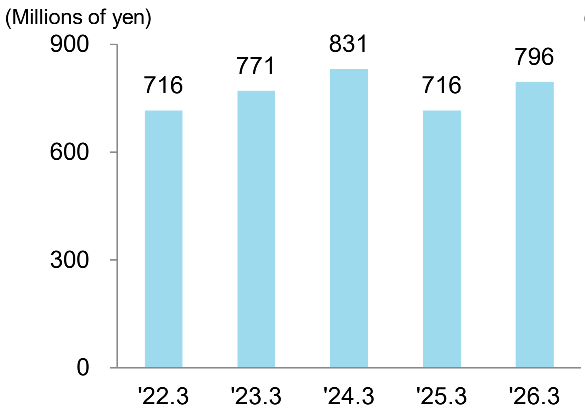
Net sales



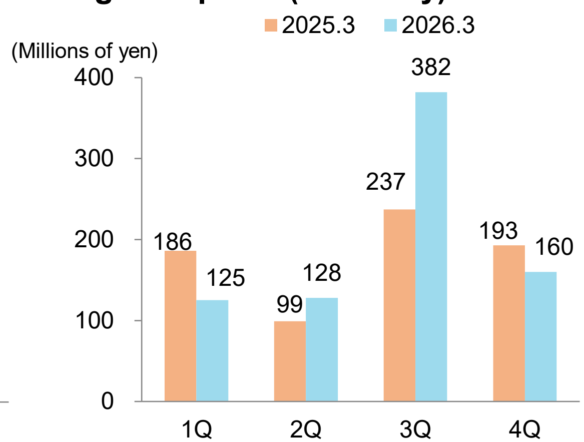
Net sales (Quarterly)



Segment profit



Segment profit (Quarterly)



Highlights of the current term

- Net sales increased (reaching a record high) and the profit ratio improved due to orders for large nonferrous metal and environmental system projects.
- The number of personnel was increased systematically to bolster customer support.

Ladle construction

Consolidated Balance Sheet

YOTAI REFRACTORIES CO.,LTD

(Millions of yen)

	FY2025	FY2026	Increase/ Decrease	Major factors for increase/decrease
Current assets	29,584	**29,711**	+126	Notes and accounts receivable - trade +837 Cash and deposits −663 Raw materials and supplies −103
Non-current assets	11,794	**12,522**	+727	Investment securities +745
Total assets	41,379	**42,234**	+854	
Current liabilities	6,707	**6,004**	−702	Electronically recorded obligations - operating −551 Accounts payable - trade −299 Income taxes payable +77
Non-current liabilities	1,722	**1,803**	+81	Deferred tax liabilities +189 Long-term borrowings −170
Total liabilities	8,430	**7,808**	−621	
Total net assets	32,948	**34,425**	+1,476	Retained earnings +810 Valuation difference on available-for-sale securities +505
Total liabilities and net assets	41,379	**42,234**	+854	
Capital adequacy ratio	79.6%	**81.5%**	+1.9 pts	
ROE (return on equity)	8.0%	**7.3%**	−0.7 pts	Decreased due to the posting of expenses related to the takeover bid (8.1% excluding expenses related to the takeover bid)

Consolidated Cash Flow Statement

YOTAI REFRACTORIES CO.,LTD

(Millions of yen)

	FY2025	FY2026	Major cash flows during the current term
Cash flows from operating activities	4,431	**2,500**	Profit before income taxes +3,439 Depreciation +1,422 Increase in trade receivables −900 Decrease in trade payables −784
Cash flows from investing activities	−2,245	**−1,491**	Purchase of property, plant and equipment −1,420 Purchase of intangible assets −66 Proceeds from sale of investment securities +31
Cash flows from financing activities	−2,263	**−1,689**	Dividends paid −1,654 Repayments of long-term borrowings −141 Proceeds from disposal of treasury shares +13
Effect of exchange rate changes on cash and cash equivalents	30	**17**	
Net increase (decrease) in cash and cash equivalents	−47	**−663**	
Cash and cash equivalents at end of period	6,412	**5,748**	

YOTAI REFRACTORIES CO.,LTD

Forecasts of Consolidated Financial Results for the Year Ending March 2027

Forecasts of Consolidated Financial Results

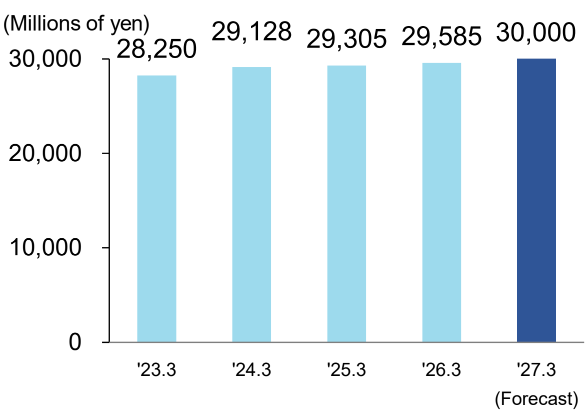
YOTAI REFRACTORIES CO.,LTD

- The Company plans to increase net sales by 1.4% year-on-year and ordinary profit by 3.4% year-on-year, assuming aggressive overseas business development and orders for large nonferrous metal and other projects in Japan.
- The effects of issues in the Middle East are not incorporated into the financial forecasts. However, it is necessary to closely monitor growing geopolitical risks, including issues in the Middle East, as well as exchange-rate fluctuations and trends in crude steel production volume.

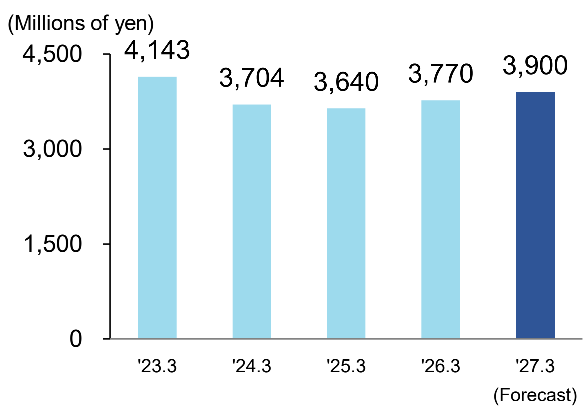
(Millions of yen)

	FY2026	FY2027 (forecast)	Year-on-year change	
			Amount	Rate
Net sales	29,585	**30,000**	+414	+1.4%
Operating profit (Operating profit to sales ratio)	3,595 (12.2%)	**3,800** **(12.7%)**	+204	+5.7%
Ordinary profit (Ordinary profit to sales ratio)	3,770 (12.7%)	**3,900** **(13.0%)**	+129	+3.4%
Profit attributable to owners of parent (Profit to sales ratio)	2,469 (8.3%)	**2,600** **(8.7%)**	+130	+5.3%

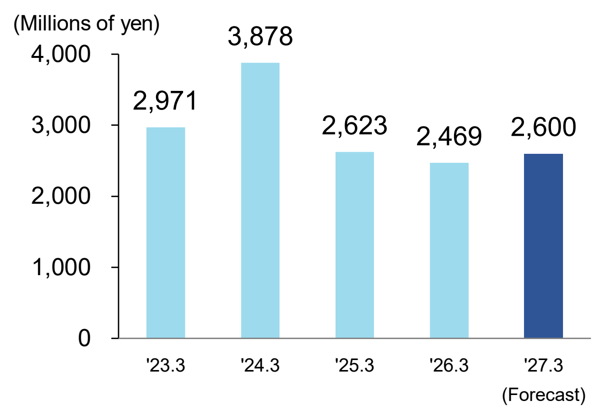
Net sales



Ordinary profit



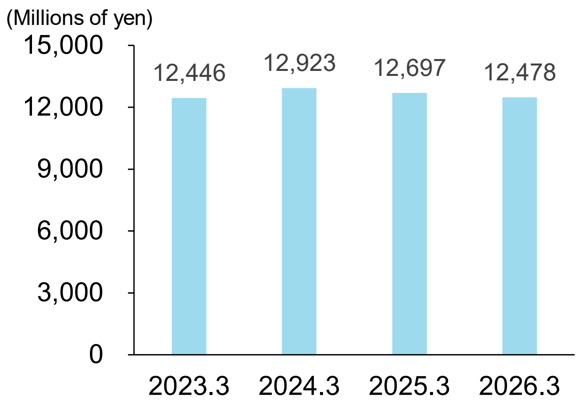
Profit attributable to owners of parent



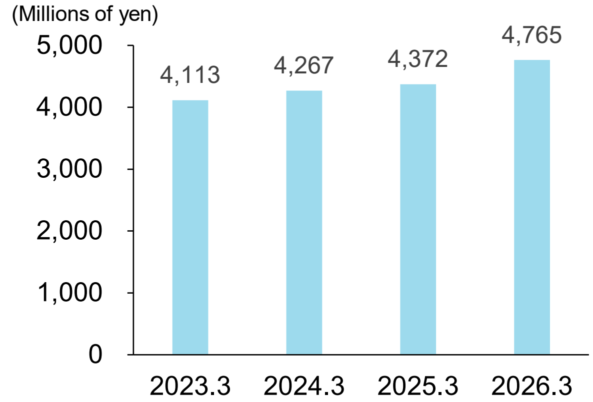
Sales Performance by Industry Sector and Outlook

YOTAI REFRACTORIES CO.,LTD

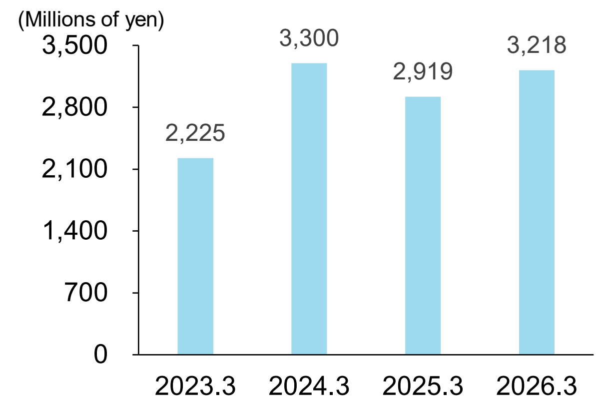
Steel



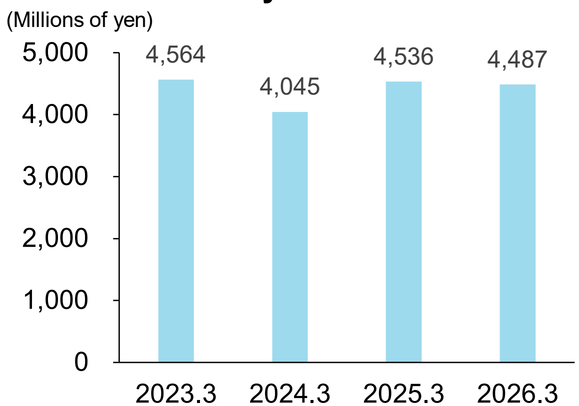
Cement



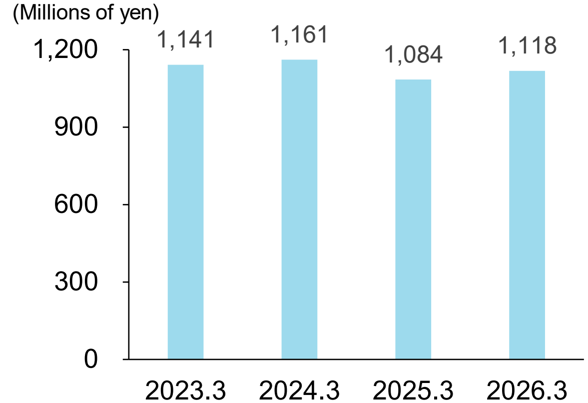
Nonferrous



Environmental systems



Electronic parts



	FY2026 Actual	FY2027 Outlook
Steel	→	→
Cement	↗	↗
Nonferrous	↗	→
Environmental systems	→	→
Electronic parts	↗	↗

* Starting from FY2025, sales performance has been changed to sales by industry after financial results adjustment.

Progress in the Second Medium-term Management Plan and Future Strategy

2030 Vision and the Second Medium-term Management Plan

YOTAI REFRACTORIES CO.,LTD

We newly established the 2030 Vision to achieve a medium- to long-term leap.
We aim to maximize investment returns in 2030 by expanding investment returns during the period covered by the Second Medium-term Management Plan.

Corporate Vision

A company that continues to improve its corporate value sustainably in harmony with society through the enhancement of financial and non-financial value by maintaining profitability and promoting ESG management

First Medium-term Management Plan
(FY2022–FY2024)

Establish a structure to achieve the corporate vision

- **Earn revenue from existing businesses**
- **Investment in people, products, and information**

Net sales for FY2024
¥29.1 billion (including ¥1.3 billion overseas)

Second Medium-term Management Plan
(FY2025–FY2027)

Continuously develop a structure to achieve the corporate vision and cultivate new revenue sources

- **Strengthen the structure through continuous investment in people, products, and information**
- **Cultivate new revenue sources**

Net sales target for FY2027
¥32.0 billion (including approx. ¥1.7 billion overseas)

2030 Vision

Company with a strong presence in the refractory industry in Japan and Asia

Net sales target for FY2030
¥38.0 billion (including approx. ¥3.5 billion overseas)

Numerical Targets in the Second Medium-term Management Plan

YOTAI REFRACTORIES CO.,LTD

First Medium-term Management Plan: (Final year) FY2024
Second Medium-term Management Plan: (First year) FY2025, (Second year) FY2026, (Final year) FY2027

(Millions of yen)

	FY2024 Result	FY2025 Result	FY2026 Result	FY2027 Target	FY2027 Forecast	FY2027 Amount of change from target	FY2027 Rate of change from target
Net sales	29,128	29,305	**29,585**	**32,000**	**30,000**	−2,000	−6.3%
Operating profit (Operating profit to sales ratio)	3,602 (12.4%)	3,484 (11.9%)	**3,595 (12.2%)**	**4,400 (13.8%)**	**3,800 (12.7%)**	−600	−13.6%
Ordinary profit (Ordinary profit to sales ratio)	3,704 (12.7%)	3,640 (12.4%)	**3,770 (12.7%)**	**4,500 (14.1%)**	**3,900 (13.0%)**	−600	−13.3%
Profit attributable to owners of parent (Profit to sales ratio)	* 2,669 (9.2%)	2,623 (9.0%)	**2,469 (8.3%)**	**3,200 (10.0%)**	**2,600 (8.7%)**	−600	−18.8%
ROE	* 8.6%	8.0%	**7.3%**	**10.0% or more**	—	—	—
Consolidated dividend payout ratio	41.4%	63.5%	**67.0%**	**60.0%**	**63.8%**	—	—

* Figures excluding extraordinary income from the transfer of equity in YINGKOU NEW YOTAI REFRACTORY CO., LTD., a consolidated subsidiary, and the reduction of cross-shareholdings.

Basic Policies of the Second Medium-term Management Plan

Second Medium-term Management Plan (FY2025–FY2027)

A period for **continuously developing a structure** to achieve the corporate vision and **cultivate new revenue sources**

Basic strategies and prioritized measures

Continue to **invest in people, products, and information** to maximize investment returns, while responding to changes in the business environment to **strengthen profitability and diversify revenue sources**.

Strengthen profitability and diversify revenue sources

1 Expand net sales by improving the quality of products and services

Products
- Expand sales of new products and capture needs in growing sectors

Technical sales
- Continue to recruit and train technical sales staff and address the so-called "2024 Problem" in the construction industry

Customer support
- Utilize expanded sales offices and provide attentive sales support

2 Strengthen the structure to secure a stable supply with low costs

Procurement of raw materials
- Stable and sustainable raw material storage and enhancement of domestic production

Rationalization and streamlining
- Promote rationalization and streamlining by continuously strengthening the production structure
- Promote DX that contributes to achieving management strategies

3 Cultivate new revenue sources

Development system
- Further strengthen the R&D structure and promote new product development

Overseas development
- Examine areas for development and establish a foundation
- Utilize overseas OEM products

Promote ESG management

4 Promote ESG management

E: Environment
- Install facilities to reduce GHG emissions and promote technological innovations

S: Society
- Enhance employee diversification and create a comfortable work environment

G: Governance
- Strengthen the governance structure that contributes to sustainable growth

1. Expand net sales by improving the quality of products and services

YOTAI REFRACTORIES CO.,LTD

Development of new products with high customer demand

Cement rotary kilns
Transition zone non-sintered spinel bricks
(Industry type: Cement)
These bricks reduce the amount of CO_2 emitted during manufacture more than sintered bricks.

Large shelves
(Industry type: Ceramics)
Capable of handling large sizes and features excellent bending resistance, leading to energy savings.

Lightweight, highly durable creep-fused mullite furnace bricks
(Industry type: Ceramics)
These bricks are very light and have an excellent anti-creep property. They also reduce thermal loss with their low thermal conductivity and thermal expansivity.

Porous alumina sheets
(Industry type: Electronic parts)
Contributes to improving the yield of customers' products through smooth degreasing due to high porosity and a smooth surface.

First exhibition at the Highly-Functional Ceramics Expo (Nov. 2025)

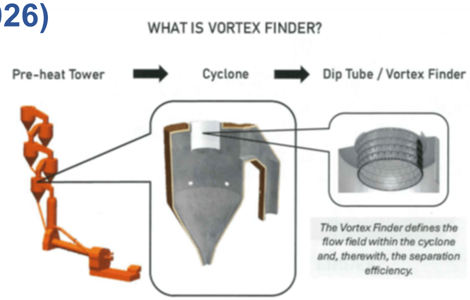
The Company also plans to exhibit at the Highly-Functional Ceramics Expo to be held from September 30 to October 2, 2026

Basic agreement regarding an exclusive distributor contract in Japan with Hasle Refractories (Jan. 2026)

Mainstay product
- Ceramics for inner cylinders

Track record
- Widely adopted overseas
- Already adopted by some domestic cement manufacturers

Anticipated benefits
- Expected to reduce costs and improve workability and safety by replacing conventional cast products



Strengthen the sales structure (domestic and overseas)

Clarify the responsibilities and authority of domestic and overseas sales to strengthen sales activities

2. Strengthen the structure to secure a stable supply with low costs (1)

YOTAI REFRACTORIES CO.,LTD

Strengthening of the production system through capital investments

Continuous introduction of large, high-efficiency presses at each plant to improve product quality and productivity

Crush raw material and Kneading	Forming	Dry and heat	Sorting and inspection	Logistics and delivery
				

Key initiatives

Crush raw material and Kneading

Introduction of the latest crushing and kneading equipment to improve productivity in the kneading process

- **Hinase Plant:** Promotion of high-efficiency production and reduction of man-hours by adding raw material tanks and high-speed mixers
- **Mizunami Plant:** Promotion of quality improvement and cost reduction by engaging in in-house crushing through the introduction of special crushers

Forming

Promotion of productivity and quality improvement by introducing large presses and high-efficiency presses at each plant

6 units
Installation completed

2 units
Scheduled for additional installation

- **Mizunami Plant:** 1,500T press (Scheduled for Jun. 2026 operational start)
- **Yoshinaga Plant:** 1,000T press (Scheduled for Nov. 2026 operational start)

Dry and heat

Promotion of reduction in GHG emissions through a change in fuel from fuel oil to natural gas

- **Kaizuka Plant:** Already using natural gas
- **Yoshinaga Plant:** Change in fuel to natural gas and energy savings (Scheduled for Nov. 2026)
- **Hinase Plant:** Energy savings for tunnel kilns (Scheduled for Dec. 2026)
- **Mizunami Plant:** Following the Yoshinaga Plant, a change in fuel to natural gas is scheduled
- A change to hydrogen fuel is also anticipated in the future

Sorting and inspection

Promotion of post-process automation utilizing AI

- **Kaizuka Plant:** Introduction of an automated sorting line
- **Hinase Plant:** Scheduled introduction of an automated sorting and packaging machine

Logistics and delivery

Establishment of a CLO (Chief Logistics Officer) and Logistics Supervisory Office

- **Company-wide:** Establish a CLO and a Logistics Supervisory Office to improve the efficiency of company-wide logistics from the perspectives of optimizing the logistics system across the supply chain and building and maintaining a sustainable logistics network, etc.
- **Mizunami Plant:** DX of warehouse management

2. Strengthen the structure to secure a stable supply with low costs (2)

YOTAI REFRACTORIES CO.,LTD

Promote DX that contributes to achieving management strategies

Formulate a DX roadmap and incorporate it into specific initiatives for promotion.
Accelerate DX promotion by appointing a CIO (Chief Information Officer) in April 2025.
Also, assign personnel with professional qualifications (two Registered Information Security Specialists) to strengthen security measures.

(Management Targets)	Second Medium-term Management Plan FY2025	FY2026	FY2027	FY2028 and beyond
Sales growth	Sales force automation (SFA) system development		Improving efficiency through data accumulation and system utilization	
			Engineering support system development	
Better convenience Improved productivity	Generative AI POC*1	Utilization of generative AI and preparation for the utilization of AI agents		
	Civic development using low-code tools (Kintone) and RPA			
	Plant IoT model	Promotion and expansion of plant IoT		
Risk mitigation	Evolution of mission-critical system (Mikumo)			
Security measures		EDR*2/SOC*3 adoption		
Culture reform Human resource development		Going paperless		
	e-learning utilization			
ESG			CO_2 emission management systematization	

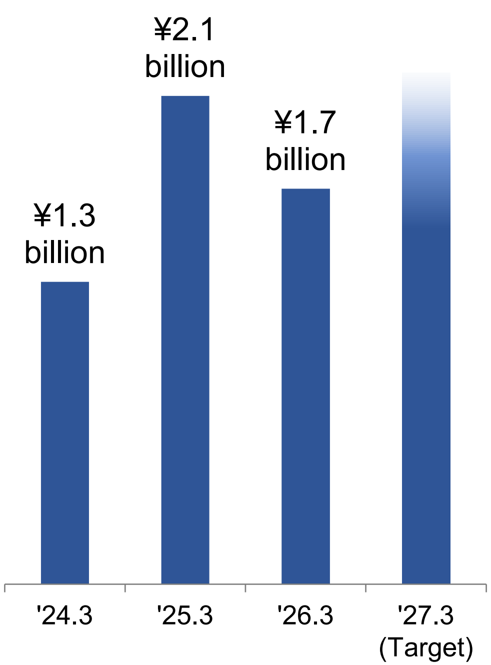
*1 POC: Proof of Concept (testing on a small scale to confirm effects) *2 EDR: Endpoint Detection and Response *3 SOC: Security Operations Center

3. Cultivate new revenue sources (Overseas business development)

YOTAI REFRACTORIES CO.,LTD

Focusing on steel, cement, and electronic parts, aim to develop business in line with regional needs in areas where YOTAI has strengths.

Overseas sales



India

Orders were won from cement companies, and sales activities were carried out in the ceramics industry.

South Korea

Sales activities were carried out for the cement and lime industries.

Thailand

Orders were won from chemical manufacturers.

Indonesia

Orders were won from nonferrous metal manufacturers, and further order acquisition activities were promoted.

Sales expansion to various companies was promoted through tie-ups with furnace construction companies.

Strengthen the sales structure (domestic and overseas)

Clarify the responsibilities and authority of domestic and overseas sales to strengthen sales activities.

4. Promote ESG management (1)

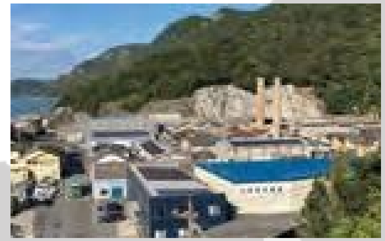
E: Install facilities to reduce GHG emissions and promote technological innovations

Promote the use of renewable energy by continuously introducing solar power generation systems.

Furthermore, promote the reduction of GHG emissions through a change in fuel from fuel oil to natural gas.

Change in fuel from fuel oil to natural gas (Scheduled for Nov. 2026)

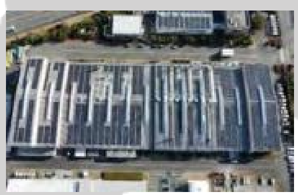
Yoshinaga Plant (First Branch)
Start of operation: Aug. 2023 and Dec. 2024, Jan. 2026 and May 2026
Volume of power generated: 716 kW



Hinase Plant (West Plant and East Plant)
Start of operation: Dec. 2023 and Dec. 2024
Volume of power generated: 1,171 kW

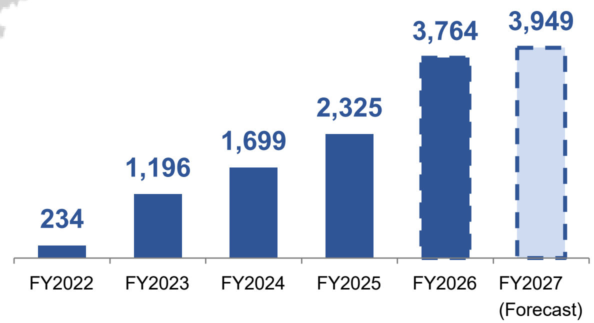
Mizunami Plant
Start of operation: Nov. 2022 and Jan. 2025
Volume of power generated: 1,206 kW

Yoshinaga Plant (Second Branch)
Start of operation: Jun. 2021
Volume of power generated: 150 kW



Kaizuka Plant
Start of operation: Feb. 2022
Volume of power generated: 748 kW

Electricity produced by YOTAI solar power generation systems (MWh)



4. Promote ESG management (2)

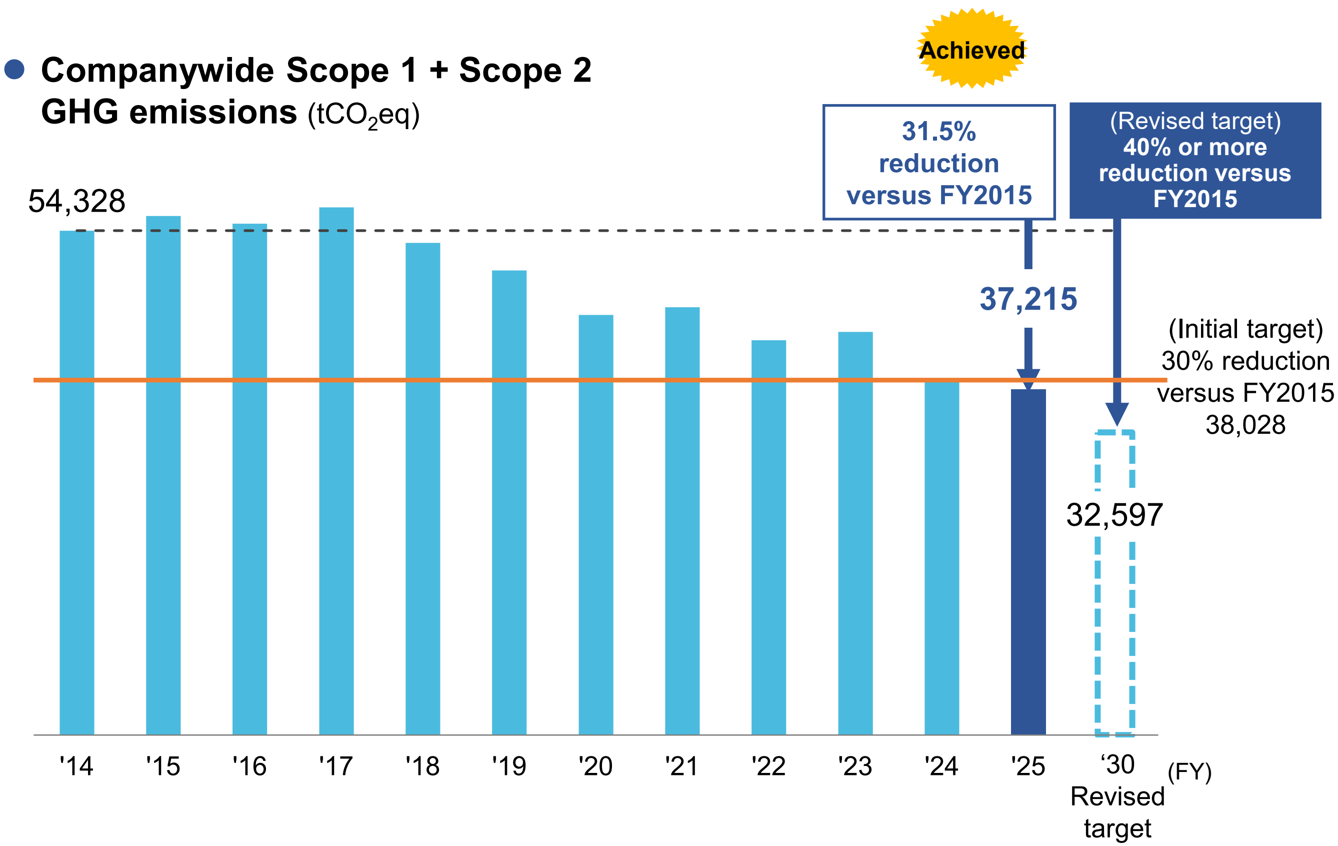
YOTAI REFRACTORIES CO.,LTD

E: Scope 1 + Scope 2 GHG emission disclosure

In FY2026, achieved the target of a 30% reduction in Scope 1 + Scope 2 emissions for FY2031 compared to the base year of FY2015.

As a result, the FY2031 target was raised to 40% or more.

- **Companywide Scope 1 + Scope 2 GHG emissions** (tCO_2eq)



* GHG emission values prior to FY2024 have changed due to more meticulous calculation methods.

FY2026 Scope 1 + Scope 2 calculation results

- Achieved the FY2031 target, which uses FY2015 as the base year, ahead of schedule through the continuous introduction of solar power generation systems (31.5% reduction)
- Furthermore, the percentage of renewable energy in electricity usage reached 30.5%, achieving the target of 30% or more
- Promote the reduction of GHG emissions through a change in fuel from fuel oil to natural gas and revise the FY2031 target upward to a 40% or more reduction compared to FY2015
- Consider initiatives to acquire SBT certification due to the achievement of the 30% reduction target

4. Promote ESG management (3)

YOTAI REFRACTORIES CO.,LTD

S: Enhance employee diversification and create a comfortable work environment

Human capital management that leverages a small but elite workforce

Promote the creation of an organization and work environment that rewards people who work with passion.

- **Engagement Survey implementation** (Since FY2022)

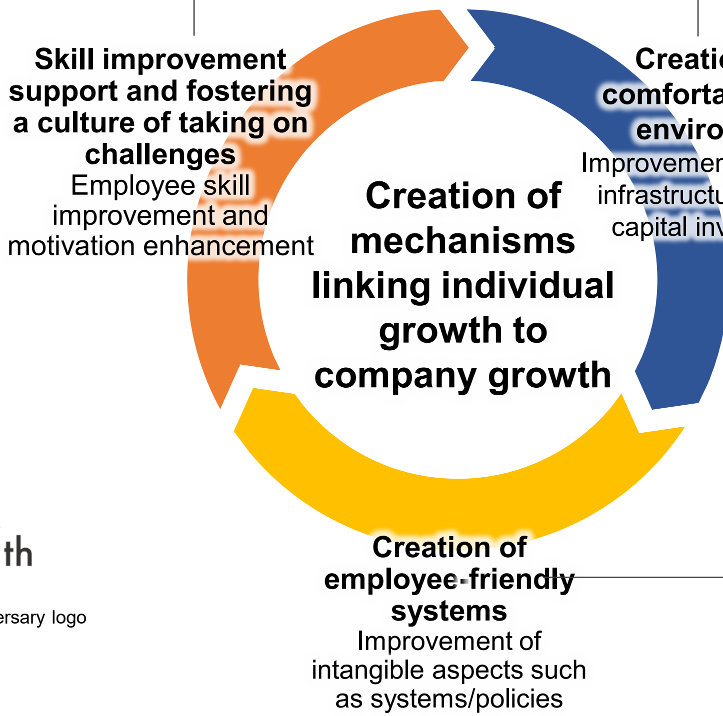
FY2025 score: 59.4 points → FY2026 score: 60.6 points

At the Engagement Survey presentation

- **Promotion of qualification acquisition**
- **Hosting of 90th anniversary events**

90th anniversary logo

Osaka Yogyo 144th anniversary logo



- **Construction of a new cafeteria and warehouse at the Okayama Business Office Yoshinaga Plant**
  (Completed in Apr. 2026)
- **Rebuilding of the Technical Research Laboratory and Engineering Division Office**
  (Scheduled for completion in Mar. 2027)

- **Start of operation of the regionally fixed employee system** (From Apr. 2026)
  1 female at the Kyushu Branch, 2 males at the Okayama Business Office Yoshinaga Plant
- **Introduction of scholarship support (proxy repayment) system** (From Apr. 2026)
  16 users as of Apr. 2026
- **Promotion of health and productivity management and raising awareness among employees**

At the health and productivity management promotion seminar

Schedule for and Progress in Investments

YOTAI REFRACTORIES CO.,LTD

Preparation time | Full operation

		FY2025 First half	FY2025 Second half	FY2026 First half	FY2026 Second half	FY2027 First half	FY2027 Second half
● People							
Recruitment	Active recruitment of personnel with professional careers	Full operation	Full operation	Full operation	Full operation	Full operation	Full operation
Training	Introduction of training programs by rank and job classification	Preparation time	Preparation time	Full operation	Full operation	Full operation	Full operation
	Promotion of participation in e-learning (online training)	Full operation	Full operation	Full operation	Full operation	Full operation	Full operation
Work style	Revision to system for retirement age reemployment and work extension	Preparation time	Preparation time	Full operation	Full operation	Full operation	Full operation
	Introduction of a regionally fixed employee system	Preparation time	Preparation time	Preparation time	Preparation time	Full operation	Full operation
Benefits and welfare	Revitalization of the employee shareholding association	Full operation	Full operation	Full operation	Full operation	Full operation	Full operation
	Continuous promotion of health management	Full operation	Full operation	Full operation	Full operation	Full operation	Full operation
● Products							
Equipment for automation	Installation of large high-pressure presses and high-efficiency presses	Preparation time	Full operation	Full operation	Full operation	Full operation	Full operation
	Installation of an automated sorting system	Preparation time	Full operation	Full operation	Full operation	Full operation	Full operation
	Remodeling of automatic presses dedicated to deformed shapes	Preparation time	Preparation time	Preparation time	Preparation time	Full operation	Full operation
Improvement of facility efficiency	Modification of kneading plants	Preparation time	Preparation time	Preparation time	Full operation	Full operation	Full operation
	Improvement of plant layout	Preparation time	Preparation time	Preparation time	Preparation time	Full operation	Full operation
	Modification of rotary kilns for raw material production	Preparation time	Preparation time	Full operation	Full operation	Full operation	Full operation
Facilities to develop new products	Installation of non-oxide production facilities and new introduction of special presses	Preparation time	Preparation time	Preparation time	Full operation	Full operation	Full operation
Furnace construction	Rationalization of construction methods	Preparation time	Preparation time	Preparation time	Full operation	Full operation	Full operation
Reduction of CO_2 emissions	Installation of solar panels	Full operation	Full operation	Full operation	Full operation	Full operation	Full operation
	Continuous introduction of EV vehicles	Full operation	Full operation	Full operation	Full operation	Full operation	Full operation
	Change of energy sources in Scope 1	Preparation time	Preparation time	Preparation time	Full operation	Full operation	Full operation
● Information							
DX promotion	Continuous enhancement of the functionality of the mission-critical system "Mikumo"	Full operation	Full operation	Full operation	Full operation	Full operation	Full operation
	Cultivation of new customers by digitizing customer information and sales activity information	Preparation time	Preparation time	Full operation	Full operation	Full operation	Full operation
	Improvement of productivity and the development of digital human resources by promoting the use of AI, RPA, and low-code tools	Full operation	Full operation	Full operation	Full operation	Full operation	Full operation
	Improvement of manufacturing quality and cost reduction by promoting IoT at plants	Preparation time	Preparation time	Preparation time	Full operation	Full operation	Full operation
	Promotion of paperless operations by introducing file servers, electronic workflow, etc.	Preparation time	Preparation time	Full operation	Full operation	Full operation	Full operation
	Enhancement of cyber security measures	Preparation time	Preparation time	Full operation	Full operation	Full operation	Full operation
● Other							
	M&A investments in related sectors, etc.	Preparation time	Preparation time	Preparation time	Preparation time	Preparation time	Preparation time

YOTAI REFRACTORIES CO.,LTD

Strengthen investment and the allocation of funds to shareholders

Three-year total		Details	FY2025 Result	FY2026 Result
Investment ¥8.0 billion	Renovation investment ¥1.5 billion	■ Investment for rationalization and streamlining	¥0.7 billion	¥0.4 billion
	Strategic investment ¥4.0 billion	■ Installation of strategic facilities ■ Investment for decarbonization ■ BCP investment	¥1.5 billion	¥0.9 billion
	DX investment ¥0.5 billion	■ Investment in information systems Starting in this period, subscription-type system usage fees are included in information system investments, and the results for FY2025 have also been retrospectively revised.	¥0.16 billion	¥0.13 billion
	Other ¥2.0 billion	■ M&A investment, etc.	¥0.01 billion	¥0.01 billion
Shareholder returns		■ Enhance shareholder returns • Consolidated dividend payout ratio of 60% or dividend per share of 85 yen, whichever is higher • Consider implementing the acquisition of treasury shares while comprehensively examining the Company's financial condition, etc.	Dividend payout ratio of 63.5%	Dividend payout ratio of 67.0% (planned)

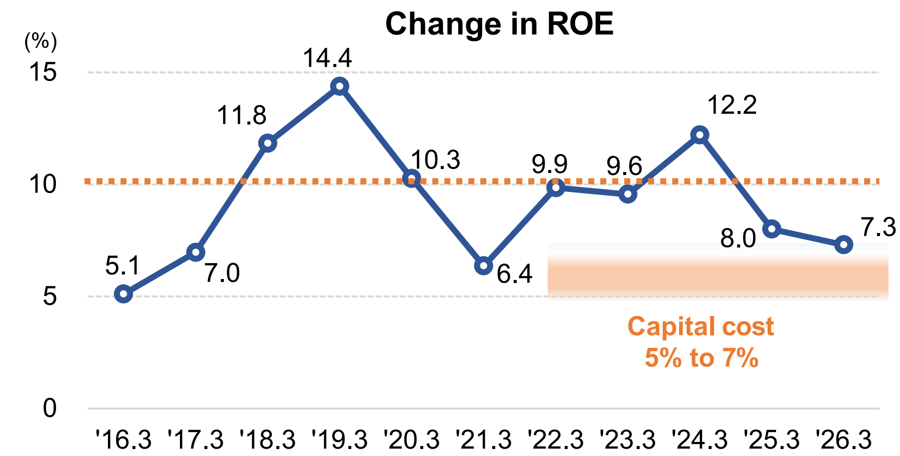
* We will make investments other than those mentioned above as appropriate after careful examination of the details and amount of the investment.

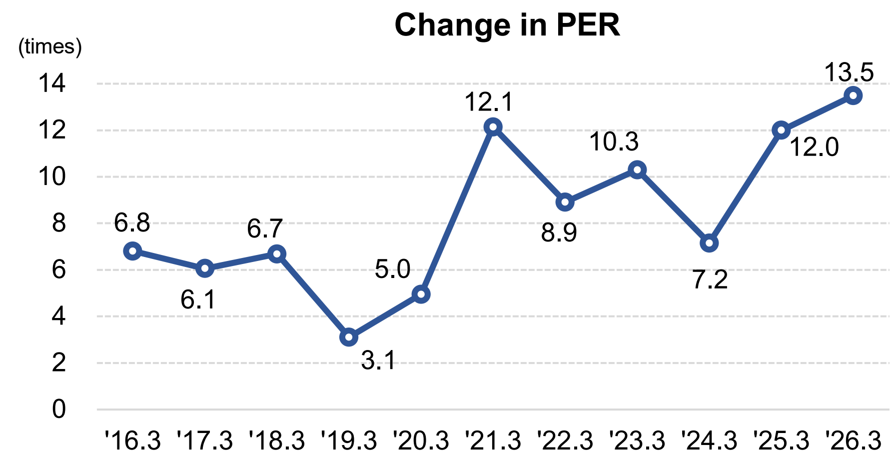
Response for Achieving Capital Cost- and Share Price-Conscious Management

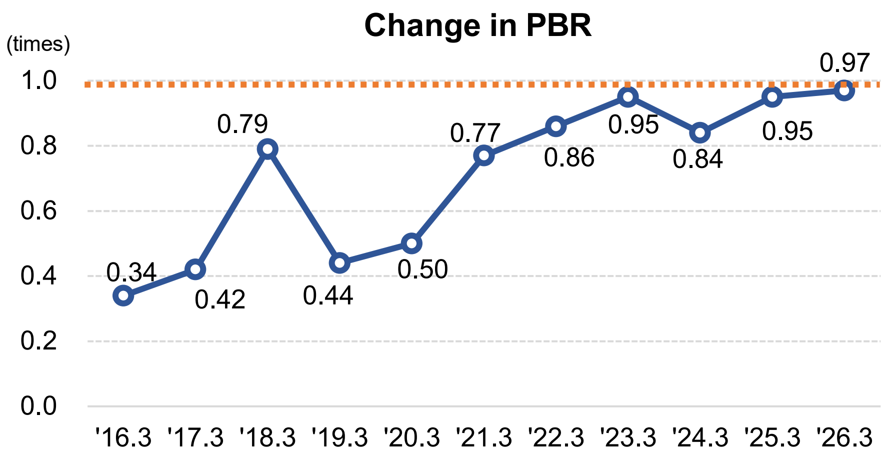
Analysis of Current Status (1) (ROE, PER, PBR, and Share Price)

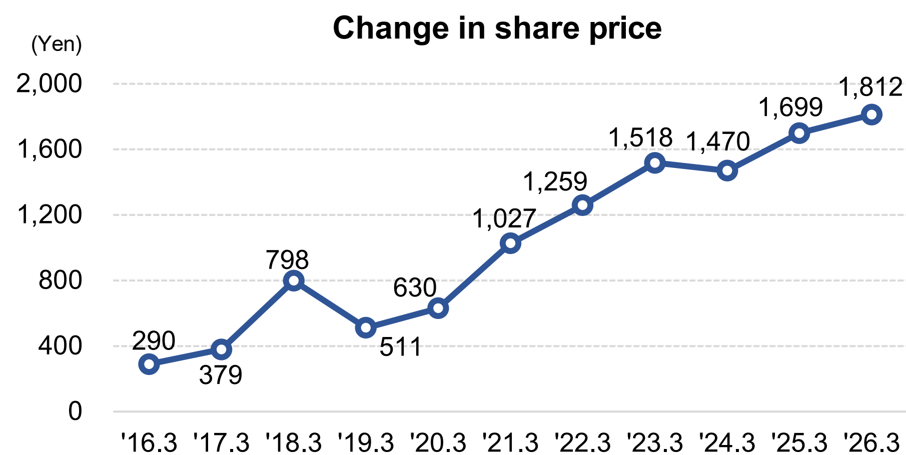
YOTAI REFRACTORIES CO.,LTD

- **Capital cost:** Perceived to be around 5% to 7%
- **ROE:** The Company recognizes that to achieve the Medium-term Management Plan target of 10%, the challenges are to increase investment returns and improve profitability.
- **PER:** The Company recognizes that acquiring growth expectations from the market and expanding recognition as an investment candidate are issues to be addressed.
- **PBR:** Although it sometimes exceeds 1, it remained at 0.9 times as of the end of March 2026.
  The Company will continue to formulate and implement management plans from a long-term perspective in a way that addresses environmental changes.
- **Share price:** The share price has been rising over the long term, and the Company will continue to securely implement financial and non-financial strategies.







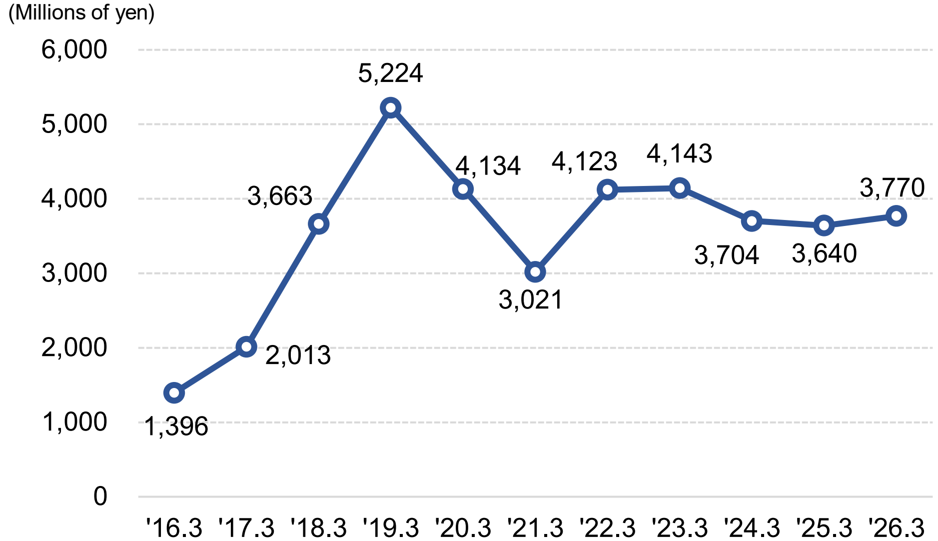


Analysis of Current Status (2) (Financial Situation)

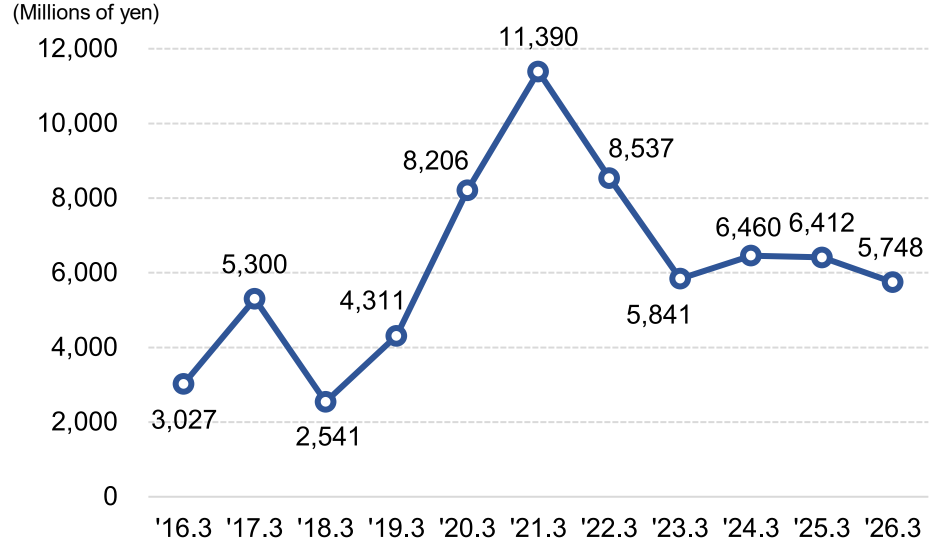
YOTAI REFRACTORIES CO.,LTD

- The Company's business performance is affected by the amount of domestic crude steel production in the steel industry, which is its main customer, the prices of raw materials in China, and the depreciation of the yen.
- Still, the Company maintains a structure that can generate stable profit due to its strong customer base and financial strength.
- The Company will continue to work on further improvement and enhancement of capital efficiency with an awareness of the capital cost.

Change in ordinary profit



Change in cash and deposits



Policies and Targets

Policies

Targets

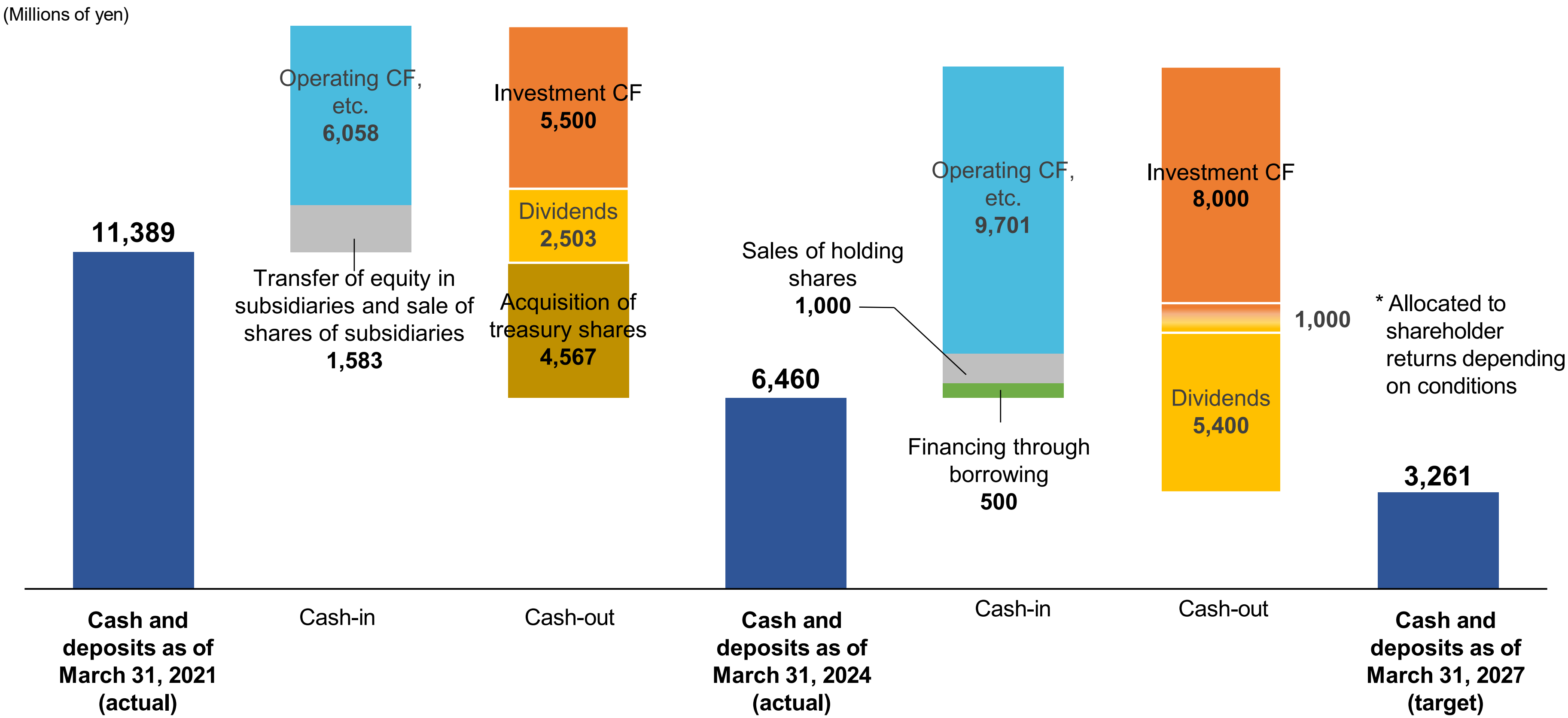
Policies		Targets
ROE	Increase investment returns	10.0% or more
PBR	Formulate and promote management plans from a long-term perspective	1 times or more

Strive to sustainably enhance corporate value by implementing the Second Medium-term Management Plan and the 2030 Vision in tandem

Initiatives (Financial Strategy)

YOTAI REFRACTORIES CO.,LTD

- To achieve optimal capital structure, the Company will utilize interest-bearing debts in a flexible manner with an awareness of the capital cost.
- Regarding shareholder returns, during the period covered by the Second Medium-term Management Plan, the Company will prioritize shareholder returns through dividends and choose either a consolidated dividend payout ratio of 60% or a dividend of 85 yen per share, whichever is higher.
- Regarding M&A, the Company will continue to seek investment opportunities and actively invest in deals that will contribute to the enhancement of corporate value.
- As the Second Medium-term Management Plan is progressing steadily in its second year, there are no policy changes.

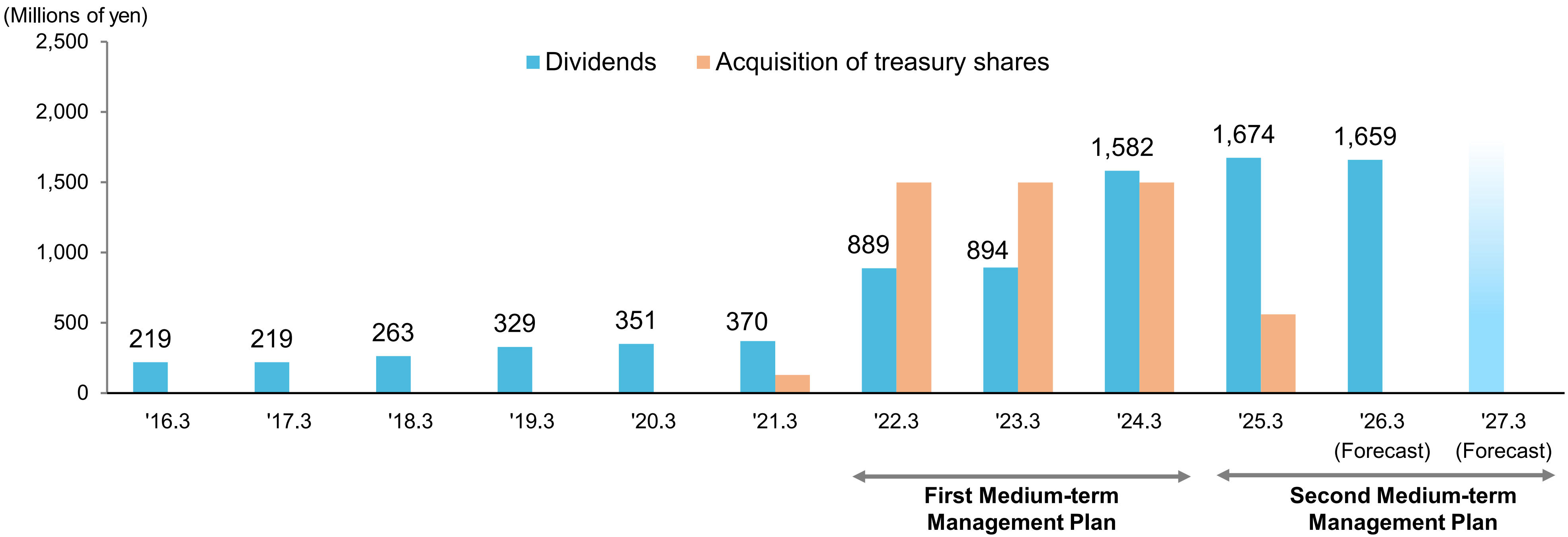


Shareholder Returns

YOTAI REFRACTORIES CO.,LTD

During the period covered by the Second Medium-term Management Plan, the Company will prioritize shareholder returns through dividends and choose either a consolidated dividend payout ratio of 60% or a dividend of 85 yen per share, whichever is higher.
The Company will consider the acquisition of its treasury shares, examining its financial condition, etc. comprehensively.

Amounts of dividends and the acquisition of treasury shares



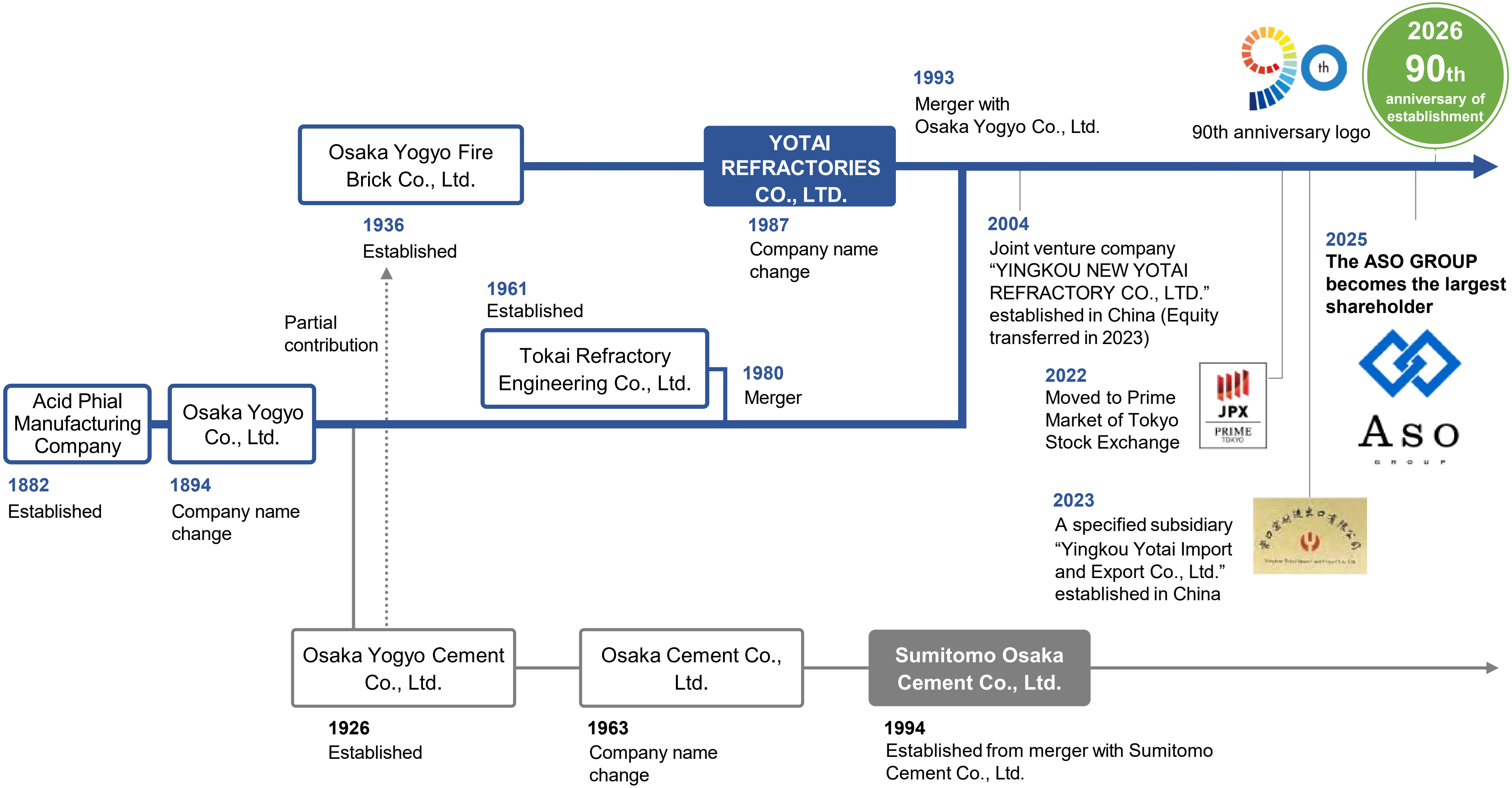
	16.3	17.3	18.3	19.3	20.3	21.3	22.3	23.3	24.3	25.3	26.3	27.3
Dividend per share (yen)	10.0	10.0	12.0	15.0	16.0	17.0	43.0	45.0	85.0	90.0	90.0	90.0
Consolidated dividend payout ratio	23.5%	16.0%	10.1%	9.1%	12.6%	20.1%	30.4%	30.5%	41.4%	63.5%	67.0%	63.8%

Appendix

Creating the future with our refractories

Corporate name	YOTAI REFRACTORIES CO., LTD.
Establishment	August 1936
Head office location	8-1 Nishikinaka-machi, Kaizuka-shi, Osaka Prefecture 597-0093
No. of employees	538 (as of March 31, 2026)
Paid-in capital	2,654 million yen (as of March 31, 2025)
Business description	Manufacturing and sales of refractories/new ceramics, and related engineering businesses
Corporate Philosophy	At the YOTAI Group, we aim to be a sincere company that creates new technologies and products in response to the demands of revolutionary times, enhance customer satisfaction, and contribute to society using our unique technology and by passing down to the next generation our history and experience in long-standing refractory manufacturing technologies.

YOTAI REFRACTORIES has developed alongside basic industries such as steel, nonferrous metals, cement, glass, and incinerators.



Independent
from any particular corporate group

Thorough cost management
backed by corporate culture

Solid position in a wide range of business fields

+

Sincere and agile customer services

↓

Business structure not easily affected by trends in any particular field

Pursuit of internal production

+

Technical sales, multi-skilled workers

↓

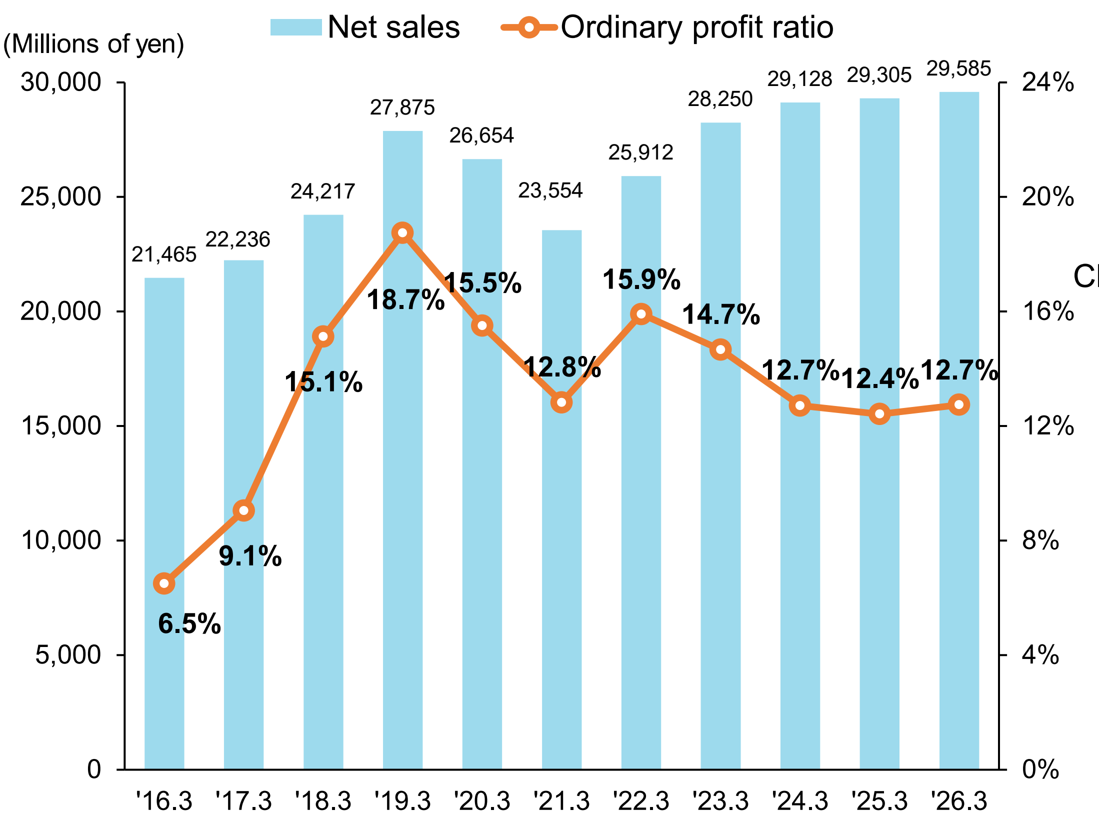
Industry top-class profitability

↓

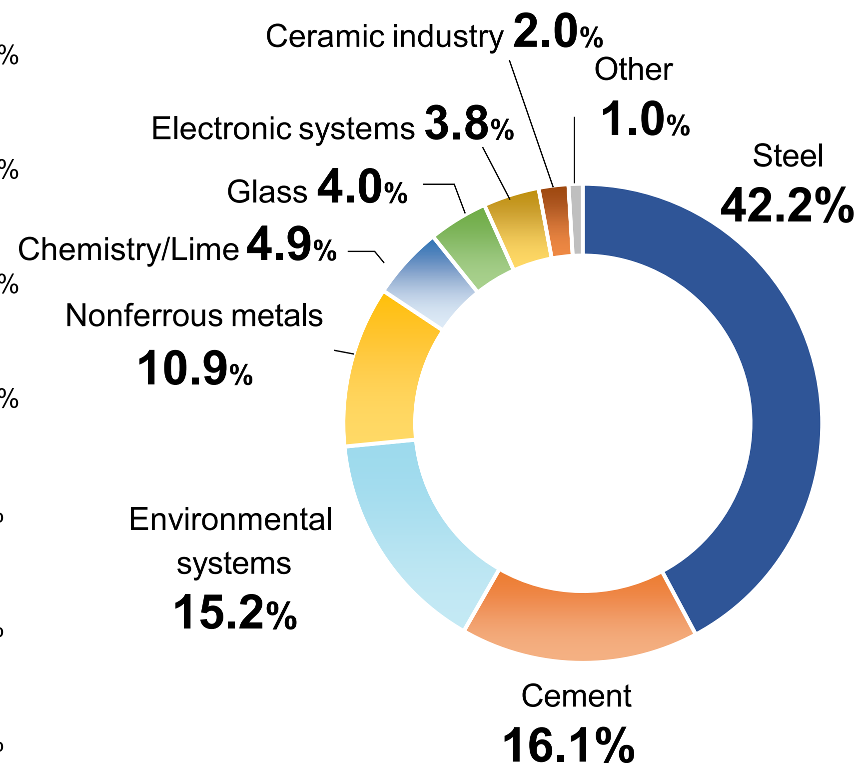
Achievement of sustainable profit growth

Growing continuously without being affected by booms or busts in particular industries

■ Changes in net sales and the ordinary profit ratio [consolidated]



Sales results by industry during FY2026 (monetary comparison) [consolidated]

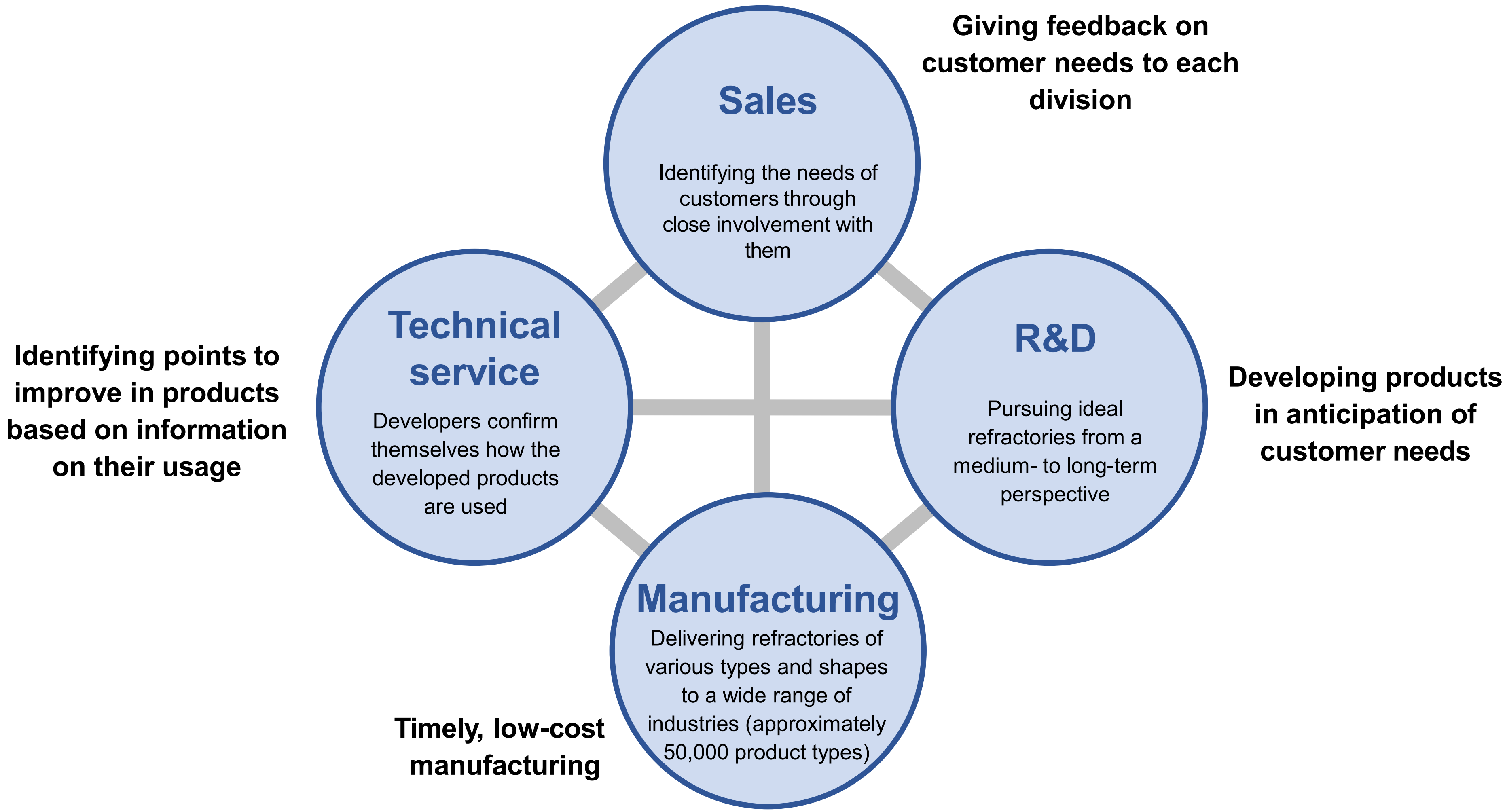


* Starting from the previous term, sales results have been changed to sales by industry after financial results adjustment.

Sincere and Flexible Customer Support

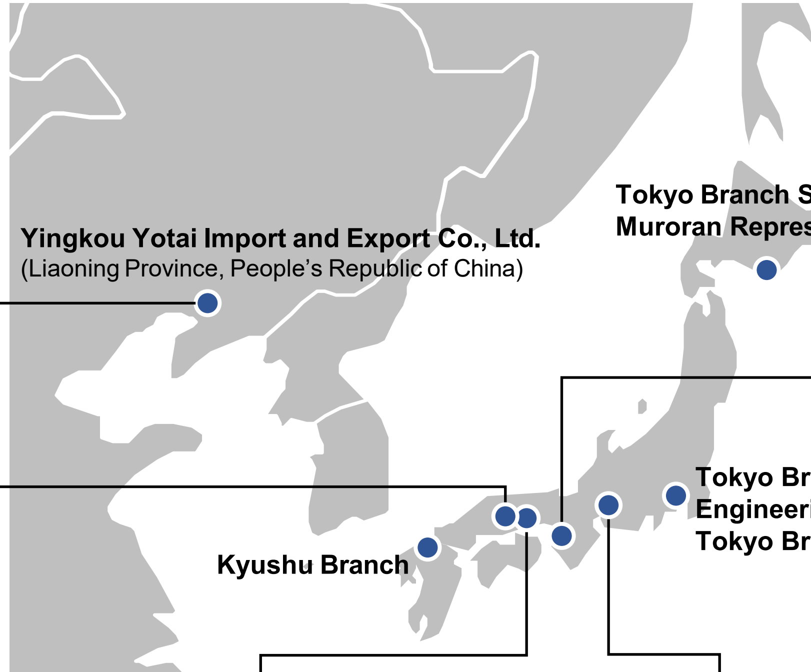
YOTAI REFRACTORIES CO.,LTD

Providing value through united efforts by sales, R&D, manufacturing, and technical service



List of Business Locations

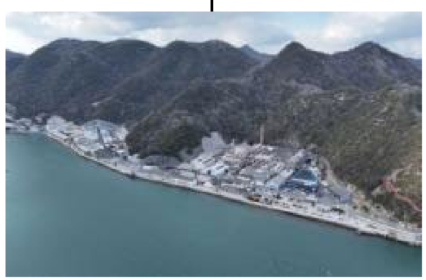
YOTAI REFRACTORIES CO.,LTD



Head Office

Yoshinaga Plant

Yoshinaga Plant, Second Branch



Okayama Branch
Hinase Plant
Technical Research Laboratory
Engineering Division

Nagoya Branch
Mizunami Plant (Toki Factory)

Kaizuka Plant
Advanced Materials Laboratory
Engineering Division
Kaizuka Branch Office

* Jun. 2025: Established the "Okayama Business Office" as an organization to oversee the Hinase and Yoshinaga plants
* Apr. 2026: Established the "Kansai/Chukyo Business Office" as an organization to oversee the Kaizuka and Mizunami plants

Types and Classification of Refractories

YOTAI REFRACTORIES CO.,LTD

Refractory bricks

Classification

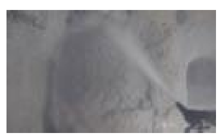
Refractory bricks are refractories with various shapes, such as blocks and plates. Most refractories used in the growing electronic components industry are refractory bricks.

Type	Main applications
Spinel	Cement
Magnesium carbon	Blast furnace/electric furnace
Aluminum magnesium carbon	Electric furnace
Clayey	General purpose
High alumina	General purpose
Other	General purpose
Refractory bricks	

Monolithic refractories

Classification

Monolithic refractories are powder- and clay-type refractories. Powder-type products are mixed with water and poured or sprayed on-site. Clay-type products are pressed or patted in place for use.



Example of spraying work

Type	Main applications
Caster	Steel, cement, environmental equipment, general purpose
Ramming materials, spraying materials	Steel, general purpose
Mortar	General purpose
Other	
Monolithic refractories	

Approaches and Measures to Reduce CO_2 Emissions

YOTAI REFRACTORIES CO.,LTD

Proceed with studies to achieve themes that are also highly difficult to handle

Manufacturing process for refractory bricks

Process with the highest CO_2 emissions

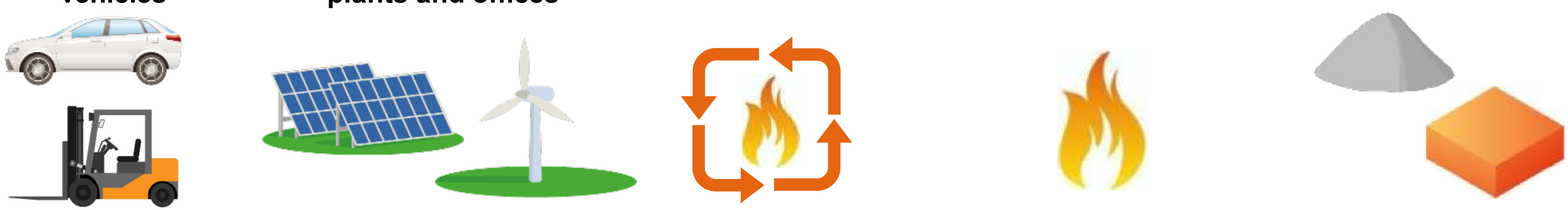
Crush raw material → Screening → Kneading → Forming → Dry and heat → Inspection → Delivery

Specific themes to be studied

Difficulty in realization

Low ⟷ High

- Conversion of sales and industrial vehicles from gasoline to electric vehicles
- Installation of power generation systems using renewable energy sources at plants and offices
- Reuse of waste heat in the firing process
- Switching to the use of low-CO_2 emission fuels in the firing process
- Development of monolithic refractories and non-sintered bricks



Publication of the Integrated Report

YOTAI REFRACTORIES CO.,LTD

YOTAI REFRACTORIES reports on its business lines and initiatives to enhance its corporate value to all stakeholders, including investors and shareholders, in an easy-to-understand way.

2025 report

2022 report

2023 report

2024 report

https://www.yotai.co.jp/library.html

Yotai Integrated report | Search

External Evaluations

YOTAI REFRACTORIES CO.,LTD

Our initiatives have been highly evaluated by various evaluation institutions in Japan and overseas.

Acquired a “B” grade in the “CDP” Climate Change Report for 2024 and 2025 for two consecutive years

Selected as a “Supplier Engagement Leader” for two consecutive years in 2024 and 2025
2025: Acquired a “B−” grade in the water security field

Supplier Engagement Leader CDP 2025

Climate CDP 2025 B

CDP Discloser 2025

Obtained “DX Certification” defined by Japan’s Ministry of Economy, Trade and Industry

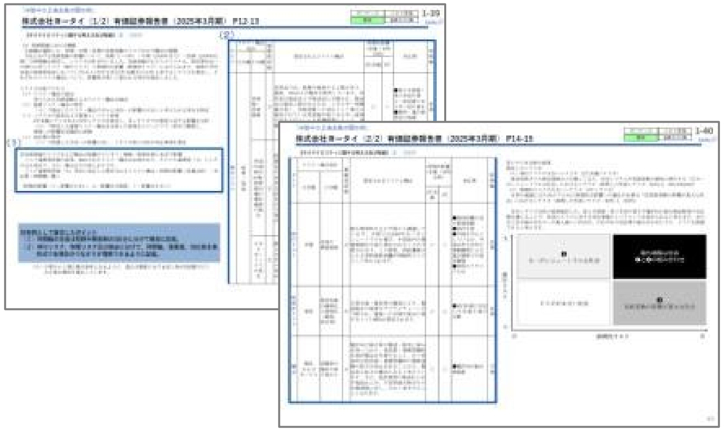
DX認定

Certified as a Health and Productivity Management Outstanding Organization 2026 (Large Enterprise Category)

2026
健康経営優良法人
KENKO Investment for Health
大規模法人部門

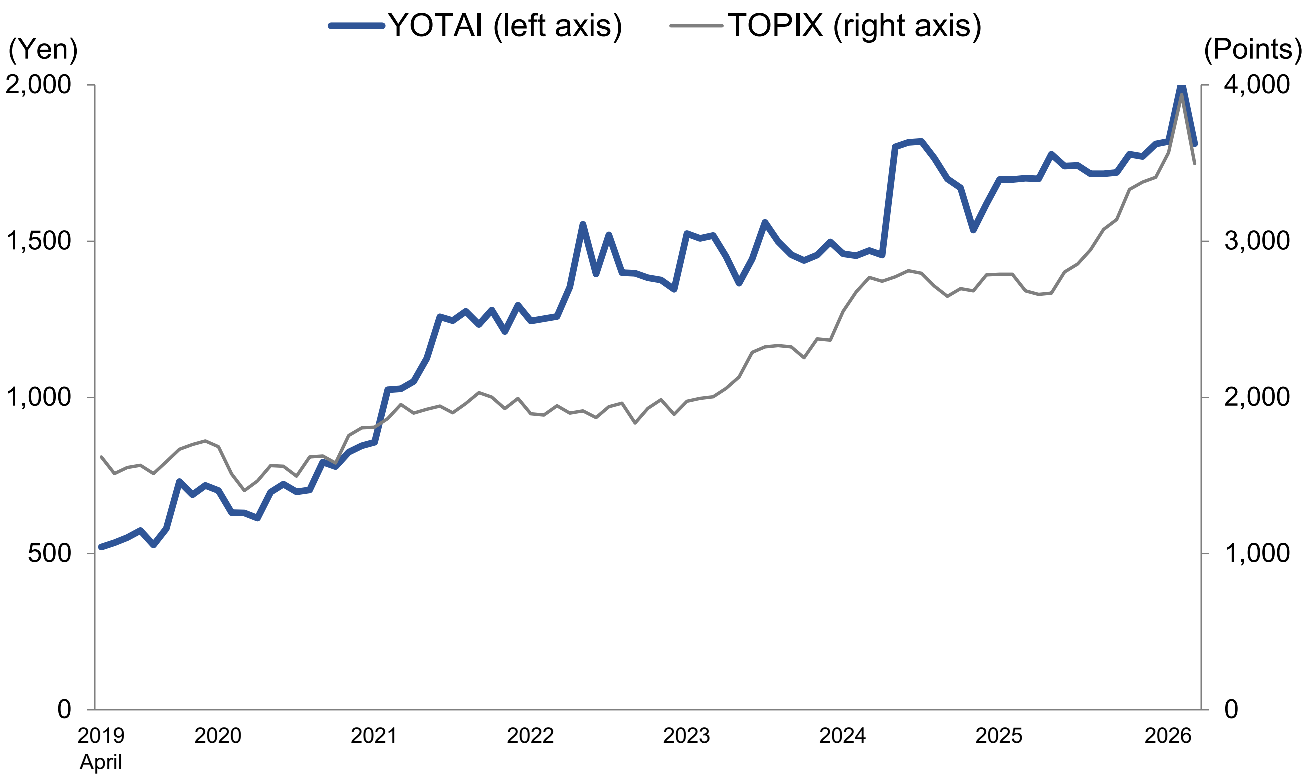
Featured in the Financial Services Agency’s collection of good practices for sustainability information disclosure

Collection of Good Practices for Disclosure of Narrative Information 2025



Change in Share Price (Closing Price)

TSE Prime Market: 5357



As of March 31, 2026

Share price
1,812 yen
Forecast dividend yield
4.97%
Forecast PER
13.5 times
Actual PBR
0.97 times

Contact:

YOTAI REFRACTORIES CO., LTD.

General Affairs Department

Address:

8-1 Nishikinaka-machi, Kaizuka-city, Osaka, 597-0093, Japan
TEL: +81-72-430-2100

Some of the information in this document contains forward-looking statements.
Such statements do not guarantee future performance and involve risks and uncertainties.
Please note that actual results may differ from these forward-looking statements due to changes in the environment and other factors.