



MEMBERSHIP
May 9, 2019

Summary of the Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (FY3/19)

[Japanese GAAP]

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Scheduled date of Annual General Meeting of Shareholders: June 21, 2019
 Scheduled date of payment of dividend: June 24, 2019
 Scheduled date of filing of Annual Securities Report: June 21, 2019
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for FY3/19 (April 1, 2018 to March 31, 2019)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Mar. 31, 2019	167,419	(3.7)	5,879	(45.8)	9,829	(20.0)	6,254	(15.0)
Fiscal year ended Mar. 31, 2018	173,805	12.7	10,856	(17.6)	12,284	(10.7)	7,360	9.3

Note: Comprehensive income (millions of yen): Fiscal year ended Mar. 31, 2019 593 (down 95.5%)
 Fiscal year ended Mar. 31, 2018 13,314 (up 11.7%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2019	211.08	210.20	4.1	4.6	3.5
Fiscal year ended Mar. 31, 2018	247.98	246.93	5.0	5.8	6.2

Reference: Equity in earnings of affiliates (millions of yen): Fiscal year ended Mar. 31, 2019 394
 Fiscal year ended Mar. 31, 2018 332

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2019	209,465	167,671	71.7	5,096.96
As of Mar. 31, 2018	215,638	170,574	70.3	5,112.17

Reference: Shareholders' equity (millions of yen): As of Mar. 31, 2019: 150,236 As of Mar. 31, 2018: 151,586

Starting with the beginning of the current fiscal year, Yodogawa Steel Works has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018). Prior-year figures have been adjusted retroactively to conform with this accounting standard.

(3) Cash flow position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended Mar. 31, 2019	8,273	1,232	(3,979)	32,316
Fiscal year ended Mar. 31, 2018	1,933	(9,026)	(5,288)	27,277

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal year ended Mar. 31, 2018	Yen -	Yen 35.00	Yen -	Yen 40.00	Yen 75.00	Millions of yen 2,245	% 30.2	% 1.5
Fiscal year ended Mar. 31, 2019	-	30.00	-	40.00	70.00	2,088	33.2	1.4
Fiscal year ending Mar. 31, 2020 (Forecast)	-	25.00	-	-	-	-	-	-

As stated in a press release announced today concerning the difference between the forecast and actual performance and dividends from surplus, a resolution to revise year-end dividend for the fiscal year ended March 31, 2019 was approved by the Board of Directors.

There is currently no forecast for a year-end dividend for the fiscal year ending March 31, 2020.

3. Consolidated Forecasts for FY3/20 (April 1, 2019 to March 31, 2020)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	81,000	(3.2)	2,500	(18.1)	3,200	(29.8)	2,100	(26.0)	71.25
Full year	-	-	-	-	-	-	-	-	-

No full fiscal year forecast is shown because of the difficulty of determining a reliable forecast at this time.

For further details, please refer to "1. Overview of Results of Operations, (2) Outlook" on page 4.

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(3) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Mar. 31, 2019: 35,837,230 shares As of Mar. 31, 2018: 35,837,230 shares

2) Number of treasury shares at the end of the period

As of Mar. 31, 2019: 6,361,610 shares As of Mar. 31, 2018: 6,185,228 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2019: 29,631,713 shares Fiscal year ended Mar. 31, 2018: 29,680,824 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for FY3/19 (April 1, 2018 to March 31, 2019)

(1) Non-consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Mar. 31, 2019	110,332	3.7	6,331	(18.8)	10,558	2.0	5,891	(21.9)
Fiscal year ended Mar. 31, 2018	106,357	9.6	7,801	(2.3)	10,352	17.7	7,541	27.0

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2019	196.94	196.12
Fiscal year ended Mar. 31, 2018	251.69	250.64

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2019	173,580	139,856	80.5	4,692.35
As of Mar. 31, 2018	175,403	140,526	80.0	4,686.83

Reference: Shareholders' equity (millions of yen): As of Mar. 31, 2019: 139,646 As of Mar. 31, 2018: 140,302

Starting with the beginning of the current fiscal year, Yodogawa Steel Works has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018). Prior-year figures have been adjusted retroactively to conform with this accounting standard.

2. Non-consolidated Forecasts for FY3/20 (April 1, 2019 to March 31, 2020)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	56,000	5.5	2,500	(22.6)	3,300	(39.6)	2,300	(40.4)	77.28
Full year	-	-	-	-	-	-	-	-	-

No full fiscal year forecast is shown because of the difficulty of determining a reliable forecast at this time.

* The current financial report is not subject to audit by certified public accountants or auditing firms.

* Cautionary statement with respect to forward-looking statements and other special items

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the management of Yodogawa Steel Works at the time the materials were prepared. These materials are not promises by Yodogawa Steel Works regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons. For a discussion of the assumptions for forecasts, precautions concerning usage and other information, please refer to "1. Overview of Results of Operations, (2) Outlook" on page 4.

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1. Overview of Results of Operations

(1) Results of Operations and Financial Position

1) Summary of results of operations

During the fiscal year ended March 31, 2019, the gradual recovery of the Japanese economy continued, but the recovery was somewhat lackluster due to a decline in exports caused by slowing growth of overseas economies and to other reasons.

The U.S. economy continued to recover with the support of firm consumer spending and other areas of strength. In China, the economic growth rate decreased because of trade friction and slower growth of domestic demand.

In the Japanese steel industry, the business environment was generally favorable because of solid demand for steel for building construction, automobiles, home appliances and other uses. The outlook for the global steel market is unclear because of the resumption of growth of crude steel production despite slower economic growth in China and for other reasons.

The Yodogawa Steel Group's net sales in the fiscal year decreased 6,385 million yen to 167,419 million yen. Operating profit decreased 4,977 million yen to 5,879 million yen, ordinary profit decreased 2,455 million yen to 9,829 million yen, and profit attributable to owners of parent decreased 1,105 million yen to 6,254 million yen. Earnings were impacted by a loss on disaster of 651 million yen under the extraordinary losses due to damage caused by a typhoon No.21 in September 2018.

Improper activities involving the quality of roll products were discovered in September 2018. Yodogawa Steel extends its sincere apology to customers, shareholders and others for the trouble created by this problem. This incident did not have a significant effect on results of operations in the fiscal year ended March 31, 2019.

Total assets at the end of the fiscal year decreased 6,173 million yen to 209,465 million yen. This was attributable mainly to a decrease in investment securities along with a decline in stock prices. Liabilities decreased 3,270 million yen to 41,793 million yen. This was attributable mainly to a decrease in deferred tax liabilities. Net assets decreased 2,902 million yen to 167,671 million yen. This was attributable mainly to decreases in valuation difference on available-for-sale securities and foreign currency translation adjustment.

Results by business segment are as follows.

Steel Sheet-related Business

Net sales totaled 155,123 million yen and operating profit was 6,052 million yen.

Roll Business

Net sales totaled 3,500 million yen and operating loss was 77 million yen.

Grating Business

Net sales totaled 3,554 million yen and operating profit was 84 million yen.

Real Estate Business

Net sales totaled 1,183 million yen and operating profit was 830 million yen.

Other Businesses

Net sales totaled 4,057 million yen and operating profit was 245 million yen.

Cash and cash equivalents at the end of the fiscal year increased 5,039 million yen from the end of the previous fiscal year to 32,316 million yen mainly due to an increase in operating cash flows.

Cash flows from operating activities

Net cash provided by operating activities increased 6,339 million yen to 8,273 million yen. Operating profit of 5,879 million yen and depreciation of 4,056 million yen were the primary sources of cash.

Cash flows from investing activities

Net cash provided by investing activities was 1,232 million yen (compared with 9,026 million yen used in the previous fiscal year) mainly due to the net sale of investment securities and purchase of non-current assets.

Cash flows from financing activities

Net cash used in financing activities was 3,979 million yen (compared with 5,288 million yen used in the previous fiscal year) mainly due to cash dividends paid.

2) Analysis and review of results of operations

Consolidated sales decreased even though sales increased in Japan because of price revisions. The main reason was a large decline in the sales of Taiwan subsidiary Sheng Yu Steel Co., Ltd. (SYSCO) caused by U.S. trade protectionism.

Operating profit was lower in Japan primarily because of a smaller contribution to earnings from inventory valuations than in the previous fiscal year. Overseas, there was a sharp decline in operating profit because of challenging market conditions for SYSCO and all other overseas subsidiaries.

Ordinary profit decreased less than operating profit primarily because of gains on sales of investment securities.

Lower earnings at SYSCO, which has a high percentage of non-controlling interest ownership, was a major reason for the decline in profit. As a result, the decrease in profit attributable to owners of parent is smaller than the decrease in ordinary profit.

The Yodogawa Steel Group's basic strategy for capital policy is to maintain consistent operating cash flows in order to secure funds needed for substantial investments for sustained growth as well as the greatest possible shareholder distributions while maintaining financial soundness.

As of the end of March 2019, there were no significant capital expenditures planned that would require the procurement of funds from external sources. For working capital and capital expenditures, the policy is to use internal resources as the main source of funding and use loans from financial institutions as needed for the time being.

As an objective target for monitoring progress concerning management policies, strategic goals and business goals, the Yodogawa Steel Group Medium-Term Management Plan 2019, which was announced in March 2017, has the following goal: consolidated ordinary profit of at least 10 billion yen every year regardless of the performance of existing businesses and changes in the business climate, including foreign exchange rate movements.

In the fiscal year that ended on March 31, 2019, the operating environment was challenging due to the higher cost of raw materials, energy and other items. Trade protectionism in all regions of the world also made market conditions difficult. Although there were many activities using the speed and flexibility that has always been one of the Yodogawa Steel Group's key strengths, the Group was unable to achieve the consolidated ordinary profit goal of at least 10 billion yen.

The financial position and recognition, analysis and review of results of operations by business segment are as follows.

Steel Sheet-related Business

Sales of steel sheets to specific high-demand customers in Japan increased because of price revisions and the focus of sales activities on pre-painted sheets, a product with significant added value. There was a small increase in retail sales of steel sheets for general distribution. Sales activities that placed emphasis on prices caused the sales volume of plated steel sheets to decline, but sales benefited from progress with price revisions. At Taiwan subsidiary SYSCO, sales fell mainly because of a big downturn in exports to North America. At Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd. (YSS) in China, sales were down mostly because of lower orders caused by slower economic growth in China. In Thailand, PCM Processing (Thailand) Ltd. (PPT) recorded lower sales because of

intensified competition and foreign exchange rate movements.

In the building materials category, sales of building products increased chiefly because of the growth in the sales volumes of YODO fire-proof panel Grand Wall (a fire-proof wall material) and YODO Fine Panel (insulated siding). Sales of exterior products increased due to higher sales of storage sheds backed by firm consumer spending and to strong sales of a new garage product. Construction sales decreased because the previous fiscal year's sales included the completion of large projects. However, this category performed well as orders were generally strong at large distribution warehouses, factories and other facilities.

As a result, total sales in the steel sheet-related business were lower than one year earlier.

Roll Business

Sales decreased because of damage at some production facilities caused by Typhoon No.21 in September 2018 and the suspension of shipments caused by problems created by improper activities involving the quality of roll products.

Grating Business

Sales were about the same as in the previous fiscal year as firm demand in the private sector in conjunction with logistics and capital expenditures offset weakness in the public-works sector.

Real Estate Business

Sales increased mainly because of higher leasing income resulting from an increase in the number of leased properties.

Other Businesses

Higher sales in material sales operations raised sales in this segment.

(2) Outlook

There is an increasing risk of a decline in the growth rate of the global economy because of lackluster growth in China and Europe, trade problems caused by U.S. protectionism, problems involving Brexit, and other reasons.

The economic outlook in Japan is becoming increasingly uncertain due to sluggish exports caused by the weakness of the global economy and to the upcoming consumption tax hike.

In the steel industry, the increasing risk of slower global economic growth is creating uncertainty in overseas steel markets. In Japan, although steel demand in the construction sector is remaining firm, there is a growing risk of a downturn in demand because of sluggish exports caused by slow global economic growth and other sources of concern. We expect that the rising cost of hot-rolled steel sheets and zinc, the primary raw materials for our products, and other factors will make our business climate very challenging.

To achieve the goals of the Yodogawa Steel Group Medium-Term Management Plan 2019, all group companies are taking full advantage of the speed and flexibility that is a key strength of the Group for measures aimed at becoming more profitable by establishing positions in new markets and increasing sales of value-added products.

Based on this outlook, a forecast for the first half of the fiscal year ending on March 31, 2020 has been established.

Determining a reliable forecast for the fiscal year is not possible at this time because of the increasing uncertainty about the business climate in Japan and overseas for the Yodogawa Steel Group. An announcement will be made promptly once it becomes possible to determine a reliable forecast.

(3) Basic Policy for Profit Distribution and Dividends in the Current and Next Fiscal Years

Distributing earnings to shareholders is one of the highest priorities of Yodogawa Steel. Earnings are distributed by paying dividends that reflect results of operations, repurchasing stock and in other ways. The basic policy for dividends that are in line with our results of operations is to make payments that are stable and continuous. Dividends also take into consideration the need for funds for investments and other actions for increasing corporate value, the outlook for sales and earnings, the need to maintain financial soundness, and other items. To pay dividends that reflect results of operations, the target consolidated payout ratio is between about 30% and 50%. In addition, there is a goal of paying an annual dividend of at least 50 yen per share for each of the three fiscal years ended on March 31, 2017, 2018 and 2019.

The basic policy is to pay interim and year-end dividends. In accordance with Article 459, Paragraph 1 of the Companies Act, the Yodogawa Steel Articles of Incorporation state that dividends can be paid based on a resolution of the Board of Directors, except in cases where stipulated otherwise by laws and regulations.

The year-end dividend for the fiscal year that ended March 31, 2019 is to be 40 yen per share. With the interim dividend of 30 yen, this will result in a dividend of 70 yen per share for this fiscal year.

Based on the outlook for operating results, the interim dividend for the fiscal year ending March 31, 2020 is expected to be 25 yen. There is currently no forecast for year-end dividends for the fiscal year ending March 31, 2020. An announcement will be made promptly once it becomes possible to disclose a dividend forecast.

2. Basic Approach to the Selection of Accounting Standards

The Yodogawa Steel Group will continue to prepare consolidated financial statements using generally accepted accounting principles in Japan for the time being to permit comparisons with prior years and with the financial data of other companies.

We will take suitable actions with regard to the application of the International Financial Reporting Standards (IFRS) by taking into account associated factors in Japan and other countries.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

	(Millions of yen)	
	FY3/18 (as of Mar. 31, 2018)	FY3/19 (as of Mar. 31, 2019)
Assets		
Current assets		
Cash and deposits	*1 30,716	*1 36,843
Notes and accounts receivable-trade	*5 43,938	*5 44,018
Securities	2,888	3,494
Merchandise and finished goods	16,081	15,519
Work in process	4,684	4,397
Raw materials and supplies	13,122	12,733
Other	5,376	3,881
Allowance for doubtful accounts	(149)	(132)
Total current assets	116,658	120,755
Non-current assets		
Property, plant and equipment		
Buildings and structures	60,924	60,458
Accumulated depreciation	(44,632)	(45,269)
Buildings and structures, net	16,291	15,189
Machinery, equipment and vehicles	133,033	134,337
Accumulated depreciation	(120,453)	(121,482)
Machinery, equipment and vehicles, net	12,579	12,855
Land	*4 18,848	*4 18,687
Leased assets	1,504	47
Accumulated depreciation	(717)	(35)
Leased assets, net	787	12
Construction in progress	1,135	554
Other	12,084	12,004
Accumulated depreciation	(11,217)	(11,175)
Other, net	867	828
Total property, plant and equipment	50,509	48,126
Intangible assets		
Goodwill	7	-
Other	1,475	1,472
Total intangible assets	1,482	1,472
Investments and other assets		
Investment securities	*1,*2 46,338	*1,*2 38,292
Long-term loans receivable	0	-
Deferred tax assets	221	369
Other	*1 427	*1 448
Total investments and other assets	46,987	39,109
Total non-current assets	98,980	88,709
Total assets	215,638	209,465

	(Millions of yen)	
	FY3/18	FY3/19
	(as of Mar. 31, 2018)	(as of Mar. 31, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	*5 18,154	*5 17,858
Short-term loans payable	-	327
Lease obligations	772	9
Income taxes payable	2,165	1,736
Provision for bonuses	1,056	971
Other	*1,*5 6,098	*1,*5 6,265
Total current liabilities	28,247	27,168
Non-current liabilities		
Lease obligations	19	10
Deferred tax liabilities	4,060	2,502
Deferred tax liabilities for land revaluation	*4 856	*4 856
Provision for retirement benefits for directors (and other officers)	66	66
Retirement benefit liability	7,569	7,154
Other	4,244	4,034
Total non-current liabilities	16,817	14,624
Total liabilities	45,064	41,793
Net assets		
Shareholders' equity		
Capital stock	23,220	23,220
Capital surplus	20,393	20,385
Retained earnings	100,775	104,961
Treasury shares	(12,679)	(13,061)
Total shareholders' equity	131,710	135,505
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,420	12,213
Revaluation reserve for land	*4 1,646	*4 1,639
Foreign currency translation adjustment	2,798	1,378
Remeasurements of defined benefit plans	(990)	(500)
Total accumulated other comprehensive income	19,875	14,730
Share acquisition rights	223	210
Non-controlling interests	18,764	17,225
Total net assets	170,574	167,671
Total liabilities and net assets	215,638	209,465

(2) Consolidated Statements of Income and Comprehensive Income**(Consolidated Statement of Income)**

(Millions of yen)

	FY3/18 (Apr. 1, 2017 to Mar. 31, 2018)		FY3/19 (Apr. 1, 2018 to Mar. 31, 2019)	
Net sales		173,805		167,419
Cost of sales	*1	144,973	*1	144,180
Gross profit		28,831		23,238
Selling, general and administrative expenses	*2,*3	17,974	*2,*3	17,358
Operating profit		10,856		5,879
Non-operating income				
Interest income		415		579
Dividend income		771		841
Insurance income		88		89
Gain on sales of investment securities		226		2,017
Foreign exchange gains		-		168
Share of profit of entities accounted for using equity method		332		394
Other		278		200
Total non-operating income		2,113		4,292
Non-operating expenses				
Interest expenses		107		80
Foreign exchange losses		152		-
Commitment fee		27		24
Cost for employees transferred temporarily to overseas subsidiaries		246		194
Arbitration settlement cost		120		-
Other		31		42
Total non-operating expenses		685		342
Ordinary profit		12,284		9,829
Extraordinary income				
Gain on sales of non-current assets	*4	1		-
Gain on sales of investment securities		23		-
Insurance income		-		88
Total extraordinary income		24		88
Extraordinary losses				
Loss on sales and retirement of non-current assets	*5	99	*5	53
Impairment loss	*6	3	*6	6
Loss on disaster		-	*7	651
Loss on valuation of investment securities		86		44
Loss on liquidation of subsidiaries and associates		33		-
Other		-		0
Total extraordinary losses		222		755
Profit before income taxes		12,087		9,162
Income taxes-current		3,537		3,174
Income taxes-deferred		(145)		(509)
Total income taxes		3,391		2,664
Profit		8,695		6,497
Profit attributable to non-controlling interests		1,335		243
Profit attributable to owners of parent		7,360		6,254

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	FY3/18 (Apr. 1, 2017 to Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 to Mar. 31, 2019)
Profit	8,695	6,497
Other comprehensive income		
Valuation difference on available-for-sale securities	1,873	(4,210)
Foreign currency translation adjustment	2,065	(2,303)
Remeasurements of defined benefit plans, net of tax	636	669
Share of other comprehensive income of entities accounted for using equity method	43	(58)
Total other comprehensive income	* 4,618	* (5,903)
Comprehensive income	13,314	593
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	11,049	1,116
Comprehensive income attributable to non-controlling interests	2,264	(522)

(3) Consolidated Statement of Changes in Equity

FY3/18 (Apr. 1, 2017 to Mar. 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	23,220	20,388	95,664	(12,199)	127,074
Changes of items during period					
Dividends of surplus			(2,230)		(2,230)
Profit attributable to owners of parent			7,360		7,360
Purchase of treasury shares				(495)	(495)
Disposal of treasury shares		(5)		15	9
Purchase of shares of consolidated subsidiaries		11			11
Reversal of revaluation reserve for land			(19)		(19)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	5	5,110	(480)	4,635
Balance at end of current period	23,220	20,393	100,775	(12,679)	131,710

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	14,477	1,626	1,580	(1,516)	16,167	205	17,927	161,374
Changes of items during period								
Dividends of surplus								(2,230)
Profit attributable to owners of parent								7,360
Purchase of treasury shares								(495)
Disposal of treasury shares								9
Purchase of shares of consolidated subsidiaries								11
Reversal of revaluation reserve for land								(19)
Net changes of items other than shareholders' equity	1,943	20	1,218	526	3,708	18	836	4,564
Total changes of items during period	1,943	20	1,218	526	3,708	18	836	9,199
Balance at end of current period	16,420	1,646	2,798	(990)	19,875	223	18,764	170,574

FY3/19 (Apr. 1, 2018 to Mar. 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	23,220	20,393	100,775	(12,679)	131,710
Changes of items during period					
Dividends of surplus			(2,076)		(2,076)
Profit attributable to owners of parent			6,254		6,254
Purchase of treasury shares				(443)	(443)
Disposal of treasury shares		(17)		61	43
Purchase of shares of consolidated subsidiaries		8			8
Reversal of revaluation reserve for land			7		7
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(8)	4,185	(382)	3,795
Balance at end of current period	23,220	20,385	104,961	(13,061)	135,505

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	16,420	1,646	2,798	(990)	19,875	223	18,764	170,574
Changes of items during period								
Dividends of surplus								(2,076)
Profit attributable to owners of parent								6,254
Purchase of treasury shares								(443)
Disposal of treasury shares								43
Purchase of shares of consolidated subsidiaries								8
Reversal of revaluation reserve for land								7
Net changes of items other than shareholders' equity	(4,207)	(7)	(1,419)	489	(5,145)	(13)	(1,539)	(6,698)
Total changes of items during period	(4,207)	(7)	(1,419)	489	(5,145)	(13)	(1,539)	(2,902)
Balance at end of current period	12,213	1,639	1,378	(500)	14,730	210	17,225	167,671

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY3/18 (Apr. 1, 2017 to Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 to Mar. 31, 2019)
Cash flows from operating activities		
Profit before income taxes	12,087	9,162
Depreciation	4,318	4,056
Amortization of goodwill	3	3
Share of loss (profit) of entities accounted for using equity method	(332)	(394)
Increase (decrease) in retirement benefit liability	78	399
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(28)	0
Increase (decrease) in provision for bonuses	4	(85)
Increase (decrease) in allowance for doubtful accounts	35	(16)
Interest and dividend income	(1,187)	(1,421)
Interest expenses	107	80
Insurance income	(88)	(177)
Loss (gain) on sales of investment securities	(226)	(2,017)
Loss (gain) on valuation of investment securities	86	44
Loss (gain) on sales and retirement of non-current assets	97	53
Loss on disaster	-	651
Impairment loss	3	6
Decrease (increase) in notes and accounts receivable-trade	(2,681)	(238)
Decrease (increase) in inventories	(7,937)	529
Increase (decrease) in notes and accounts payable-trade	245	(199)
Increase (decrease) in accrued consumption taxes	177	300
Other, net	49	(370)
Subtotal	4,811	10,367
Proceeds from insurance income	88	163
Interest and dividend income received	1,236	1,508
Interest expenses paid	(109)	(80)
Payments for loss on disaster	-	(102)
Income taxes paid	(4,094)	(3,582)
Net cash provided by (used in) operating activities	1,933	8,273
Cash flows from investing activities		
Investments in time deposits with a maturity of more than three months	(3,808)	(4,385)
Proceeds from time deposits with a maturity of more than three months	1,984	3,727
Proceeds from sales and redemption of securities	-	1,600
Purchase of property, plant and equipment	(4,563)	(2,281)
Proceeds from sales of property, plant and equipment	1	0
Purchase of intangible assets	(162)	(182)
Purchase of investment securities	(3,605)	(3,027)
Proceeds from sales and redemption of investment securities	1,445	5,500
Payments of loans receivable	(484)	(19)
Collection of loans receivable	165	300
Net cash provided by (used in) investing activities	(9,026)	1,232

	(Millions of yen)	
	FY3/18	FY3/19
	(Apr. 1, 2017 to Mar. 31, 2018)	(Apr. 1, 2018 to Mar. 31, 2019)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(664)	327
Repayments of lease obligations	(180)	(763)
Proceeds from sales of treasury shares	0	0
Purchase of treasury shares	(492)	(440)
Cash dividends paid	(2,251)	(2,095)
Dividends paid to non-controlling interests	(1,407)	(1,005)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(291)	(2)
Net cash provided by (used in) financing activities	(5,288)	(3,979)
Effect of exchange rate change on cash and cash equivalents	611	(485)
Net increase (decrease) in cash and cash equivalents	(11,769)	5,039
Cash and cash equivalents at beginning of period	39,047	27,277
Cash and cash equivalents at end of period	* 27,277	* 32,316

(5) Notes to Consolidated Financial Statements**Going-concern Assumption**

Not applicable.

Significant Accounting Policies in the Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 7

Takada Kozai Kogyo Co., Ltd.
 Sheng Yu Steel Co., Ltd. (SYSCO)
 Yodoko Shoji Co., Ltd.
 Keiyo Tekko Futo Co., Ltd.
 Yodoko Kohatsu Co., Ltd.
 Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd. (YSS)
 PCM Processing (Thailand) Ltd. (PPT)

(2) Names of major non-consolidated subsidiaries

Yodoko Kosan Co., Ltd., Yodogawa-Fuyo Co.,Ltd., Yodoko International Ltd. (YIL), Yodoko Building Materials (Hangzhou) Co.,Ltd. (YBMH)

The sum of total assets, sales, profit or loss (equity-method amount), retained earnings (equity-method amount) and other financial items of non-consolidated subsidiaries is small in relation to all of the corresponding consolidated figures.

Consequently, these subsidiaries are excluded from consolidation because they would not have a material impact on the consolidated financial statements.

2. Application of equity method

(1) Number of non-consolidated subsidiaries and affiliates accounted for using the equity method and names of major companies

Non-consolidated subsidiaries: None

Affiliates: 1 SADOSHIMA CORPORATION

(2) Names of major non-consolidated subsidiaries and affiliates not accounted for using the equity method and reason for exclusion

Non-consolidated subsidiaries: Yodoko Kosan Co., Ltd., Yodogawa-Fuyo Co.,Ltd., Yodoko International Ltd. (YIL), Yodoko Building Materials (Hangzhou) Co.,Ltd. (YBMH)

Affiliates: FUJIDEN INTERNATIONAL CORP., Shanghai Yodoko Trading Co., Ltd. (SYT)

The profit or loss (equity-method amount), retained earnings (equity-method amount) and other financial items of the non-consolidated subsidiaries and affiliates not accounted for using the equity method are negligible and the sum of these items for all of these subsidiaries and affiliates is immaterial in relation to the consolidated financial statements.

Consequently, the cost method is used for the valuation of investments in these companies and the equity method is not used.

3. Fiscal year-end of consolidated subsidiaries

For consolidated subsidiaries, the fiscal year-end of SYSCO, YSS and PPT is the end of December. For the preparation of the consolidated financial statements, the financial statements as of the end of December are used for SYSCO, YSS and PPT.

Consolidation adjustments are then made as needed for any significant transactions that occurred between January 1 and March 31, the end of the consolidated fiscal year.

4. Significant accounting policies

(1) Valuation standards and methods for significant assets

1) Securities

i. Held-to-maturity debt securities

Stated at amortized cost (the straight-line method)

ii. Available-for-sale securities

With market quotations

Stated at fair value based on the market price at the end of the fiscal year (Unrealized gain or loss, net of applicable income taxes, are included directly in net assets, and cost of securities sold is determined by the moving-average method.

Without market quotations

Stated at cost determined by the moving-average method

2) Derivatives

Stated at fair value

3) Inventories

Primarily stated at cost determined by the gross average method (The carrying value on the balance sheet is written down to reflect declines in profitability.)

The overseas subsidiaries apply primarily the cost method based on the moving-average method.

(2) Depreciation and amortization methods for significant depreciable assets

1) Property, plant and equipment (excluding lease assets)

Yodogawa Steel and domestic consolidated subsidiaries apply the declining-balance method. The overseas consolidated subsidiaries apply the straight-line method.

However, Yodogawa Steel and domestic consolidated subsidiaries apply the straight-line method for depreciation of buildings acquired on or after April 1, 1998 (excluding facilities attached to buildings) and facilities attached to buildings and structures acquired on or after April 1, 2016.

The major useful lives of property, plant and equipment are as follows:

Buildings and structures	3 to 60 years
Machinery, equipment and vehicles	3 to 36 years

2) Intangible assets (excluding lease assets)

Straight-line method is applied.

Software for internal use is amortized by the straight-line method over an estimated useful life of five years.

3) Lease assets

Lease assets associated with finance lease transactions that transfer ownership

The same method as the depreciation method used for non-current assets held by Yodogawa Steel is applied.

Lease assets associated with finance lease transactions that do not transfer ownership

The straight-line method is applied over the lease period used as the useful life of the assets with no residual value.

(3) Accounting for significant allowances

1) Allowance for doubtful accounts

To prepare for credit losses on accounts receivable-trade and loans receivables, an allowance equal to the estimated amount of uncollectible receivables is provided for general receivables based on the historical write-off ratio, and bad receivables based on a case-by-case determination of collectibility.

2) Provision for bonuses

To provide for accrued bonuses for employees, an allowance is provided at the amount based on the estimated bonus obligations in the current fiscal year.

3) Provision for retirement benefits for directors (and other officers)

To provide for directors' retirement benefits obligation, an allowance is provided at an amount required to be paid at the fiscal year-end in accordance with the internal rules on directors' retirement benefits at domestic consolidated subsidiaries.

(4) Accounting method for retirement benefits

1) Method of attributing estimated retirement benefits to periods

In calculation of retirement benefit obligations, Yodogawa Steel uses the straight-line method for attributing estimated retirement benefits to period up to the end of the current fiscal year.

2) Amortization of actuarial differences and past service cost

Past service cost is amortized and expensed by the straight-line method over a certain period (mainly 10 years) within the average remaining years of service of the eligible employees when incurred.

Actuarial differences are amortized by the straight-line method over a certain period (mainly 10 years) within the average remaining years of service of the eligible employees when incurred and expensed in the year following the fiscal year in which such differences are recognized.

3) Adoption of the simplified method in small-scale companies

Some consolidated subsidiaries calculate retirement benefit liability and retirement benefit expenses by using a simplified method in which the retirement benefit obligations are equal to the amount that would be paid if all employees voluntarily requested retirement benefits at the end of the fiscal year.

(5) Recognition of significant revenues and expenses

Recognition criteria for recording amount and cost of completed construction contracts

- 1) For contracted work of which the outcome by the end of the current fiscal year can be reliably estimated, the percentage-of-completion method (with the percentage of completion estimated on the cost-to-cost basis) is applied.
- 2) The completed-contract method is applied to other contracted work.

(6) Translation of significant foreign currency-denominated assets and liabilities

Foreign currency-denominated receivables and payables are translated into Japanese yen at the spot exchange rate on the consolidated balance sheet date and resulting exchange gains or losses are recognized in profit or loss. Assets and liabilities of overseas subsidiaries are translated into Japanese yen at the spot exchange rate of their balance sheet dates, and income and expenses are translated into Japanese yen at the average exchange rates for the period. The resulting exchange gains or losses are included in foreign currency translation adjustment and non-controlling interests under the net assets section.

(7) Method of significant hedge accounting

1) Hedging method

The deferred hedge accounting is used. However, the allocation method is used for forward exchange contracts that meet certain hedge accounting criteria.

2) Hedging instruments and hedged items

Hedging instruments:	Hedged items:
Forward exchange contracts	Receivables and payables denominated in foreign currencies

3) Hedging policy

Hedging is used to reduce risk exposure for hedged items.

4) Method for assessing hedge effectiveness

For foreign currency-denominated receivables and payables with forward exchange contracts, the assessment of hedge effectiveness is omitted because hedges are assumed to completely offset changes in cash flows since the significant terms for hedging instruments and hedged items are the same.

(8) Amortization method and period of goodwill

Goodwill is amortized using the straight-line method over a period of five years.

(9) Cash and cash equivalents in the consolidated statement of cash flows

Cash and cash equivalents consists of cash on hand, deposits that can be withdrawn on demand, and short-term investments, with maturities of three months or less, that are readily convertible to cash and present insignificant risk of change in value.

(10) Accounting for consumption taxes

All amounts stated are exclusive of national and local consumption taxes. Non-deductible national and local consumption taxes are changed to expenses in the current fiscal year.

Notes to Consolidated Balance Sheet***1. Assets pledged as collateral and liabilities with collateral**

Assets pledged as collateral are as follows:

(Millions of yen)

	FY3/18 (as of Mar. 31, 2018)	FY3/19 (as of Mar. 31, 2019)
Cash and deposits	60	60
Investment securities	6	6
Other (Investment and other assets)	40	37
Total	107	104

Liabilities with collateral are as follows:

(Millions of yen)

	FY3/18 (as of Mar. 31, 2018)	FY3/19 (as of Mar. 31, 2019)
Other current liabilities	51	50

***2. The following items are applicable to non-consolidated subsidiaries and affiliates.**

(Millions of yen)

	FY3/18 (as of Mar. 31, 2018)	FY3/19 (as of Mar. 31, 2019)
Investment securities (stocks)	5,536	5,796

3. Contingent liabilities

Guaranteed debt

Debt guarantees are provided for loans from financial institutions and other lenders to companies other than consolidated subsidiaries.

(Millions of yen)

	FY3/18 (as of Mar. 31, 2018)	FY3/19 (as of Mar. 31, 2019)
YBMH	127	121

***4. In accordance with the Act on Revaluation of Land (Act No. 34, March 31, 1998), some consolidated subsidiaries and equity-method affiliates reevaluated land used for business operations. The equity-method portion of the land revaluation difference resulting from this reevaluation is included in net assets as a revaluation reserve for land.**

- Method of revaluation: Revaluation is conducted in accordance with Article 2, Paragraph 3 and 4 of the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119, promulgated on March 31, 1998).

- Date of revaluation: March 31, 2000

(Millions of yen)

	FY3/18 (as of Mar. 31, 2018)	FY3/19 (as of Mar. 31, 2019)
Difference between the market value of land for revaluation and book value of the said land after revaluation	(330)	(326)
Portion of difference for leased land, etc.	(12)	(12)

- Date of revaluation: March 31, 2002

(Millions of yen)

	FY3/18 (as of Mar. 31, 2018)	FY3/19 (as of Mar. 31, 2019)
Difference between the market value of land for revaluation and book value of the said land after revaluation	(572)	(455)
Portion of difference for leased land, etc.	(285)	(278)

*5. Notes matured at the end of the fiscal year

With respect to accounting for notes matured at the end of the fiscal year, though the current fiscal year-end fell on a holiday for financial institutions, they were treated as though they were settled on the maturity date. The amounts of notes matured at the end of the fiscal year are as follows.

	(Millions of yen)	
	FY3/18	FY3/19
	(as of Mar. 31, 2018)	(as of Mar. 31, 2019)
Notes receivable-trade	858	1,195
Notes payable-trade	400	414
Current liabilities (other) (Notes payable-facilities)	66	7

6. Yodogawa Steel has committed line agreements with a number of financial institutions in order to procure funds for working capital whenever needed. The unused balance under the commitment lines of credit at the end of the fiscal year is as follows.

	(Millions of yen)	
	FY3/18	FY3/19
	(as of Mar. 31, 2018)	(as of Mar. 31, 2019)
Total commitment line of credit	17,010	16,610
Credit used	-	-
Unused balance	17,010	16,610

Notes to Consolidated Statement of Income

*1. The ending inventory is the amount written down to reflect decline in profitability. The following loss on valuation of inventories is included in cost of sales.

	(Millions of yen)	
	FY3/18	FY3/19
	(Apr. 1, 2017 to Mar. 31, 2018)	(Apr. 1, 2018 to Mar. 31, 2019)
	77	325

*2. Major items and amounts of selling, general and administrative expenses are as follows:

	(Millions of yen)	
	FY3/18	FY3/19
	(Apr. 1, 2017 to Mar. 31, 2018)	(Apr. 1, 2018 to Mar. 31, 2019)
Provision for bonuses	372	347
Retirement benefit expenses	394	238
Freightage expenses	5,427	5,013
Salaries and allowances	4,291	4,398

*3. Total amount of research and development expenses included in general and administrative expenses

	(Millions of yen)	
	FY3/18	FY3/19
	(Apr. 1, 2017 to Mar. 31, 2018)	(Apr. 1, 2018 to Mar. 31, 2019)
	549	462

*4. Breakdown of gain on sales of non-current assets is as follows:

	(Millions of yen)	
	FY3/18	FY3/19
	(Apr. 1, 2017 to Mar. 31, 2018)	(Apr. 1, 2018 to Mar. 31, 2019)
Machinery, equipment and vehicles	1	-
Other (property, plant and equipment)	0	-
Total	1	-

*5. Breakdown of loss on sales and retirement of non-current assets is as follows:

	(Millions of yen)	
	FY3/18 (Apr. 1, 2017 to Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 to Mar. 31, 2019)
Buildings and structures	64	3
Machinery, equipment and vehicles	24	45
Other (property, plant and equipment)	9	4
Other (intangible assets)	0	0
Total	99	53

*6. The Yodogawa Steel Group recognized an impairment loss on the following asset groups.

FY3/18 (Apr. 1, 2017 to Mar. 31, 2018) (Millions of yen)

	Use	Type	Amount
Miyazaki City, Miyazaki	Idle assets	Land	3
Suzaka City, Nagano	Idle assets	Land	0

Yodogawa Steel and its consolidated subsidiaries group assets based on asset classifications used for managerial accounting for monitoring the performance of businesses on a regular basis. In the fiscal year ended March 31, 2018, for idle assets with no prospects for use in the future where the market value has decreased, the book value was written down to the recoverable amount and this impairment loss of 3 million yen (all for land) was recognized as an extraordinary loss. For the recoverable amount, net selling prices are calculated based on property tax valuations.

FY3/19 (Apr. 1, 2018 to Mar. 31, 2019)

(Millions of yen)

Location	Use	Type	Amount
Chonburi, Thailand	-	Goodwill	3
Miyazaki City, Miyazaki	Idle assets	Land	2
Suzaka City, Nagano	Idle assets	Land	0

Yodogawa Steel and its consolidated subsidiaries group assets based on asset classifications used for managerial accounting for monitoring the performance of businesses on a regular basis. There was an impairment loss of 3 million yen on goodwill associated with PPT. In the fiscal year ended March 31, 2019, for idle assets with no prospects for use in the future where the market value has decreased, the book value was written down to the recoverable amount and this impairment loss of 2 million yen (all for land) was recognized as an extraordinary loss. For the recoverable amount, net selling prices are calculated based on property tax valuations.

*7. Loss on disaster of 651 million yen in the fiscal year ended March 31, 2019 is caused by Typhoon No. 21.

Notes to Consolidated Statement of Comprehensive Income

* Reclassification adjustments and tax effect with respect to other comprehensive income

(Millions of yen)

	FY3/18 (Apr. 1, 2017 to Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 to Mar. 31, 2019)
Valuation difference on available-for-sale securities:		
Amount incurred during the year	2,851	(3,626)
Reclassification adjustments	(226)	(1,971)
Before tax effect adjustments	2,624	(5,598)
Tax effect	(750)	1,387
Valuation difference on available-for-sale securities	1,873	(4,210)
Foreign currency translation adjustment:		
Amount incurred during the year	2,065	(2,303)
Reclassification adjustments	-	-
Before tax effect adjustments	2,065	(2,303)
Tax effect	-	-
Foreign currency translation adjustment	2,065	(2,303)
Remeasurements of defined benefit plans, net of tax:		
Amount incurred during the year	319	468
Reclassification adjustments	543	389
Before tax effect adjustments	862	857
Tax effect	(226)	(188)
Remeasurements of defined benefit plans, net of tax	636	669
Share of other comprehensive income of entities accounted for using equity method:		
Amount incurred during the year	43	(58)
Reclassification adjustments	-	-
Share of other comprehensive income of entities accounted for using equity method	43	(58)
Total other comprehensive income	4,618	(5,903)

Notes to Consolidated Statement of Changes in Equity

FY3/18 (Apr. 1, 2017 to Mar. 31, 2018)

1. Type and number of outstanding shares and treasury shares (Thousands of shares)

	Number of shares as of Apr. 1, 2017	Increase	Decrease	Number of shares as of Mar. 31, 2018
Outstanding shares				
Common stock	35,837	-	-	35,837
Total	35,837	-	-	35,837
Treasury shares				
Common stock (Notes 1 and 2)	6,028	162	6	6,185
Total	6,028	162	6	6,185

Notes: 1. An increase of 162 thousand shares in the number of treasury shares is due to an increase of 160 thousand shares from the acquisition of treasury shares based on a resolution by the Board of Directors, an increase of 1 thousand shares from the purchase of shares less than one unit, and the return of 0 thousand shares of treasury shares (Yodogawa Steel Works shares) that an equity-method affiliate had acquired.

2. The decrease of 6 thousand shares in the number of treasury shares is due to a decrease of 6 thousand shares to provide stock to individuals who exercised stock options and a decrease of 0 thousand shares due to the transfer of shares less than one unit in response to purchase requests.

2. Share acquisition rights and treasury share acquisition rights

Category	Details of share acquisition rights	Type of shares subject to share acquisition rights	Number of shares subject to share acquisition rights (Thousands of shares)				Balance as of Mar. 31, 2018 (Millions of yen)
			As of Apr. 1, 2017	Increase	Decrease	As of Mar. 31, 2018	
Filing company (Parent)	Share acquisition rights as stock options	-	-	-	-	-	223
Total		-	-	-	-	-	223

3. Dividends

(1) Dividend payment

Resolution	Type of share	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting on May 10, 2017	Common stock	1,203	40	Mar. 31, 2017	Jun. 23, 2017
Board of Directors' meeting on Nov. 2, 2017	Common stock	1,047	35	Sep. 30, 2017	Dec. 1, 2017

(2) Dividends with a record date in FY3/18 but an effective date in FY3/19

Resolution	Type of share	Total dividends (Millions of yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting on May 10, 2018	Common stock	1,197	Retained earnings	40	Mar. 31, 2018	Jun. 25, 2018

FY3/19 (Apr. 1, 2018 to Mar. 31, 2019)

1. Type and number of outstanding shares and treasury shares (Thousands of shares)

	Number of shares as of Apr. 1, 2018	Increase	Decrease	Number of shares as of Mar. 31, 2019
Outstanding shares				
Common stock	35,837	-	-	35,837
Total	35,837	-	-	35,837
Treasury shares				
Common stock (Notes 1 and 2)	6,185	202	26	6,361
Total	6,185	202	26	6,361

Notes: 1. An increase of 202 thousand shares in the number of treasury shares is due to an increase of 200 thousand shares from the acquisition of treasury shares based on a resolution by the Board of Directors, an increase of 1 thousand shares from the purchase of shares less than one unit, and the return of 1 thousand shares of treasury shares (Yodogawa Steel Works shares) that an equity-method affiliate had acquired.

2. The decrease of 26 thousand shares in the number of treasury shares is due to a decrease of 26 thousand shares to provide stock to individuals who exercised stock options and a decrease of 0 thousand shares due to the transfer of shares less than one unit in response to purchase requests.

2. Share acquisition rights and treasury share acquisition rights

Category	Details of share acquisition rights	Type of shares subject to share acquisition rights	Number of shares subject to share acquisition rights (Thousands of shares)				Balance as of Mar. 31, 2019 (Millions of yen)
			As of Apr. 1, 2018	Increase	Decrease	As of Mar. 31, 2019	
Filing company (Parent)	Share acquisition rights as stock options	-	-	-	-	-	210
Total		-	-	-	-	-	210

3. Dividends

(1) Dividend payment

Resolution	Type of share	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting on May 10, 2018	Common stock	1,197	40	Mar. 31, 2018	Jun. 25, 2018
Board of Directors' meeting on Nov. 2, 2018	Common stock	898	30	Sep. 30, 2018	Dec. 3, 2018

(2) Dividends with a record date in FY3/19 but an effective date in FY3/20

Resolution	Type of share	Total dividends (Millions of yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting on May 9, 2019	Common stock	1,190	Retained earnings	40	Mar. 31, 2019	Jun. 24, 2019

Notes to Consolidated Statement of Cash Flows

* Reconciliation of cash and cash equivalents at the end of the fiscal year and amounts in the consolidated balance sheet

(Millions of yen)

	FY3/18 (Apr. 1, 2017 to Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 to Mar. 31, 2019)
Cash and deposits	30,716	36,843
Trust beneficiary rights included in current assets and other items	1,000	1,000
Time deposits with maturities over three months	(4,438)	(5,527)
Cash and cash equivalents	27,277	32,316

Segment Information

1. Overview of reportable segments

Segments used for financial reporting are the Yodogawa Steel Group's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Yodogawa Steel Group has business divisions based on the products and services of Yodogawa Steel and its consolidated subsidiaries. Each division determines strategies and conducts business operations for its products and services. Accordingly, the Yodogawa Steel Group is composed of segments classified by products or services based on the business divisions and there are four reportable segments: Steel Sheet-related business, Roll business, Grating business and Real Estate business.

The Steel Sheet-related business manufactures and sells cold-rolled steel sheets, steel strips, plated steel sheets, galvanized steel sheets and other steel sheets, manufactures and sells building materials (roofing and printed products, liner panels, siding and other products) and exterior products (storage sheds, garages, bicycle parking units, trash receptacles and other products), and performs design and contracting for construction. The Roll business manufactures and sells rolls for section steel, rolls for non-ferrous metals and other products. The Grating business manufactures and sells gratings. The Real Estate business is engaged in leasing and buying and selling buildings, parking lots and other real estate.

2. Calculation method for net sales, profit/loss, assets, and other items for each reportable segment

The accounting methods for reportable segments are generally the same as those listed in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements."

3. Information related to net sales, profit/loss, assets, and other items for each reportable segment

FY3/18 (Apr. 1, 2017 to Mar. 31, 2018)

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustment	Amounts shown on the consolidated financial statements
	Steel Sheet-related Business	Roll Business	Grating Business	Real Estate Business	Total				
Net sales									
External sales	161,674	3,759	3,547	1,067	170,048	3,756	173,805	-	173,805
Inter-segment sales and transfers	-	-	-	442	442	2,664	3,107	(3,107)	-
Total	161,674	3,759	3,547	1,509	170,490	6,421	176,912	(3,107)	173,805
Segment profit	10,818	57	114	736	11,727	361	12,089	Note 2 (1,232)	Note 3 10,856
Segment assets	133,372	3,354	3,472	9,716	149,915	9,802	159,718	Note 4 55,920	215,638
Other items									
Depreciation	3,631	134	64	124	3,954	319	4,274	44	4,318
Investment in equity-method affiliates	4,380	-	407	3	4,791	-	4,791	-	4,791
Increases in property, plant and equipment and intangible assets	2,588	42	32	225	2,888	238	3,126	Note 5 59	3,186

Notes: 1. Others represent businesses which are not included in any of the reportable segments and mainly consist of transportation, warehouse, golf course, machinery plant, electric power (sale of solar power) and other businesses.

2. The adjustment to segment profit includes unallocated expenses of (1,236) million yen and an elimination for inter-segment transactions of 4 million yen.

3. Segment profit is adjusted to be consistent with the operating profit on the consolidated statement of income.

4. The adjustment to segment assets includes corporate assets of 56,196 million yen and an elimination for

inter-segment transactions of (275) million yen. Starting with the beginning of FY3/19, Yodogawa Steel Works has applied “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018). Prior-year figures have been adjusted retroactively to conform with this accounting standard. Accordingly, corporate assets decreased 503 million yen.

5. The adjustment of 59 million yen to increases in property, plant and equipment and intangible assets is capital expenditures mainly for corporate software.

FY3/19 (Apr. 1, 2018 to Mar. 31, 2019)

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustment	Amounts shown on the consolidated financial statements
	Steel Sheet-related Business	Roll Business	Grating Business	Real Estate Business	Total				
Net sales									
External sales	155,123	3,500	3,554	1,183	163,361	4,057	167,419	-	167,419
Inter-segment sales and transfers	-	-	-	442	442	2,508	2,950	(2,950)	-
Total	155,123	3,500	3,554	1,625	163,803	6,566	170,370	(2,950)	167,419
Segment profit (loss)	6,052	(77)	84	830	6,888	245	7,134	Note 2 (1,254)	Note 3 5,879
Segment assets	147,735	5,561	3,237	9,569	166,103	9,614	175,717	Note 4 33,747	209,465
Other items									
Depreciation	3,371	97	67	125	3,662	341	4,003	53	4,056
Investment in equity-method affiliates	4,629	-	403	3	5,036	-	5,036	-	5,036
Increases in property, plant and equipment and intangible assets	1,984	26	32	141	2,184	168	2,353	Note 5 71	2,424

- Notes: 1. Others represent businesses which are not included in any of the reportable segments and mainly consist of transportation, warehouse, golf course, machinery plant, electric power (sale of solar power) and other businesses.
2. The adjustment to segment profit (loss) includes unallocated expenses of (1,253) million yen and an elimination for inter-segment transactions of (1) million yen.
3. Segment profit is adjusted to be consistent with the operating profit on the consolidated statement of income.
4. The adjustment to segment assets includes corporate assets of 34,085 million yen and an elimination for inter-segment transactions of (337) million yen.
5. The adjustment of 71 million yen to increases in property, plant and equipment and intangible assets is capital expenditures mainly for corporate tools, furniture and fixtures.

Per-share Information

(Yen)

	FY3/18 (Apr. 1, 2017 to Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 to Mar. 31, 2019)
Net assets per share	5,112.17	5,096.96
Net income per share	247.98	211.08
Diluted net income per share	246.93	210.20

Note: Basis for calculation of net income per share and diluted net income per share is as follows.

	FY3/18 (Apr. 1, 2017 to Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 to Mar. 31, 2019)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	7,360	6,254
Amount not available to common shareholders (Millions of yen)	-	-
Profit attributable to common shareholders of parent (Millions of yen)	7,360	6,254
Average number of common shares outstanding during period (Thousands of shares)	29,680	29,631
Diluted net income per share		
Adjustment to profit attributable to owners of parent (Millions of yen)	-	-
Increase in the number of common shares (Thousands of shares)	125	123
[of which share acquisition rights (Thousands of shares)]	[125]	[123]
Summary of potential stock not included in the calculation of diluted net income per share since there was no dilutive effect		-

Subsequent Events

Not applicable.

4. Non-consolidated Financial Statements**(1) Non-consolidated Balance Sheet**

(Millions of yen)

	FY3/18 (as of Mar. 31, 2018)	FY3/19 (as of Mar. 31, 2019)
Assets		
Current assets		
Cash and deposits	13,011	20,306
Notes receivable-trade	1,783	2,360
Accounts receivable-trade	37,966	37,010
Securities	2,589	2,075
Merchandise and finished goods	12,087	12,591
Work in process	3,148	3,506
Raw materials and supplies	6,518	6,492
Prepaid expenses	62	66
Other	1,237	957
Allowance for doubtful accounts	(4)	(3)
Total current assets	78,400	85,364
Non-current assets		
Property, plant and equipment		
Buildings	7,827	7,495
Structures	792	743
Machinery and equipment	6,011	5,519
Vehicles	8	49
Tools, furniture and fixtures	429	396
Land	13,588	13,586
Construction in progress	269	183
Total property, plant and equipment	28,927	27,973
Intangible assets		
Software	142	105
Other	422	512
Total intangible assets	564	618
Investments and other assets		
Investment securities	37,962	31,127
Shares of subsidiaries and associates	29,293	27,903
Long-term loans receivable	-	329
Other	255	263
Allowance for doubtful accounts	-	(0)
Total investments and other assets	67,511	59,624
Total non-current assets	97,003	88,216
Total assets	175,403	173,580

	(Millions of yen)	
	FY3/18 (as of Mar. 31, 2018)	FY3/19 (as of Mar. 31, 2019)
Liabilities		
Current liabilities		
Notes payable-trade	2,989	2,990
Accounts payable-trade	12,001	11,518
Short-term loans payable	1,940	1,940
Accounts payable-other	999	819
Accrued expenses	2,171	2,278
Income taxes payable	1,508	1,576
Advances received	98	131
Deposits received	174	173
Provision for bonuses	931	841
Other	704	1,505
Total current liabilities	23,518	23,775
Non-current liabilities		
Provision for retirement benefits	5,106	5,504
Long-term guarantee deposited	1,270	1,280
Deferred tax liabilities	4,320	2,632
Asset retirement obligations	241	244
Other	420	287
Total non-current liabilities	11,359	9,948
Total liabilities	34,877	33,724
Net assets		
Shareholders' equity		
Capital stock	23,220	23,220
Capital surplus		
Legal capital surplus	5,805	5,805
Other capital surplus	15,582	15,565
Total capital surpluses	21,387	21,370
Retained earnings		
Other retained earnings		
Reserve for advanced depreciation of non-current assets	931	897
Reserve for special depreciation	499	363
General reserve	71,382	71,382
Retained earnings brought forward	20,633	24,600
Total retained earnings	93,447	97,242
Treasury shares	(13,846)	(14,225)
Total shareholders' equity	124,209	127,608
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	16,093	12,037
Total valuation and translation adjustments	16,093	12,037
Share acquisition rights	223	210
Total net assets	140,526	139,856
Total liabilities and net assets	175,403	173,580

(2) Non-consolidated Statement of Income

(Millions of yen)

	FY3/18 (Apr. 1, 2017 to Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 to Mar. 31, 2019)
Net sales	106,357	110,332
Cost of sales	84,781	90,095
Gross profit	21,575	20,236
Selling, general and administrative expenses	13,774	13,904
Operating profit	7,801	6,331
Non-operating income		
Interest income	238	311
Dividend income	2,378	2,017
Gain on sales of investment securities	200	2,046
Other	209	178
Total non-operating income	3,026	4,553
Non-operating expenses		
Interest expenses	60	64
Arbitration settlement cost	120	-
Other	294	263
Total non-operating expenses	475	327
Ordinary profit	10,352	10,558
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	23	-
Insurance income	-	43
Total extraordinary income	23	43
Extraordinary losses		
Loss on sales and retirement of non-current assets	70	31
Loss on valuation of investment securities	-	44
Impairment loss	3	2
Loss on disaster	-	617
Loss on valuation of shares of subsidiaries and associates	86	1,389
Loss on liquidation of subsidiaries and associates	33	-
Total extraordinary losses	193	2,086
Profit before income taxes	10,182	8,515
Income taxes-current	2,850	2,965
Income taxes-deferred	(209)	(341)
Total income taxes	2,640	2,623
Profit	7,541	5,891

(3) Non-consolidated Statement of Changes in Equity

FY3/18 (Apr. 1, 2017 to Mar. 31, 2018)

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings				Total retained earnings
					Reserve for advanced depreciation of non-current assets	Reserve for special depreciation	General reserve	Retained earnings brought forward	
Balance at beginning of current period	23,220	5,805	15,588	21,393	967	635	71,382	15,171	88,156
Changes of items during period									
Reversal of reserve for advanced depreciation of non-current assets					(35)			35	-
Reversal of reserve for special depreciation						(136)		136	-
Dividends of surplus								(2,251)	(2,251)
Profit								7,541	7,541
Purchase of treasury shares									
Disposal of treasury shares			(5)	(5)					
Net changes of items other than shareholders' equity									
Total changes of items during period	-	-	(5)	(5)	(35)	(136)	-	5,462	5,290
Balance at end of current period	23,220	5,805	15,582	21,387	931	499	71,382	20,633	93,447

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of current period	(13,369)	119,402	14,167	14,167	205	133,774
Changes of items during period						
Reversal of reserve for advanced depreciation of non-current assets		-				-
Reversal of reserve for special depreciation		-				-
Dividends of surplus		(2,251)				(2,251)
Profit		7,541				7,541
Purchase of treasury shares	(492)	(492)				(492)
Disposal of treasury shares	15	9				9
Net changes of items other than shareholders' equity			1,926	1,926	18	1,944
Total changes of items during period	(477)	4,807	1,926	1,926	18	6,751
Balance at end of current period	(13,846)	124,209	16,093	16,093	223	140,526

FY3/19 (Apr. 1, 2018 to Mar. 31, 2019)

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings				Total retained earnings
				Reserve for advanced depreciation of non-current assets	Reserve for special depreciation	General reserve	Retained earnings brought forward		
Balance at beginning of current period	23,220	5,805	15,582	21,387	931	499	71,382	20,633	93,447
Changes of items during period									
Reversal of reserve for advanced depreciation of non-current assets					(34)			34	-
Reversal of reserve for special depreciation						(136)		136	-
Dividends of surplus								(2,095)	(2,095)
Profit								5,891	5,891
Purchase of treasury shares									
Disposal of treasury shares			(17)	(17)					
Net changes of items other than shareholders' equity									
Total changes of items during period	-	-	(17)	(17)	(34)	(136)	-	3,966	3,795
Balance at end of current period	23,220	5,805	15,565	21,370	897	363	71,382	24,600	97,242

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of current period	(13,846)	124,209	16,093	16,093	223	140,526
Changes of items during period						
Reversal of reserve for advanced depreciation of non-current assets		-				-
Reversal of reserve for special depreciation		-				-
Dividends of surplus		(2,095)				(2,095)
Profit		5,891				5,891
Purchase of treasury shares	(440)	(440)				(440)
Disposal of treasury shares	61	43				43
Net changes of items other than shareholders' equity			(4,055)	(4,055)	(13)	(4,069)
Total changes of items during period	(379)	3,399	(4,055)	(4,055)	(13)	(669)
Balance at end of current period	(14,225)	127,608	12,037	12,037	210	139,856

This summary report is solely a translation of "Kessan Tanshin" (in Japanese, including the attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.