



YODOKO REPORT

123rd Term Report

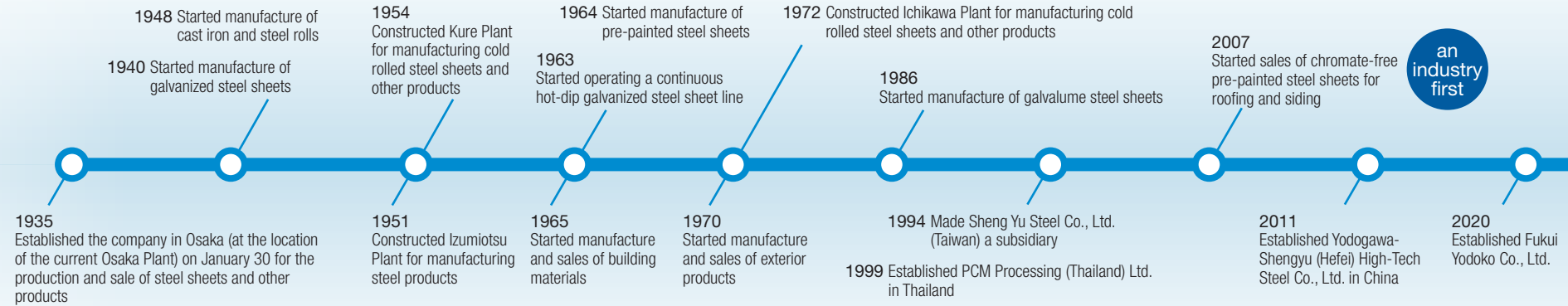
April 1, 2021-March 31, 2022

YODOGAWA STEEL WORKS

Steel sheet / Building material / Exterior / Roll / Grating



Satoshi Nitta
President and Representative Director



A History Shaped by the Constant Pursuit of Value Creation



Yodogawa Steel Group Corporate Philosophy

Basic Philosophy

Create Value with New Originality

The basic philosophy of the Yodogawa Steel Group is to “Create Value with New Originality,” centered on surface-treated steel sheets with the goal of being a valued, needed company that earns the trust of society.

Business Philosophy

Win the trust of customers and shareholders and create the functional capabilities expected by them. Aim to be the best manufacturer to meet the broad needs of society. Grow by taking on the challenge to innovate and by expanding based on the creativity of each employee. Work in harmonious coexistence with society and the natural environment.

We would like to take this opportunity to express our appreciation for your support.

The overseas business climate for the Yodogawa Steel Group is expected to remain unclear. Major sources of uncertainty are the high cost of resources and energy due to the Ukraine crisis, slowing economic growth in China caused by lockdowns of Shanghai and other major cities, and the U.S. shift to higher interest rates. In Japan, a combination of progress and setbacks concerning the economic will probably continue because of risk factors involving overseas business and the effects of the pandemic on economic activity.

In the steel market, prices of raw materials and steel products are continuing to increase in Japan and around the world. For the time being, the outlook for this market is expected to be extremely uncertain due to concerns about the instability of the balance

between the supply and demand for steel. An unpredictable and unstable environment for demand and expenses is expected to continue in every region where group companies operate. As a result, market conditions are expected to remain very difficult.

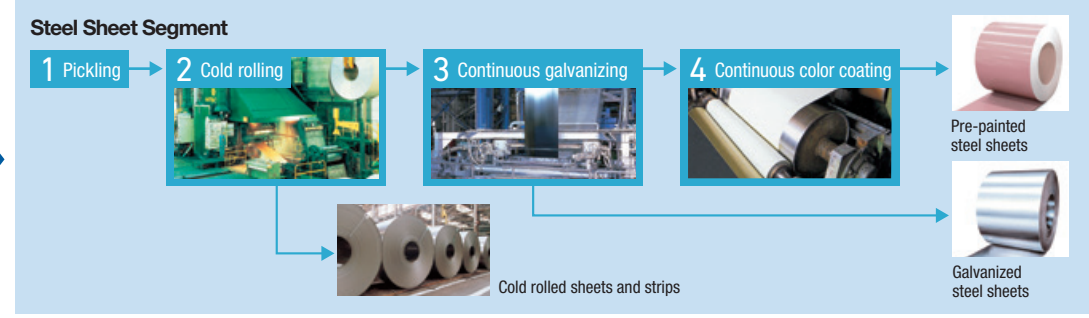
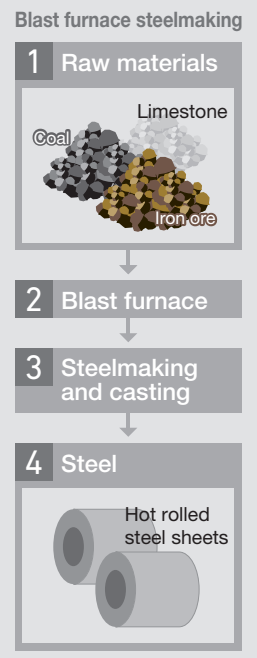
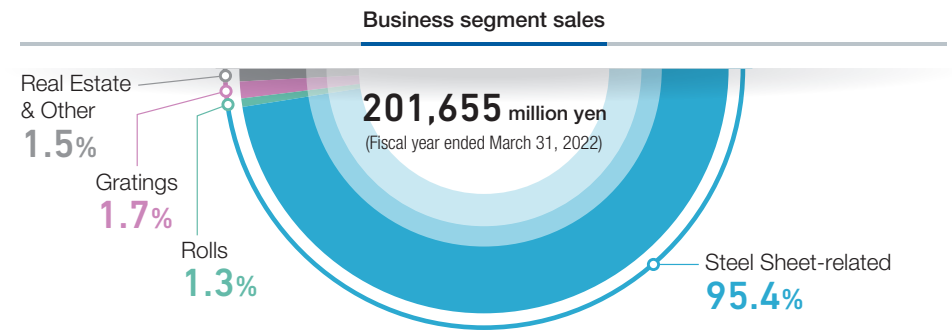
To succeed in this uncertain business climate, all group companies are dedicated to achieving the goals of the Yodogawa Steel Group Medium-term Management Plan 2022. To become even more profitable, companies are establishing positions in new markets and increasing sales of value-added products while taking full advantage of the speed and agility that are a key strength of the Yodogawa Steel Group.

We sincerely ask for your continued support and guidance.

Our Position in the Iron and Steel Industry

What is Yodoko?

We develop and supply distinctive products in a variety of business sectors by focusing on our key elements of security, safety, the environment, and beauty.



Steel Sheet-related Business

Steel Sheet Segment

Supplying Products that Perfectly Match Customer Needs

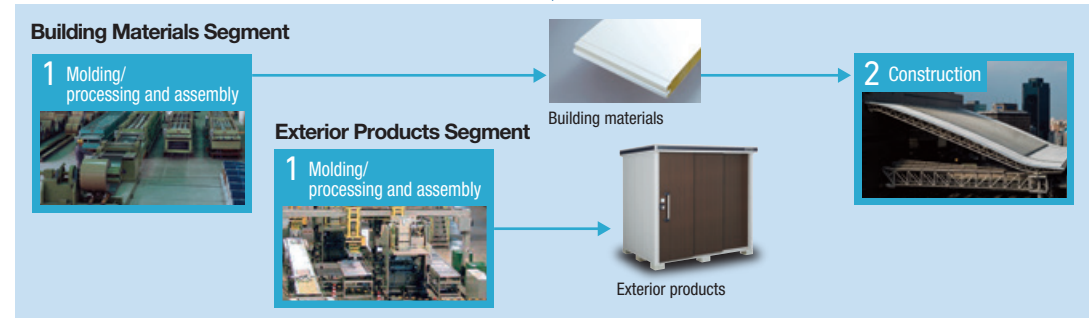
High-quality steel sheets incorporating years of accumulated technologies are used for a variety of industrial purposes, such as construction and the manufacture of home appliances and housing equipment. Through the development of highly functional, value-added, and environmentally friendly products, Yodogawa Steel meets the demands of customers.



An appliance using Yodoko steel sheets



A building interior with Yodoko panels



Building Materials & Exterior Products Segment

Building Materials and Exterior Products: Part of Our Society and Daily Lives

From molding and processing technology gained through our integrated steel sheet manufacturing, to our nationwide sales and service network, we make the most of years of experience to produce a variety of pioneering products that include steel-sheet building materials and exterior products.



A building with YODO fire-proof panel Grand Wall



YODO-Garage Emerge II

Roll Business

Steel Rolls Are Instrumental in a Variety of Industrial Fields

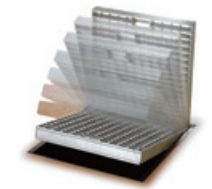
With products that range from rolls for the steel industry fabricated by one of the world's largest centrifugal casting facilities to equipment for the paper industry, including rolls and peripheral equipment, Yodogawa Steel is one of Japan's leading roll manufacturers.



Grating Business

Yodogawa Gratings Contribute to a Safe and Secure Environment

Gratings are an integral part of the roads, parks, and other infrastructure that are vital to public safety and security. We supply a range of products from the standpoint of everyday activities that are environmentally friendly, people-friendly, and safe.



Real Estate & Other Businesses

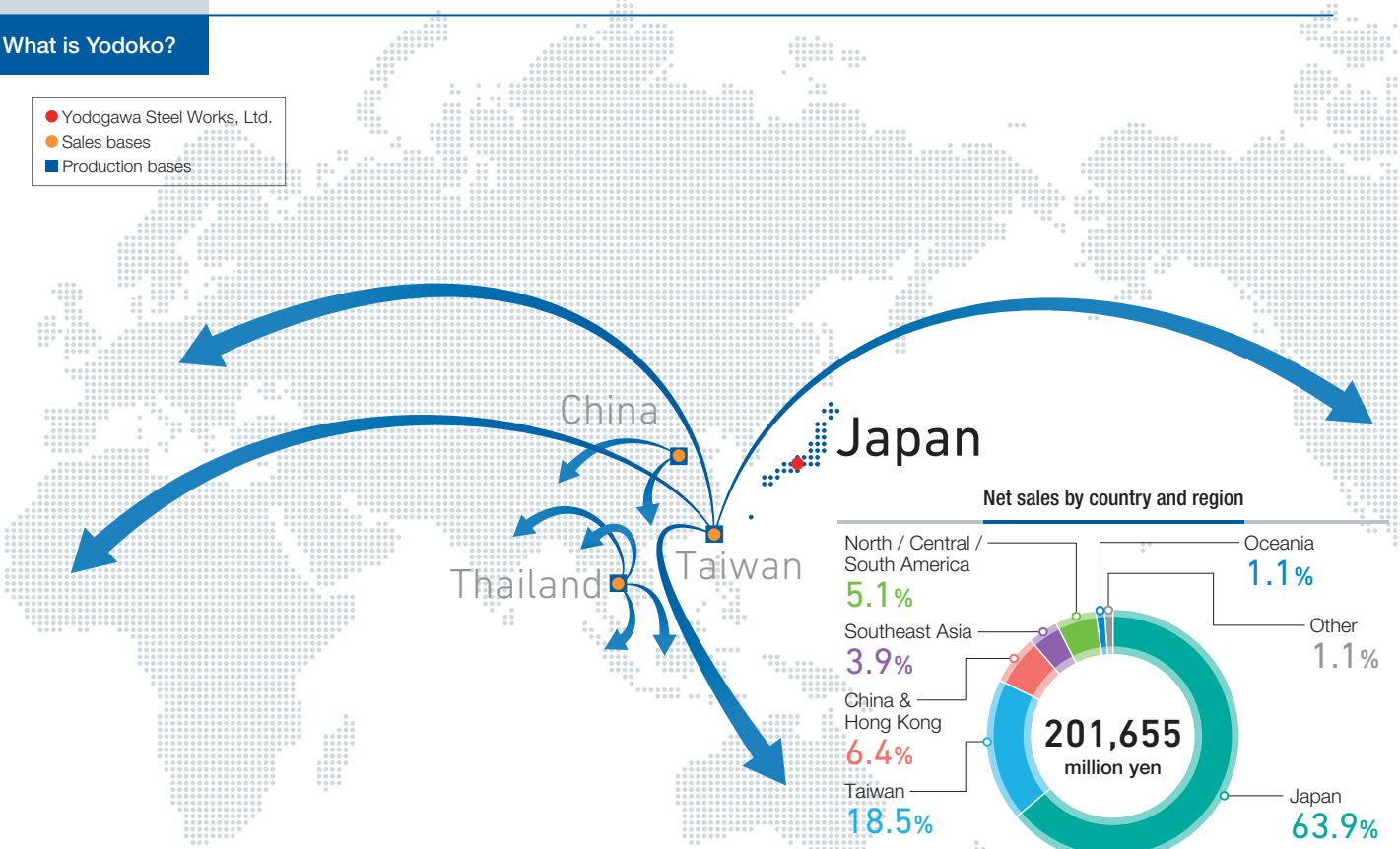
The Real Estate Business manages and effectively uses properties owned by Yodogawa Steel by leasing buildings and operating parking lots.



The Production and Sales Frameworks Behind Our Momentum

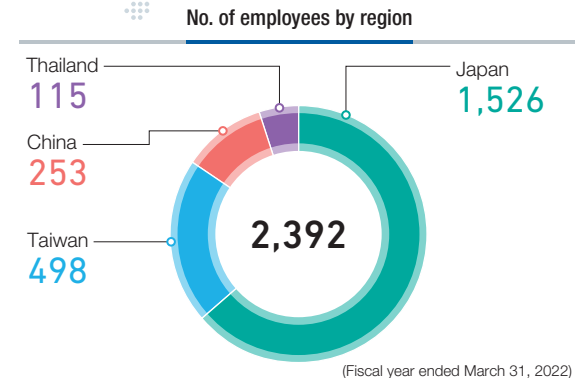
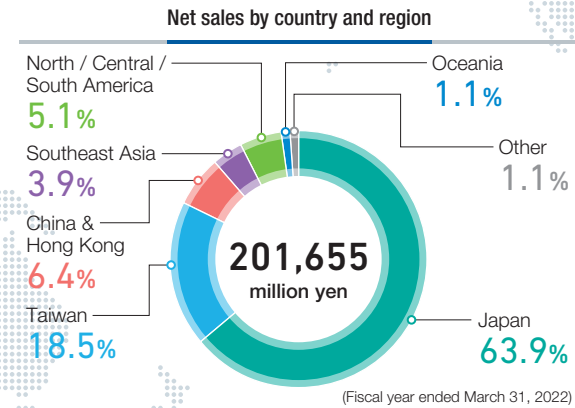
What is Yodoko?

- Yodogawa Steel Works, Ltd.
- Sales bases
- Production bases



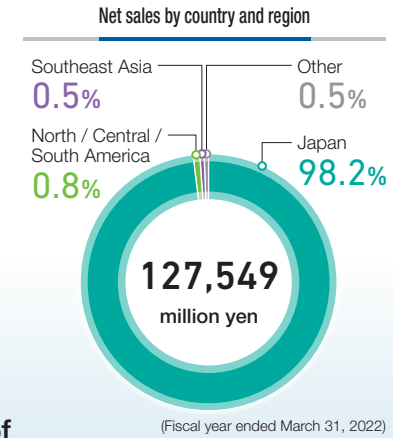
Starting ahead of our competitors, we established a well-balanced sales and production network in Asia and use this infrastructure to supply high-quality surface-treated steel sheets to customers worldwide.

Japan



Japan

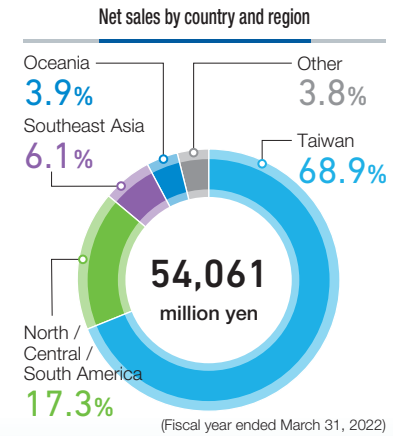
Yodogawa Steel Works, Ltd.



A well-balanced network of production bases in Japan and 15 sales offices that maintain close relationships with customers and with the region that each office serves

Taiwan

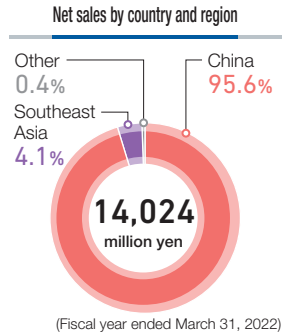
Sheng Yu Steel Co., Ltd. (SYSCO Taiwan)



SYSCO Taiwan has business operations with deep roots in Taiwan, including a listing on the Taiwan Stock Exchange and strong brand recognition in Taiwan.

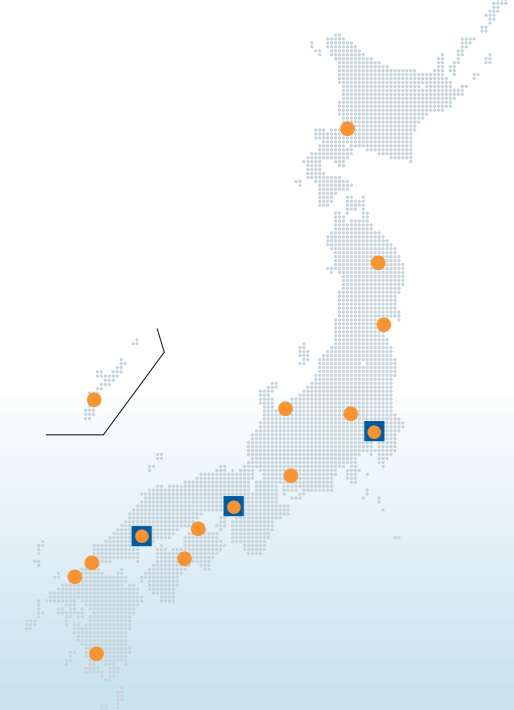
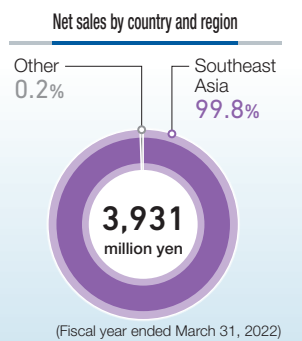
China

Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd. (YSS China)



Thailand

PCM Processing (Thailand) Ltd. (PPT Thailand)



We aim to contribute to sustainable social progress and to grow as a company through the creation of value for security, safety, the environment, and beauty.

The Yodogawa Steel Group's goal is sustained growth by utilizing speed and agility based on our Corporate Philosophy for business operations and taking full advantage of the Group's collective strengths.

Social challenges

A declining and aging population with a low birth rate

Depletion of natural resources

Disaster mitigation and preparedness

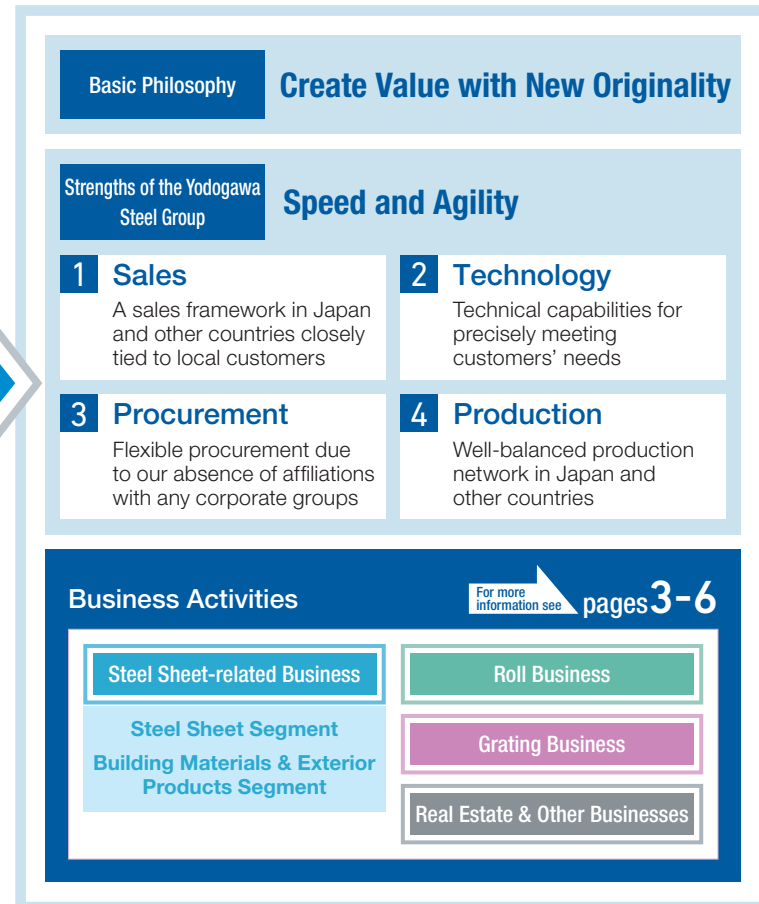
Create a sustainable society

More diverse and complex customer needs

Corporate integration and restructuring (iron and steel industry)

Increase of trade protectionism

Faster globalization and intensifying competition



Shareholders and investors

- Maximize corporate value by achieving sustainable growth
- Provide stable, continuous returns to shareholders

Customers and business partners

- Supply safe and reliable products and services that meet the needs of customers and society
- Use our more than 80 years of experience to build business partner relationships rooted in mutual trust

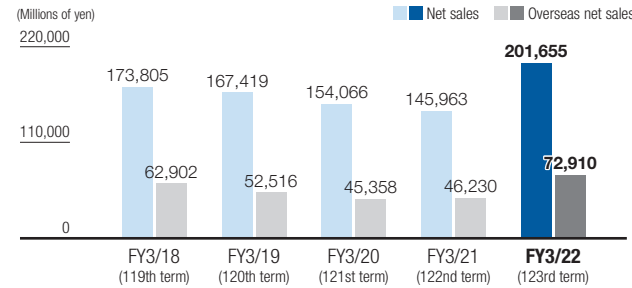
Employees

- Provide a safe and secure environment conducive to productive work
- Develop a team of people with distinctive strengths who are constantly growing and taking on new challenges

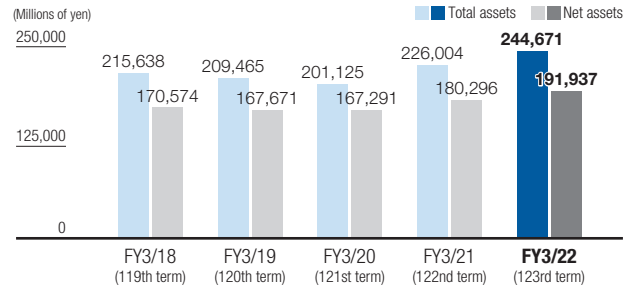
Society and nature

- Contribute to lowering the environmental impact by supplying environmentally responsible products
- Contribute to social infrastructure by supplying attractive products

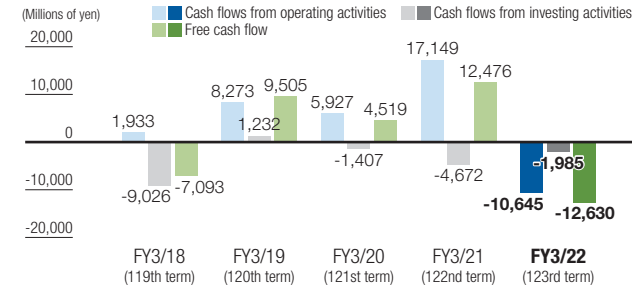
Net sales, overseas net sales (consolidated)



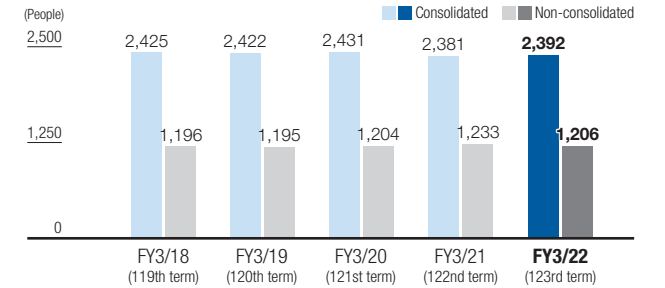
Total assets, net assets (consolidated)



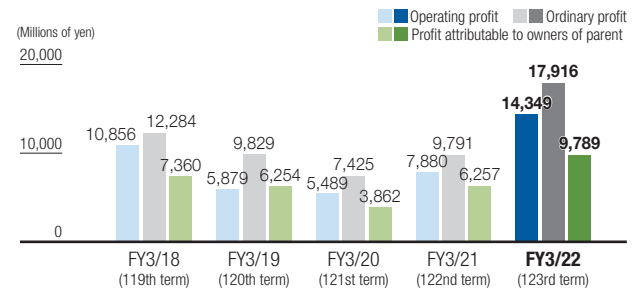
Cash flows from operating activities, cash flows from investing activities, free cash flow (consolidated)



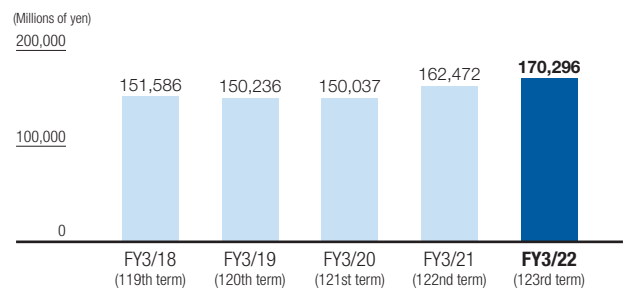
No. of employees (consolidated, non-consolidated)



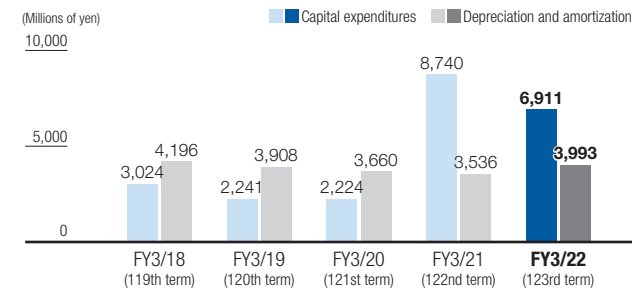
Operating profit, ordinary profit, profit attributable to owners of parent (consolidated)



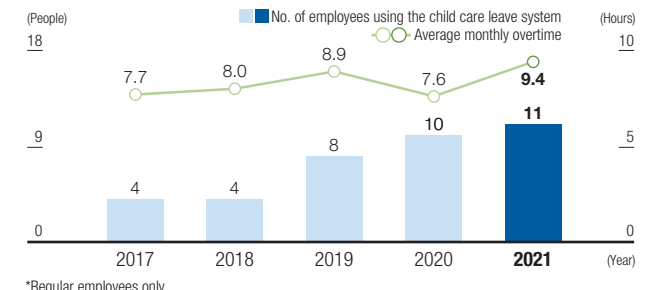
Shareholders' equity (consolidated)



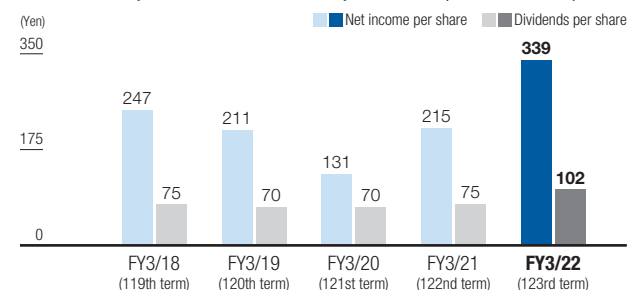
Capital expenditures, depreciation and amortization (consolidated)



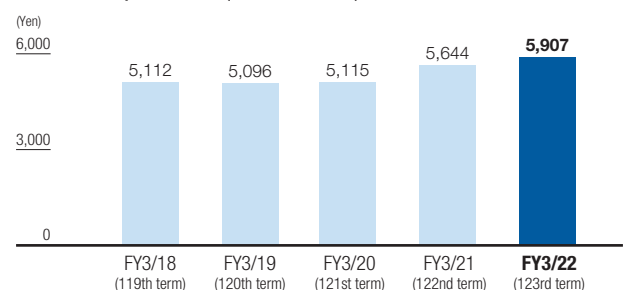
No. of employees using the child care leave system, average monthly overtime* (non-consolidated)



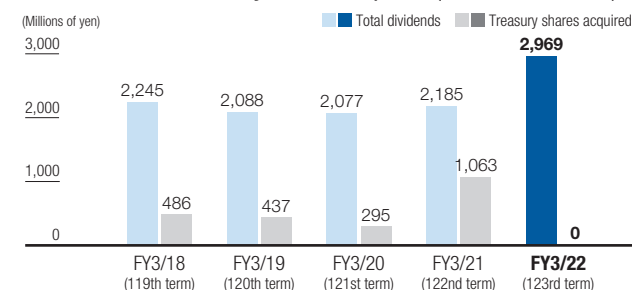
Net income per share, dividends per share (consolidated)



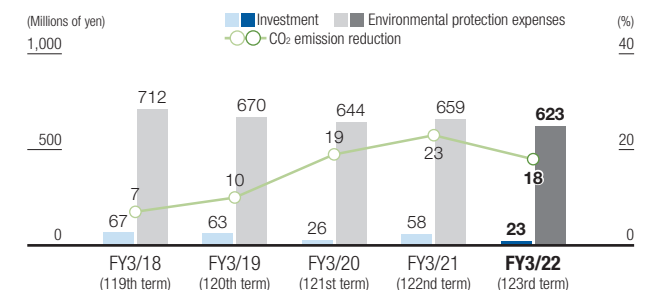
Net assets per share (consolidated)



Total dividends, treasury shares acquired (non-consolidated)



Environmental protection expenses, CO₂ emissions (reduction vs. fiscal 2013 emissions*) Consolidated (Japan)



*Yodogawa Steel started applying Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) at the beginning of the fiscal year that ended in March 2022. Significant financial indicators for the previous fiscal year have been revised to incorporate this new standard.

*The Japan Iron and Steel Federation is currently implementing an action plan for achieving carbon neutrality. During phase II, which goes from FY2021 to FY2030, the emphasis is on energy conservation. The goal is to use these measures to cut CO₂ emissions from energy production by 30% compared with the FY2013 level.



During the fiscal year that ended in March 2022, there were dramatic shifts in many items that define our business climate. Changes are driven by the pandemic, now in its third year, the rising cost of resources and energy, the associated rapid increase in prices of steel products, supply chain disruptions and other events.

The Yodogawa Steel Group's net sales in the fiscal year increased 38.2% to 201,655 million yen. Operating profit increased 82.1% to 14,349 million yen, ordinary profit increased 83.0% to 17,916 million yen, and profit attributable to owners of parent increased 56.4% to 9,789 million yen. Although I expect that the environment for our business operations will remain uncertain, group companies will be working hard to remain consistently profitable. I plan to accomplish this goal by taking on many new challenges while upgrading our ability to take actions needed to respond to changes.

Satoshi Nitta President and Representative Director

Explaining the valuable roles that our group fulfills, taking actions to become even more profitable

Q

What is your assessment of the Yodogawa Steel Group's performance in the fiscal year ended March 31, 2022?

A

Sales and earnings were much higher than in the previous fiscal year.

In the fiscal year ended March 31, 2022, the economy recovered, primarily with the support of consumer spending, as progress was made fighting the pandemic. However, the Japanese and global economies were unstable because of the higher cost of resources and energy and other events. Despite these difficulties, our sales and earnings were higher than in the previous fiscal year. One reason is measures in Japan to sell steel sheet products at proper prices. Prices of raw materials for our products as well as of zinc and aluminum, which are secondary materials, continued to increase. We asked our customers to accept price revisions because we could not offset these higher costs by our own cost-reduction activities alone. As a result, we raised the prices of many products, primarily steel sheet products. Our sales and earnings increased in Japan in part because of a recovery in our sales volume supported by the relatively strong demand for steel in the construction sector and the success of our sales activities. Outside Japan, the sales volume at Sheng Yu Steel Co., Ltd. of Taiwan (SYSCO) increased in Taiwan and for exports. In addition, prices of products were higher. The result was a big increase in earnings. PCM Processing (Thailand) Ltd. (PPT) faced challenges due to the pandemic but was profitable because of strong sales of value-added products. In China, Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd. (Haigo) (YSS) succeeded at improving their profitability, which was a major goal. The result was a fiscal year operating profit. All of this progress in Japan and these Asian countries made a contribution to our consolidated results of operations.



YODO Monooki Storage Shed Esumo

Q

What are the highlights or key points about the performance of the business segments?

A

New design for YODO Monooki Storage Shed Esumo series and the start of production at the new plant of Fukui Yodoko

In the Building Materials & Exterior Products Segment, sales started in February 2022 for a new lineup of redesigned YODO Monooki Esumo storage sheds. Modifications to designs reflect changes in customers' life styles, such as the placement of compact storage sheds in places where they are visible to others. All of these sheds feature outstanding designs and ease of installation and use. The new Esumo storage sheds are manufactured at the new plant of Fukui Yodoko Co., Ltd., which started operating at the end of 2021. We will use a website specifically for providing information about these sheds, place advertisements on SNS websites and take many other actions to make people aware of these storage sheds.

In April 2021, we celebrated the 50th anniversary of the launch of our YODO Monooki storage sheds by starting sales of a limited edition of storage shed, which was created with Coleman Japan Co., Ltd. This new model targets the increasing demand in Japan for sheds for outdoor recreation, growing vegetables at home, do-it-yourself home improvement projects, and other hobbies and activities. The limited edition of 2,000 storage sheds sold out within two weeks of the start of sales. YODOKO+, our new design brand, debuted in March 2022. The central concept is to sell products designed to reflect the “new normal.” The new brand, which will eventually extend from exterior to interior products, started with the launch of the HOME OFFICE, a large cabinet that opens to create office space and closes when not used to save space. Since sales of YODO Monooki started in 1970, the lineup of exterior products that we manufacture and sell has expanded to include garages, warehouses, refuse collection units and many other products. The desire to expand ways to use our steel sheets was one reason for the launch of these products. However, this objective alone is not enough to create outstanding products. Success requires creating products from our customers’ perspective and targeting the wishes of our customers. The shed created jointly with Coleman Japan and the YODOKO+ brand are two examples of how we are creating products that customers want. We will continue to seek new ideas and business styles that go beyond the traditional guidelines for our operations in order to tackle new challenges and develop products with significant value for our customers.

As I mentioned earlier, there were dramatic changes in the business climate for the steel industry during the fiscal year. Based on our commitment to being a manufacturer of steel products from a standpoint close to customers, I believe that we were able to heighten our profile in the steel

industry during the fiscal year. I also believe that our activities further increased the support that we receive from our customers.

Q What types of environmental activities will Yodogawa Steel be emphasizing now that the company is listed on the new Prime Market?

A Preparations are under way for the start of financial disclosures based on the Task Force on Climate Related Financial Disclosures (TCFD).

Our stock listing was moved to the Prime Market when this market started operating on April 4, 2022. Companies listed on this market are required to continue upgrading their governance and the disclosure of information. The revised Corporate Governance Code that was announced in 2021 increased the demand for companies to provide information based on the TCFD. We have started numerous initiatives for strengthening environmental activities, including the establishment in 2021 of a Sustainability Promotion Department.



An example of how YODOKO+ HOME OFFICE 900 can be used

Until now, energy conservation measures have been the primary component of our environmental programs. Naturally, lowering the amount of energy we use cuts the cost of our operations. As a result, an energy conservation project was relatively easier to get started. But now we have reached the point where the public expects companies to lower their environmental impact even by increasing their expenses. All companies must play a role in creating a low-carbon society. At the Yodogawa Steel Group, the Sustainability Promotion Department is playing a central role for finding ways to use more electricity produced from renewable energy sources and starting to use carbon neutral gases. We are also examining ways to effectively use solar power generated at our company facilities. We are collecting a broad range of information and conducting studies. The results of these activities will be used as the basis for programs that enable our group to help fight climate change.

Q Why did you decide to acquire ARDUC Co., Ltd.?

A The aim is to use ICT for rebuilding our business processes

For some time, the Yodogawa Steel Group has been taking actions to accomplish a digital transformation of our operations. We have increased the use of digital technologies, partly because of changes caused by the pandemic. But more work is needed. This is why we decided to purchase all of the stock of ARDUC in June 2021. Designing and developing software is the primary activity of this company. ARDUC has a long list of accomplishments involving the development of semiconductor, solar panel and other systems used at factories. By using this company’s



A solar energy system at the Izumiotsu Plant

knowhow and ICT acquired from its experience working at factories, we plan to achieve the visualization of all data, from production to shipments. We will also use this technology for inventory management, the analysis of trends of individual products and other tasks. The objective is restructuring business processes for our entire group and making these processes more efficient. Even as ARDUC works on the business processes of our group, this company will continue its usual business activities with other customers. ARDUC remains dedicated to providing all its customers with ideas for the best possible solutions.

Q What are your priorities in the fiscal year ending in March 2023?

A We will continue to increase our resilience to unexpected events

I expect that the pandemic will continue and prices of raw materials and energy will remain high in the fiscal year ending in March 2023. Furthermore, the cost of major and

secondary materials used to make our products may become even higher. There is also a risk of suddenly having difficulties procuring raw materials because of social or economic events.

For example, we import some aluminum, the main material used to make galvalume steel sheets, from Russia. Also, the procurement of some types of fluororesin pre-painted steel sheets has suddenly become difficult. We use this material to make our pre-painted steel sheets. We are seeing many events worldwide that no one expected to happen. Building a capability for responding with flexibility to supply chain disruptions will be critical. All companies want to purchase raw materials and other items at the lowest possible prices. However, placing priority on low prices in today's environment would create the risk of an interruption in business operations. We will use an extensive information gathering network throughout our group in order to act quickly when an unexpected event occurs.

The fiscal year ending in March 2023 is the final year of the Yodogawa Steel Group Medium-term Management Plan 2022. Our goal for the last year is a consolidated ordinary profit of at least 9 billion yen. In the fiscal year ended in

YODO Monooki Storage Shed Esumo



Deep Ocean Blue

Woody Cocoa



The YODO fire-proof panel Grand Wall is used at the Kobelco Kobesteelers Nadahama Clubhouse

March 2022, our ordinary profit was 17,916 million yen. However, this figure is not as high as it appears due to the inclusion of an inventory valuation gain. This is why we must continue to work on becoming even more profitable. One step in the Building Materials & Exterior Products Segment is sales activities for YODO Monooki Storage Shed Esumo, a compact storage shed with a new look. In the Steel Sheet Segment, actions about prices of our products will be one of our highest priorities. As I explained earlier, the cost of major and secondary materials, energy, and all other components of our cost structure is climbing. When we ask customers to accept a price increase, we thoroughly explain the reasons to receive their understanding. We are firmly committed to fulfilling our obligation as a supplier while remaining a trusted partner of our customers. I want everyone at the Yodogawa Steel Group to always keep in mind the importance of trust. We work with our customers to solve their problems and we aim to provide the products that our customers need as quickly as

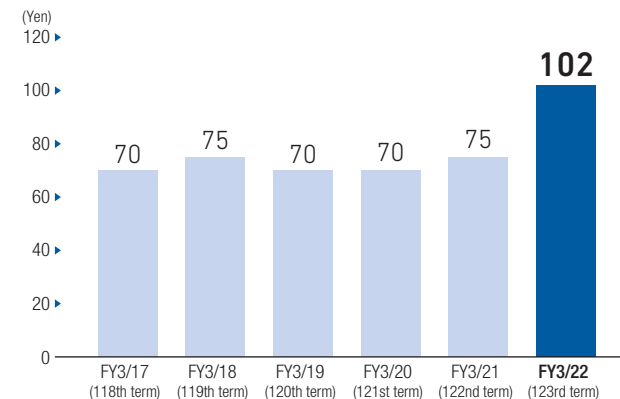
possible. These are the key roles of our group. In 2021, we realigned our sales network in Japan to create an infrastructure capable of operating efficiently while reflecting the characteristics of each region of Japan. As we use this powerful infrastructure, we will make our products even more appealing and competitive and reinforce our reputation as a trusted partner in order to build on the unique strengths that have long defined the Yodogawa Steel Group.

Q What is your policy for distributing earnings to shareholders?

A Based on our dividend policy, we paid a dividend of 102 yen for the fiscal year ended March 31, 2022.

Stable, continuous distributions to shareholders are one of our highest priorities. Our guideline for the dividend is a consolidated payout ratio between about 30% and 50%. Based on this policy, we paid a 102 yen dividend (35 yen interim dividend and 67 yen year-end dividend) for the fiscal year that ended in March 2022, resulting in a consolidated payout ratio of 30.0%.

Dividends per share



Q Finally, what is your message to stakeholders?

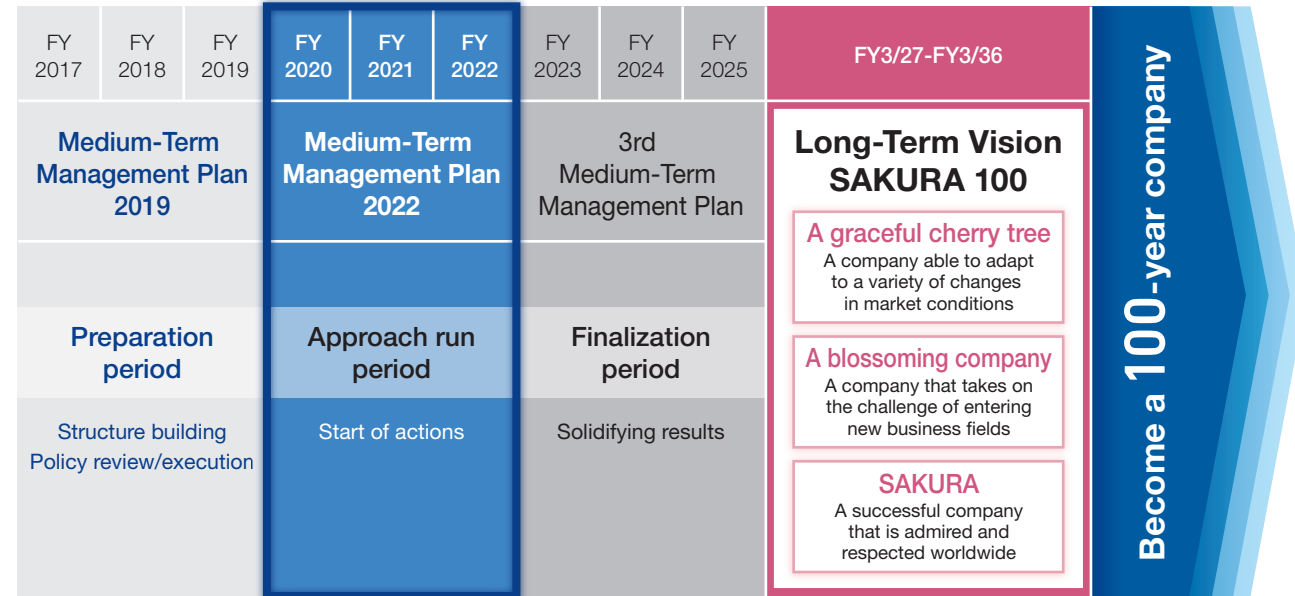
A We are using our strengths for steady progress during this period of dramatic and rapid changes

The business climate is extremely volatile and there are enormous uncertainties concerning the outlook. We will continue to make steady progress as we give our customers a sound understanding of the strengths that define our group. We are determined to achieve more growth in sales and earnings and to continue increasing our corporate value. Raising distributions to shareholders is another goal. I am grateful for the support and understanding of our shareholders as we take the actions needed to succeed in today's challenging business climate.



Overview of the Medium-Term Management Plan 2022

Positioning of the Medium-Term Management Plans

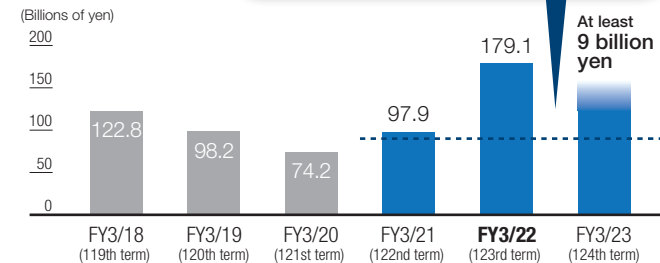


Major Initiatives of Business Segments

Steel Sheet-Related Business	Steel Sheet Business	<ul style="list-style-type: none"> Yodogawa Steel responded to the difficulty of procuring fluororesins by developing YODO HyperGL Color EXE Eguze, a pre-painted steel sheet that uses polyester resin (started sales on May 2, 2022) Continued work on the specifications for replacements of major production lines
	Building Materials Business	<ul style="list-style-type: none"> New and improved products will be developed to make the YODO Hyper Panel Series of high-performance exterior panels even more competitive Network of YODO Roof sales agents was expanded and progress was made in restructuring the sales structure.
	Exterior Products Business	<ul style="list-style-type: none"> Sales of the new models of YODO Monooki Storage Shed Esumo started on February 15, 2022 Fukui Yodoko has started mass production of the YODO Monooki Storage Shed Esumo. Work is advancing on schedule for the transfer in the fall of 2022 of production of large exterior products, such as the YODO Bicycle Parking Unit, to Fukui Yodoko.
	Overseas	<ul style="list-style-type: none"> In Taiwan, SYSCO has resumed activities to receive orders from U.S. customers following the suspension of these activities due to trade protectionism In response to the needs of users, YSS in China has started selling the Extra Thick Coating GL, a steel panel that has an extended warranty.
Roll Business		<ul style="list-style-type: none"> Received an order for steel rolls from India, an important step for selling rolls outside Japan
Grating Business		<ul style="list-style-type: none"> Continuing activities for selling grates in market sectors other than highways

Medium-Term Management Plan 2022 Objectives

Ordinary profit (consolidated)
Consolidated ordinary profit of at least 9 billion yen (FY3/23)



- During the fiscal year ended in March 2022, the sales volume recovered in Japan, mainly for products in the Steel Sheet-related Business. Performance also benefited from revisions of product prices and an inventory valuation gain. As a result, sales and earnings in Japan were higher than one year earlier. In Taiwan, SYSCO's performance was strong for activities within Taiwan and for exports. In China, YSS became profitable because of measures to strengthen sales. There was a small increase in the earnings of PPT in Thailand. The result was consolidated ordinary profit of 17,916 million yen.
- The outlook for the fiscal year ending in March 2023 is for continuous instability in the steel market in Japan and worldwide, including uncertainty about the balance between supply and demand. All group companies are dedicated to achieving the goals of the Yodogawa Steel Group Medium-Term Management Plan 2022. To become even more profitable, companies are establishing positions in new markets and increasing sales of value-added products while taking full advantage of the speed and agility that are a key strength of the Yodogawa Steel Group.

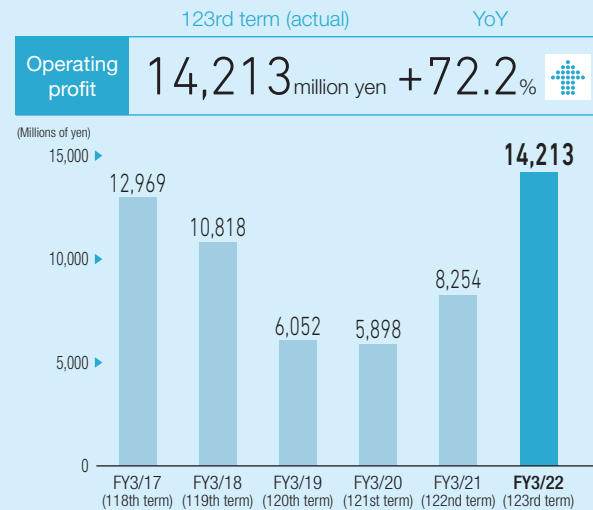
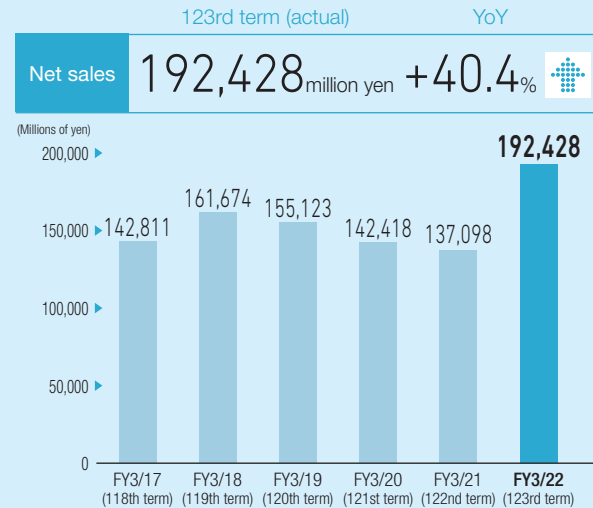


YODO Monooki Storage Shed Esumo



The YODO fire-proof panel Grand Wall is used at the Kobelco Kobesteelers Nadahama Clubhouse

Steel Sheet-Related Business



Steel Sheet Segment

Performance in the year ended March 31, 2022

- The sales volume of galvanized steel sheets to specific high-demand customers in Japan increased because of measures to capture new orders as imports of these sheets decreased while the industry was reorganized. The sales volume of pre-painted steel sheets for building materials increased due to new orders and a rise in market share. In the home appliance category, the sales volume increased even though the semiconductor shortage and other problems held down production of home appliances. Growth was attributable primarily to strong sales of steel sheets used in Eco Cute heat pump water heaters.
- In the general distribution category in Japan, sales increased because of the large volume of orders centered on the distribution warehouse and drug store sectors, as in the previous fiscal year.
- In Taiwan, earnings increased because of higher sales volumes in Taiwan and other countries as the market recovered and price revisions to reflect the rising prices of steel products. In China, YSS became profitable due to many measures for strengthening sales activities. In Thailand, PPT became profitable as the company placed priority on increasing sales to Japanese home appliance manufacturers.

Outlook for the year ending March 31, 2023

- Although the outlook for market conditions is likely to remain unclear, there will be numerous activities aimed at increasing market share and becoming more profitable. Major initiatives are the continuation of activities to add new customers, ideas for using products for new applications and the establishment of new sales channels.
- Overseas, SYSCO in Taiwan is building stronger ties with downstream companies and adding new customers in order to increase its sales volume. In China, YSS plans to be profitable by continuing to increase its sales volume and maintaining profit margins on its operations. In Thailand, PPT has the goal of preserving the stability of its operations by maintaining and increasing its market share in the home appliance market and expanding sales channels.

Initiatives for achieving the Medium-Term Management Plan targets

- In the galvanized sheets category, group companies will meet the demand of customers while adapting with speed and flexibility to shifts in the steel industry's infrastructure for supplying these sheets.
- For colored sheets, the primary goals are creating many new ideas for steel sheets with specific functions (microbe and mildew resistance, static electricity prevention) and targeting opportunities involving sources of demand that are not yet readily visible.
- Build a global capability for the procurement of steel coils and focus on becoming more price competitive and maintaining a stable supply of products.



Shutters are one category of Yodoko's exterior products



A home appliance using Yodoko steel sheets

Building Materials & Exterior Products Segment

Performance in the year ended March 31, 2022

- In the building materials sector, sales were down mainly because of the impact of the pandemic.
- Sales of exterior products increased mainly due to higher sales of garages and other products. This growth offset lower sales of storage sheds caused by a downturn in demand associated with staying home during the pandemic and by price revisions.
- Construction sales decreased because of the smaller number of construction projects started during the fiscal year and delays at many construction projects.

Outlook for the year ending March 31, 2023

- For building materials, our goal is to increase the sales volume by working with YODO Roof sales agents, capturing orders at large construction projects and raising sales of new products.
- For exterior products, we are aiming for higher sales by increasing the sales volume of newly designed Esumo storage sheds and establishing many new sales channels with measures that include joint activities with companies in other industries.
- In the construction sector, the goal is to receive orders for projects that were temporarily suspended or postponed due to the pandemic.

Initiatives for achieving the Medium-Term Management Plan targets

- We are aiming for higher sales of building materials by increasing sales of the Hyper GL Color Series and other value-added products and strengthening ties with YODO Roof sales agents based on mutual trust.
- For exterior products, our goal is a higher sales volume by using collaboration with companies in other industries to make our brand more powerful and developing products that contribute to accomplishing the SDGs.
- The goals in the construction sector are to increase the use of the metal panels for commercial buildings and reinforce the sales framework in the Kanto region.
- All sales bases in Japan are working on building new distribution channels that do not rely on current operations.

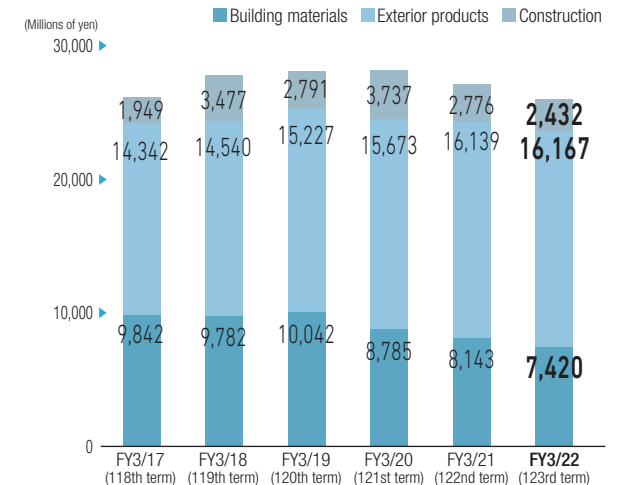
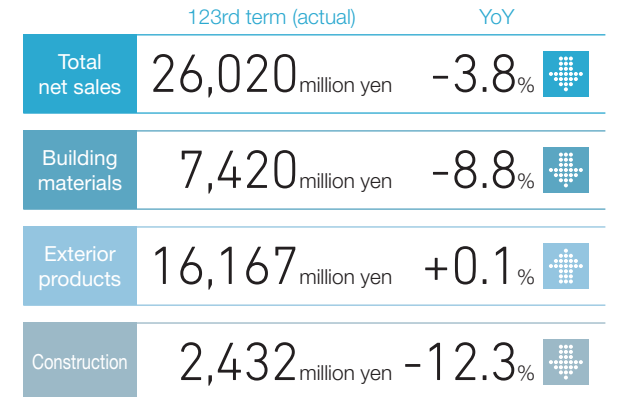


A building with YODO fire-proof panel Grand Wall



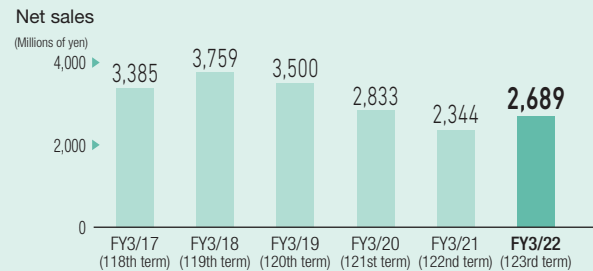
YODO Monooki Storage Shed Esumo

Reference Building Materials & Exterior Products Segment (Yodogawa Steel, non-consolidated)



Roll Business

	123rd term (actual)	YoY
Net sales	2,689 million yen	+14.7%
Operating profit	8 million yen	—



Performance in the year ended March 31, 2022

- The sales volume of rolls increased to the level prior to the pandemic as the demand for rolls for steelmaking rose along with the recovery in production volume of the iron and steel industry.
- In the non-ferrous industry, the sales volume of rolls used for papermaking decreased because companies are using their equipment longer.

Outlook for the year ending March 31, 2023

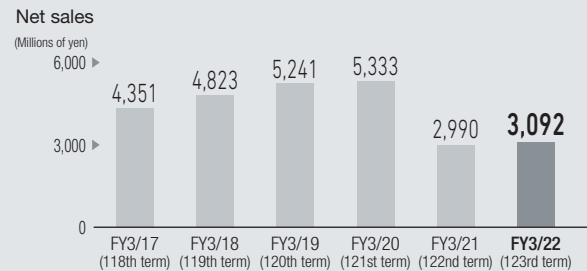
- We are placing emphasis on profit margins when accepting new orders and taking steps to improve prices of rolls as concerns about the rising cost of raw materials continue.
- Activities to add new sales channels will continue in order to capture orders.

Initiatives for achieving the Medium-Term Management Plan targets

- In the iron and steel industry, focus on increasing sales of value-added rolls.
- In the non-ferrous industry, use our roll manufacturing technologies to create sources of demand in new market categories for rolls.

Real Estate & Other Businesses

	123rd term (actual)	YoY
Net sales	3,092 million yen	+3.4%
Operating profit	1,303 million yen	+22.0%



Performance in the year ended March 31, 2022

- In the Real Estate Business, occupancy rate at tenant-occupied buildings was about the same as in the previous fiscal year but earnings were down mainly because of higher depreciation resulting from renovations.
- Engineering sales increased because of orders received for work at plants in Japan and higher sales of replacement supplies for various equipment to overseas subsidiaries of Japanese companies.

Outlook for the year ending March 31, 2023

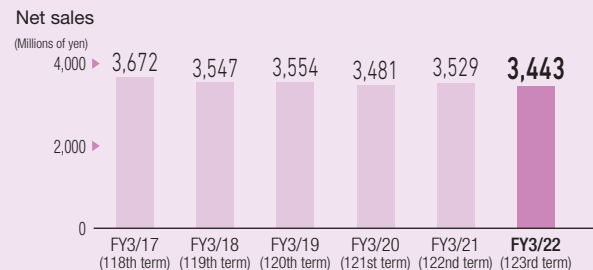
- Effectively utilizing properties remains the priority of the Real Estate Business.
- The Engineering Business is focusing on sales activities at plants in Japan.

Initiatives for achieving the Medium-Term Management Plan targets

- We plan to increase profitability in the Real Estate Business by utilizing properties in the most effective manner possible.
- Extending operations to new market sectors and providing technical support services are the priorities of the Engineering Business to target new demand.

Grating Business

	123rd term (actual)	YoY
Net sales	3,443 million yen	-2.4%
Operating profit	109 million yen	-37.5%



Performance in the year ended March 31, 2022

- As the volume of public-works and private-sector construction projects declined in Japan, we focused on creating new sales channels for capturing orders in categories other than the core highway sector. However, sales were lower than in the previous fiscal year as the sales volume decreased.
- There were measures to increase prices to reflect the much higher cost of raw materials in order to maintain the profitability of this business.

Outlook for the year ending March 31, 2023

- We expect a downturn in public-works projects but growth in the private sector due mainly to more construction starts for stores and warehouses. We plan to target demand in the private sector and continue working on establishing new sales channels in market sectors other than highway projects.
- In response to concerns about significant increases in the cost of raw materials, we plan to quickly revise prices of grating products as needed and improve efficiency in order to maintain the profitability of this business.

Initiatives for achieving the Medium-Term Management Plan targets

- Strengthen relationships with trading companies and take actions aimed at increasing sales in markets other than the core highway sector.
- Continue to improve efficiency and maintain consistent profitability.

Topics Start sales of newly designed models in the YODO Monooki Storage Shed Esumo series of compact storage sheds.

People in Japan are increasingly placing compact storage sheds near entrances to homes, garages and other places where these sheds are visible to others due to changes in life styles. Furthermore, people are often using these sheds to store equipment used for gardening, outdoor activities and other hobbies. As a result, buyers of these sheds are placing more importance on attractive designs. The new models have a three-section sliding panel configuration, the major feature of the Esumo series, along with an attractive design and ease of use.

The new design for storage sheds is a shift from the previous rounded edges to sharper edges for a more attractive look. Customers can select one of five door colors. Overall, the number of design variations has increased from 72 to 90, which makes these sheds even easier to use in a variety of applications and locations. Sales of this model began after starting production at subsidiary Fukui Yodoko, where there have been large capital expenditures since 2020. Activities for meeting a broad range of customers' needs are continuing.



SYSCO Taiwan

Trade name	: Sheng Yu Steel Co., Ltd.	Location	: Kaohsiung, Taiwan R.O.C
Established	: May 19, 1973	Chairman of the Board	: Soichi Kitamura
Paid-in capital	: NT\$ 3,211.8 million	President	: Colin Hsu
Business activities	: Steel sheet manufacturing and sales	Number of employees	: 498
Main facilities	: 1 pickling line 2 cold rolling lines 2 galvanizing lines 2 color coating lines		



Performance in the year ended March 31, 2022

- In Taiwan, the pandemic severely impacted the service sector. Exports were strong due to the worldwide growth of demand for electronic components and ICT products and equipment. The economy was also supported by an increase in investments in the semiconductor and other industries. As a result, the Taiwan economy expanded 6.45% in 2021.
- Earnings of operations in Taiwan were steady as prices were revised to reflect the higher cost of steel products and sales of pre-painted steel sheets were strong.
- The volume of SYSCO's exports increased mainly because of higher sales to Canada and Southeast Asia as the market for steel products recovered.

Outlook for the year ending March 31, 2023

- For operations in Taiwan, the goal is to increase sales by strengthening joint activities with downstream companies in the building materials sector.
- For exports, SYSCO plans to raise the sales volume by increasing sales in North America and adding new customers as the negative effects of trade protectionism worldwide continue.
- SYSCO is using many activities for increasing earnings. The company is optimizing its organization to build a base for future business operations, improving efficiency and taking other steps to rebuild the framework for its operations. Growth will also be backed by developing new products and creating ideas for new applications for SYSCO products.

YSS China

Trade name	: Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd.	Location	: Anhui, China
Established	: October 28, 2011	Chairman of the Board and President	: Eichi Tanaka
Paid-in capital	: USD 220 million	President	: Atsushi Nakatani
Business activities	: Steel sheet manufacturing and sales	Number of employees	: 253
Main facilities	: 1 galvanizing line 2 color coating lines		



Performance in the year ended March 31, 2022

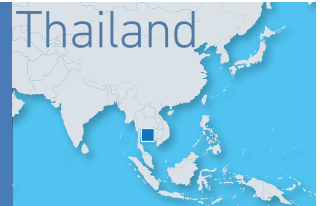
- The sales volume of products for building materials (for construction projects and manufacturers) and for Japanese home appliance manufacturers increased as sales activities were strengthened. In addition, there were extensive sales activities for pre-painted steel sheets, a product with substantial added value. As a result, YSS achieved a fiscal year profit.
- A focus on sales of fluororesin pre-painted steel sheets, which have substantial added value, used for building materials contributed to making YSS profitable.
- In the home appliance sector, there were many activities at YSS for increasing sales of steel to Japanese home appliance manufacturers of AC outdoor units.

Outlook for the year ending March 31, 2023

- The goal is to be profitable again in the next fiscal year despite the rising cost of raw materials and uncertainty regarding the impact of the pandemic. The main initiative for accomplishing this goal is reinforcing sales capabilities for capturing orders involving large construction projects.
- YSS plans to increase sales by raising the volume of sales to current customers with activities such as more sales of new value-added products and joint operations with Yodoko Building Materials (Hangzhou) Co., Ltd. (YBMH) to differentiate YSS from competitors.

PPT Thailand

Trade name	: PCM Processing (Thailand) Ltd.	Location	: Amata City Chonburi Industrial Estate
Established	: April 1999	Representative	: Kosuke Takeoka
Paid-in capital	: THB 1,377.259 million	Number of employees	: 115
Business activities	: Pre-painted steel manufacturing, steel sheet processing and sales		
Main facilities	: 1 color coating line 2 large leveler lines 1 sheet slitter		



Performance in the year ended March 31, 2022

- The procurement of raw materials was difficult during the fiscal year because the price of raw materials increased as rising demand for steel in China reduced imports of inexpensive Chinese steel materials. To maintain profitability, PPT responded by quickly switching to different procurement activities, such as the import of materials from countries other than China.
- Revisions of prices of products to reflect the rising cost of raw materials and priority on retaining significant market shares for pre-painted steel sheets for AC outdoor units and refrigerators made by Japanese home appliance manufacturers resulted in a fiscal year profit.

Outlook for the year ending March 31, 2023

- The level of imports of steel materials from China has an enormous impact on sales volumes and prices of pre-painted steel sheets used for making home appliances. PPT plans to reduce expenses by using new suppliers and other measures to increase the flexibility of procurement activities.
- Major goals of PPT are capturing a significant share of the market for materials used in AC outdoor units, a new application for PPT, and expanding sales channels in the ASEAN region and other areas.

Topics SYSCO Taiwan had a booth at the Photovoltaic Expo (PV Taiwan)

Utilization of solar panels in Taiwan is increasing in many types of locations to protect the environment, support sustainable growth and help create a carbon-free society. Many of these locations, such as places on the coast and fish farming facilities, require highly durable solar panel frames. As part of measures to promote its highly durable AZ300 steel panels, which have an extra thick coating, SYSCO participated in the Photovoltaic Expo (PV Taiwan) that was held in Taipei. The SYSCO booth attracted visitors from solar energy companies, design firms and many other sectors of the photovoltaic power industry who learned about the company's products. SYSCO plans to start many activities for helping achieve a carbon-free society.



Dedicated to coexisting with all of our stakeholders, we are constantly strengthening ESG activities.

By creating value through the Yodogawa Steel Group's core goals of safety, security, environment, and beauty, we are dedicated to accomplishing the Long-Term Vision of coexisting with all of our stakeholders and contributing to achieving a sustainable society.



Environment

Basic Environmental Principles

Contribute to the preservation of the environment. Conduct business with respect for the natural environment.

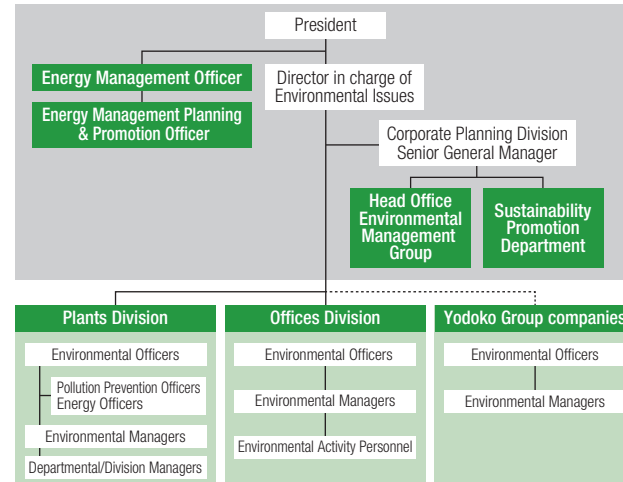
Basic Environmental Guidelines

- 1. Instill awareness of environmental preservation**
Provide our employees and partner company employees with environmental education to increase awareness of environmental preservation and instill an action-oriented mindset.
- 2. Ensure consideration for the environment in our business activities**
 - 1) In all of our business activities, we minimize the environmental impact while preventing pollution, conserving resources, reducing energy use, streamlining logistics, and reducing and recycling waste. (Preventing pollution: compliance with environmental laws and standards)
 - 2) Minimize the environmental impact of waste materials when developing products by improving durability, reusing materials, and utilizing materials that are easy to recycle.
- 3. Establish internal organizations**
In order to pursue these objectives, strengthen environmental management organizations at the head office and all business sites, while also implementing environmental preservation activities.

Environmental Management System

Under our Basic Environmental Principles, we are advancing initiatives to reduce our environmental impact. We created the Yodoko Environmental Management System to address regulations and requirements for protecting the environment while increasing the speed and breadth of these activities. We established an Environment Committee with the President as chairperson. Other members are the director in charge of environmental issues and the environmental officers of every division. This committee handles overall decisions on fundamental matters concerning the environment. Additionally, the committee regularly holds Yodogawa Steel Group communication meetings to ensure widespread awareness of environmental issues and initiatives.

Yodoko Environmental Management System



ISO 14001 Certified Business Sites

Our three steel sheet plants in Japan and the plants of three consolidated subsidiaries overseas have environmental preservation activities to minimize the environmental impact of their operations. All of these plants have received ISO 14001 certification as part of efforts to manage and improve these activities.

Business site	Date certified	Examining/ certifying agency
Ichikawa Plant	June 2000	JICQA
Osaka Plant	December 2000	
Kure Plant	December 2000	
Sheng Yu Steel Co., Ltd. (Taiwan)	December 1997	DNV-GL
Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd. (China)	December 2015	SGS
PCM Processing (Thailand) Ltd.	November 2013	UKAS

Purpose and objectives of environmental activities

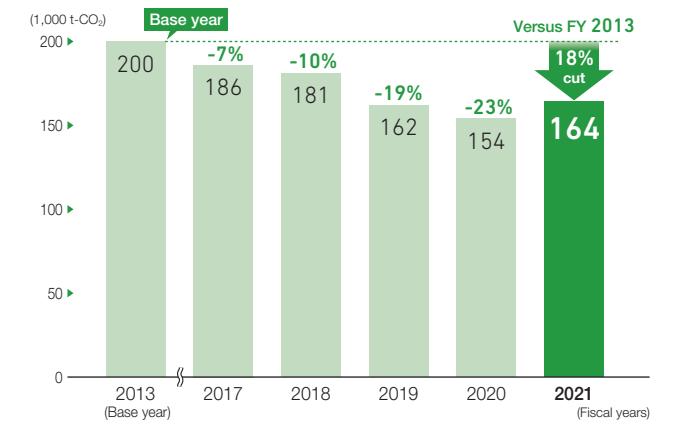
Combat global warming	Reduce CO ₂ from manufacturing Reduce CO ₂ from transport activities Reduce CO ₂ from offices
Create a recycling-oriented society	Reduce the use of resources
Reduce environmentally harmful substances	Reduce VOC emissions Reduce usage of toxic chemicals Environmentally conscious product and technology development
Consideration for the environment	Contribute to communities Rigorous risk management

Combat Global Warming

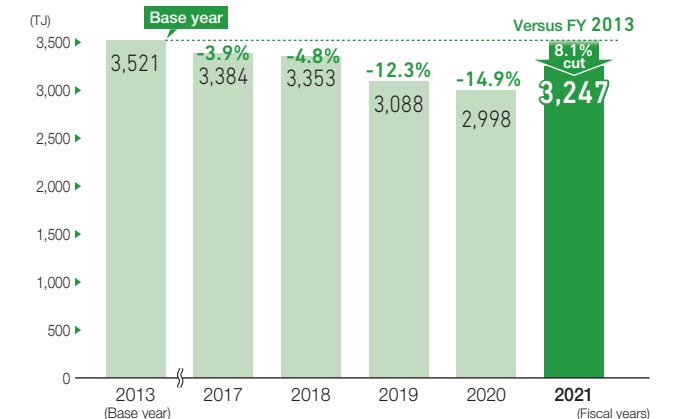
Yodogawa Steel is a participant in the Carbon Neutrality Action Plan of the Japan Iron and Steel Federation. For manufacturers, activities include updates of equipment for raising efficiency and improving business operations and using LEDs for peripheral equipment. For logistics, our activities include shifting to rail and

marine transport and raising the capacity utilization ratio on trucks and other modes of transportation. We are also encouraging all offices to moderate room temperatures (28°C in summer and 20°C in winter) and to use the "Cool Biz" (avoiding business suits in summer) and other energy-saving programs. In the fiscal year ended March 2022 (FY2021), we cut CO₂ emissions by 18% and energy consumption by 8.1% (both vs. FY2013).

CO₂ emissions Consolidated (Japan)

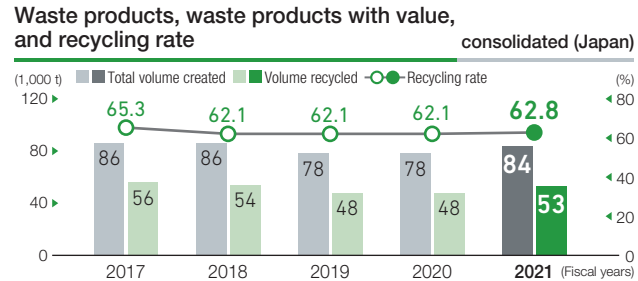


Energy consumption Consolidated (Japan)



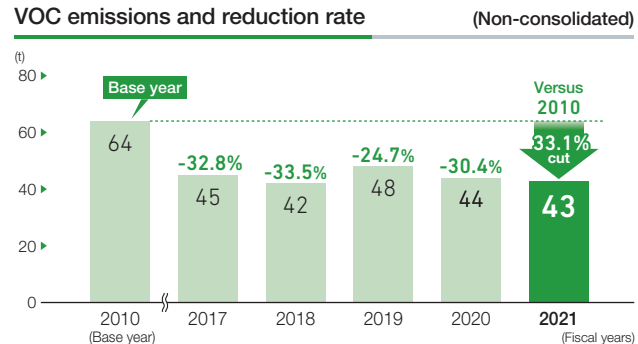
Create an Environmentally Recycling-oriented Society

The Yodogawa Steel Group in Japan is reusing as resources the waste products created during production activities. Sludge is recycled as a raw material for cement or utilized for its metal content and used oil is recycled or used for supplemental fuel. Slag is used for roadbed base layers. In FY2021, our total volume of waste materials was 84,000 tons. The recycling rate was 62.8%.



Reduce Environmentally Harmful Substances

Yodogawa Steel participates in the Voluntary Action Program of the Japan Iron and Steel Federation. We have adopted the program's goal of not allowing emissions to exceed FY2010 levels and we are lowering our VOC emissions. To date, we have taken steps including upgrading the deodorizing apparatus on our pre-painted steel sheet production lines and lowering FY2021 VOC emissions to 33.1% below the FY2010 level.



Economical Utilization of Clean Energy

On the roofs and grounds of our Osaka, Izumiotsu, and Himeji Plants, and at group companies, we have installed photovoltaic power generation systems that produced approximately 6,243 MWh of electricity in FY2021.

This photovoltaic power generation is expected to reduce annual CO₂ emissions by about 3,465 tons.



Solar panels in SYSCO Taiwan

Environmental Accounting

We keep track of environmental preservation expenses as an indicator that helps us efficiently carry out environmental preservation initiative. We are committed to reducing our environmental impact so that we do not harm the environment through our business activities.

Our environmental investments in FY2021 were 23 million yen, which included the installation of LED lights.

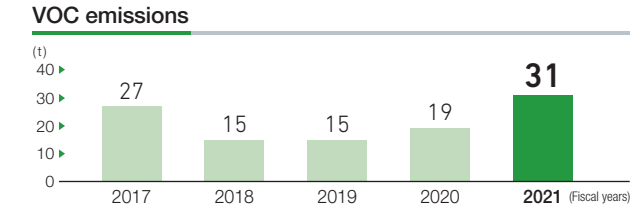
Total environmental expenses in FY2021 were 623 million yen, consisting of 16% for air pollution prevention, 26% for water contamination prevention, and 35% for processing industrial waste. These expenses were mainly for preventing pollution and recycling resources.

Note: FY2021 numerical environmental data on pages 26 and 27 are preliminary figures.

Topics SYSCO's Environmental Activities

Reduce Environmentally Harmful Substances

In 2016 and 2017, SYSCO replaced production line equipment with machinery that holds down VOC emissions. In FY2019, there were more activities to lower these emissions, including the partial modification of production lines.

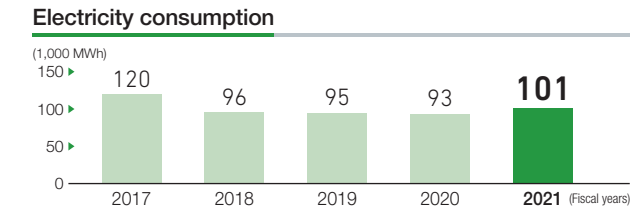


*In 2021, VOC emissions increased mainly because of an increase in production volume.

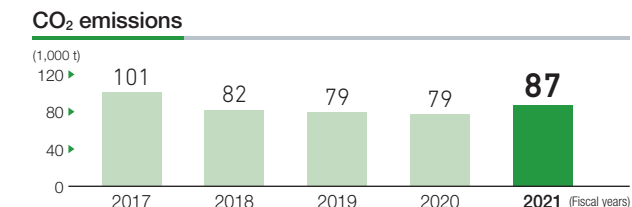
Combat global warming

To combat global warming, we are increasing efficiency by upgrading equipment, switching to LED lights and taking other actions for lowering energy consumption and CO₂ emissions.

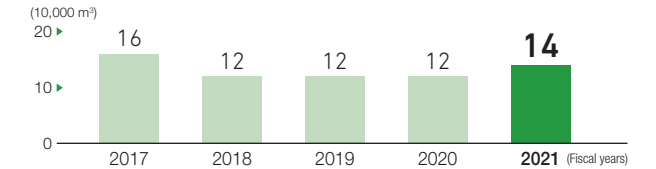
- 1) Installed motors with lower energy consumption on some production lines.
- 2) Reduced electricity consumption by increasing the use of inverters and replacing conventional lights with energy-efficient fixtures.



- 3) Started installing heat recovery steam generators on some production lines in 2020



Natural gas consumption



*In 2021, CO₂ emissions increased because of higher electricity and natural gas consumption caused mainly by an increase in production volume.

Development of Environmentally Conscious Products

Development of heat insulating steel sheets

We guarantee total solar reflectance (TSR) of 25% or greater. This is expected to yield benefits such as lowering indoor temperatures and reducing electricity used for air conditioning. We produced 23,544 tons of these sheets during 2021 (11,842 tons in 2020).

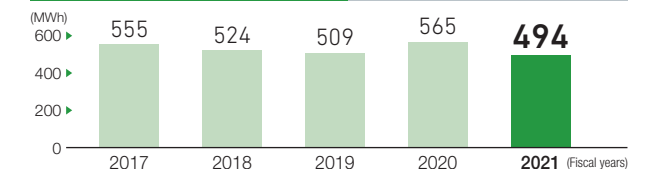
Development of GL steel sheets for solar panel mounts

By using GL steel sheets with high corrosion resistance and a higher level of galvanization, we have contributed to increasing the number of years that photovoltaic power generation systems can remain in use. We produced 4,375 tons of these sheets during 2021 (672 tons in 2020).

Others

Based on the Japanese government's green energy policies, we installed solar power systems on the roofs of our plants in September 2015. As of December 2021, these systems have generated a cumulative 3,346 MWh of power.

Photovoltaic power generation



Our Products Help Solve Social Issues

Chromate-free Products Reduce the Use of Environmentally Harmful Substances

Major related SDGs



Safety Security Environment

For our steel sheet products, we have been a pioneer in the development of chromate-free plates. These plates do not contain hexavalent chromium, which is an environmentally harmful substance, and therefore help us minimize the environmental impact of our products.

In 2005, we completely removed chromate from products for customers in the electrical appliance industry. In 2007, we became the first in our industry to start supplying chromate-free treated steel sheets for roofing and siding (brand name Eco Green) that can withstand severe weather.

YODO Hyper GL Color chromate-free pre-painted steel sheet for building exteriors, which launched in January 2017, was developed based on the concept of long-term use that is friendly to people and the environment. The product's overall durability was improved by reevaluating the pre-painting process, coating, and other items. Its 25-year warranty against pitting has been very well received by customers. Going one more step, we added a new YODO Hyper GL Color product in January 2020 and started offering the 25-year warranty against pitting (must be at least 500 meters from a seashore) on all pre-painted steel sheets for exterior use.

As the pioneer of chromate-free treated steel sheets, we will continue to meet the demands of society and develop innovative products that can make an even greater contribution to reducing the environmental impact of these sheets.



Contributing to Global Warming Prevention through Insulation Solutions

Major related SDGs



Safety Security Environment Beauty

YODO fire-proof panel Grand Wall Hyper and YODO sandwich panel Fine Panel Hyper, which are our core exterior wall products, increase heating and cooling efficiency with their superior insulation properties. Additionally, these products use a special steel sheet, based on YODO Hyper GL Color chromate-free pre-painted steel sheet for outstanding thermal insulation and resistance to soiling and staining. This results in a further reduction in this product's environmental impact. YODO fire-proof panel Grand Wall Hyper has received fireproof certification as a stand-alone exterior building material. This panel also has superior resistance to wind pressure and earthquakes as well as sound insulating qualities.

In recent years, with the growing awareness of environmental problems, customers are placing more emphasis on environmental performance when selecting products. The superior energy-saving features of our highly functional metal siding help fight global warming by reducing CO₂ emissions.



A building with YODO fire-proof panel Grand Wall (Office building of Kochi Broadcasting Co., Ltd.)

Use of Yodogawa Steel Products for Disaster Preparedness and Mitigation

Major related SDGs



Safety Security Environment

Awareness of disaster preparedness in Japan has been increasing because of a large number of earthquakes, typhoons and other natural disasters. YODO Monooki Storage Shed is an ideal way to be prepared. The YODO Kura Storage Shed MD with thermal insulation and outstanding durability is ideal for the long-term storage of food, water and other emergency supplies. For convenience, we have created a storage shed lock that opens automatically without using a key during an earthquake with an intensity of at least about 6. Many options are available as well, such as partitions for using sheds for changing clothes, a toilet, a solar panel, a rainwater collection tank or other purposes. In all areas of Japan, local government agencies, schools, condominium associations and other organizations are using our storage sheds as part of their measures to be prepared for disasters. We will continue to develop products and create new applications in order to contribute to safety, security, the environment, and beauty.



A YODO Monooki Storage Shed Erumo with a lock that automatically opens after a strong earthquake



Mechanical earthquake detector

Innovative Exterior Products for Healthcare Facilities

Major related SDGs



Safety Security Environment

During the pandemic, there is an urgent need for performing PCR and other COVID-19 tests at locations that are separate from other sections of a clinic or other healthcare facility. Separation allows performing many tests while preventing the spread of infections.

In response to many requests for the use of our exterior products as COVID-19 testing rooms, we developed and started to sell a version for medical tests by adding a partition to the YODO Kura Storage Shed MD. This model is used as a smoking space and for many other purposes. Adding a partition facilitates testing with no direct contact between patients and healthcare personnel. There is also an option with an opening for the use of gloves when performing tests.

We are continuing to add applications for our storage sheds to create a safe and secure environment for testing and other procedures.



A partition with an opening for the use of gloves to perform tests



A YODO Kura Storage Shed MD configured for performing medical tests (donated to a hospital in Taiwan)

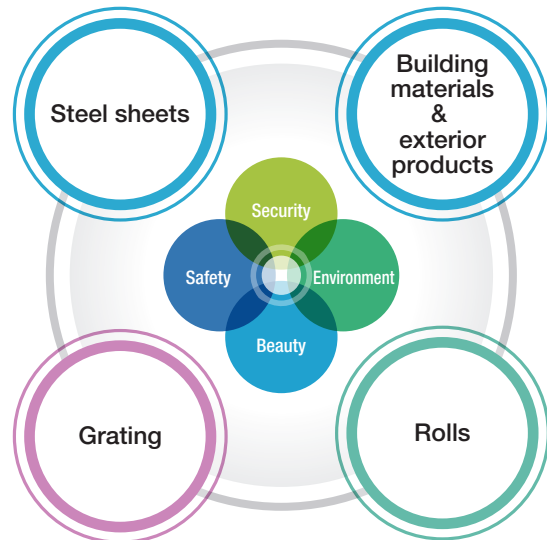
Social

Product Development Initiatives

R&D Philosophy

In accordance with our basic philosophy of “Create value with new originality,” our research and development activities constantly take into account whether projects do in fact have originality and generate new value. This ensures that safety, security, the environment, and beauty are always priorities when creating new products.

Creating value through business activities



Steel Sheet and Building Materials & Exterior Products Segments

We pursue a basic policy of emphasizing the customer’s ideas, developing differentiated products, ensuring safety and security, making products environmentally friendly and durable, and streamlining construction processes.

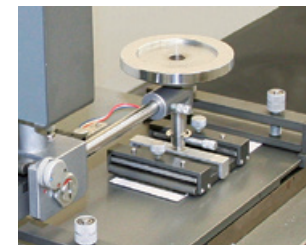
We manufacture two major categories of steel sheet products. The first category is steel sheets with specifications that meet the requirements of manufacturers of electric appliances and building materials. The second category is steel sheets that we sell through intermediaries for general-purpose building materials. Sheets in the first category precisely match every customer’s requirements and are produced by our technology development divisions at the Kure, Ichikawa, and Osaka Plants. Sheets in the second category are made in collaboration with each plant’s technology development division after research by the Head Office development division determines market needs. Our Head Office development division also handles the development of exterior products, building materials, and other processed products. By combining our steel sheet, exterior, and building material development divisions, we can organically link the technology and expertise of these divisions beginning from the product planning stage. This allows us to develop steel sheets with the ideal properties for processed products and develop processed products that fully utilize the properties of steel sheets. This development framework underpins our core strength, which is integrated production extending from steel sheets to finished products in order to ensure consistently high quality that allows people to use our products with confidence.

Steel Sheets

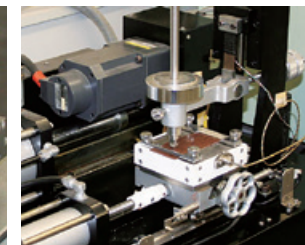
We believe that the mission of every company is to develop technologies and products that reflect changes in its markets and society. This is why we are constantly taking on new R&D themes and challenges. In the Steel Sheet Segment, R&D activities extend from surface-processing technologies to colors, shapes, safety and other characteristics of these sheets. To keep up with changing needs, we will continue to fabricate steel sheets while looking ahead to the next step of progress involving innovation, durability, functions and other properties.



Product Development Center (Osaka Plant)



A surface measurement instrument



Coefficient of friction testing unit

Building Materials and Exterior Products

We verify the performance of our building materials by using one of the most advanced testing facilities for this purpose in Japan. New products undergo tests before their release and we continue to verify safety and other properties of existing products too.

Main test equipment

- Fire resistance testing units (vertical and horizontal furnaces)
- Water seal and wind pressure resistance testing unit
- Rain and wind testing unit
- Hydraulic cylinder load testing unit
- Load testing units
- Door opening-closing testing unit
- Shutter opening-closing testing unit



Fire resistance testing unit (horizontal furnace)



Water seal and wind pressure resistance testing unit



Door opening-closing testing unit

Product Development Initiatives

Roll and Grating Businesses

Roll Business

The development division at the Osaka Plant develops rolls for section steel by having engineers and sales staff work together to meet customer demands and provide follow up support. We are developing systems for paper manufacturing rolls customized for Japanese clients through our business alliance with ANDRITZ Küsters GmbH, a global industrial machinery and process company based in Germany.



Test calendar machine for paper making (gloss finish)

Grating Business

The development division located in Izumiotsu Plant has created a database from diverse information on customer needs and many types of information from sales personnel. This division develops innovative products that are safe, durable, and aesthetically pleasing. We recently developed a type of grating that includes an insect growth inhibitor to function as an anti-pest barrier for gutters, ditches, and other locations.



Load testing

Overseas Subsidiaries

SYSCO's technology development division performs R&D for surface-treated steel sheets in order to quickly and precisely respond to diversifying customer demands and market needs. The technology development division's prototyping laboratory is the hub of this R&D and has acquired certification from the Taiwan Accreditation Foundation (an official certification agency), which ensures the quality and reliability of R&D programs. When evaluating the corrosion resistance, surface discoloration, and other properties of surface-treated steel sheets at the prototyping laboratory, we are developing products quickly by utilizing data from outdoor-exposure tests (to check weather resistance under realistic conditions) along with test data from various accelerated weathering testers.

A recent project is the development of highly durable Eco Green products (chromate-free Al-Zn alloy-coated pre-painted steel sheets for building materials) in order to withstand Taiwan's high heat and humidity as well as the extreme environments in export destinations.

We will further upgrade functionality, including improving scratch resistance and adding the self-cleaning features of PVDF pre-painted steel sheets (fluororesin pre-painted steel sheets), as we develop products that meet customer demands and market needs.



Condensation circulation-type carbon arc weathering tester



QUV weathering tester



Cyclic corrosion tester (CCT)



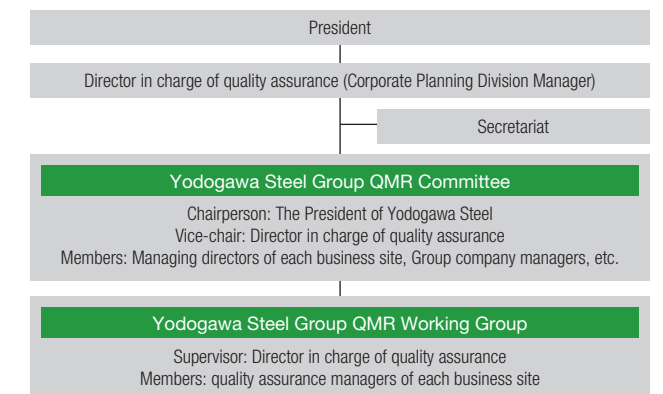
Exposure testing area, southern Taiwan (Kenting, Pingtung County)

Basic Policy for Quality Assurance

Based on the Yodogawa Steel Group Corporate Philosophy, and in order to meet customers' expectations and trust, we have established a quality management system in every business division. We operate these systems effectively and are constantly evaluating performance to seek ways to make improvements. Our highest priority is adhering to rules, such as laws, contracts with customers, and standards, while strengthening systems for preventing and identifying defects and inadequacies. Additionally, we have established a QMR* Committee and QMR Working Group tasked with strengthening the overall quality assurance framework of the Yodogawa Steel Group. Members of these cross-divisional organizations are the quality assurance managers of every division and group company. Duties involve ensuring compliance with Guidelines for Strengthening Quality Assurance Systems (stipulated by industry bodies), sharing and distributing quality-related information and examples of initiatives to address quality issues, and carrying out reciprocal quality audits among business sites.

*QMR: Quality Management Reinforcing

Yodogawa Steel Group Quality Assurance Framework



Human Resources Development for Sustainable Growth

Human Resources Development

Basic Policy

By training and educating our people, we are realizing part of our Corporate Philosophy, namely, to “take up the challenge to innovate and expand based on the individual creativity of every employee.”

Training Programs

We provide support for the career goals of our employees while upgrading their skills and motivation through on-the-job training, which is centered on daily tasks, and off-the-job training, which utilizes internal and external resources. Furthermore, we use online, e-learning, and other training programs to encourage employees to maintain a constant awareness of issues, think by themselves, and take actions necessary to deliver products that meet the evolving needs of customers. Overall, our employee training programs are structured to give people skills for contributing to progress involving society and the quality of life.

Main training programs

New employee training	Fundamental skills training for new college-graduate employees
	On-the-Job Training (OJT)
Rank-based training (including online training)	Young employee training
	Core employee training
	New manager training (early management phase)
Other training programs	Power harassment prevention training (e-learning)
	Online language training (English, Chinese)



New employee training



New manager training

Business Improvement Activities (JK Activities)

(J: “jishu” meaning “voluntary”, K: “kanri” meaning “management”)

Voluntary management activities in small groups that we call JK Activities are used to make improvements concerning quality, cost cutting, productivity, safety, the environment and other themes. Every year, we hold a JK Conference in Osaka that brings together people from group companies worldwide. In the fiscal year ended March 31, 2022, this conference was held online for safety during the pandemic. Twelve participants were chosen to represent group companies in Japan and other countries. Each participant gave a presentation about small group activities. This event contributes to the growth and self-realization of all employees even in business climates unlike those in prior years. Conferences provide an opportunity to study examples of initiatives that improve business processes and enable participants to stimulate each other to do their best.



Yodogawa Steel Group JK Conference

Diversity

Our success will require recruiting and retaining people who can build an organization capable of adapting to rapid changes in society and our markets. We will continue to hire people regardless of gender, nationality and disabilities.

Beginning in the fiscal year that ended on March 31, 2022, we are using voluntary targets that can be measured concerning the diversity of our workforce. We plan to continue increasing the percentage of female career-path new-graduate recruits and set targets for the percentages of female managers and new female employees who have prior work experience. To accomplish these objectives, we are increasing the number of mid-career hires, including female career-track employees. We are also focusing on securing human resources who can be promoted to higher-level positions at an early stage.

From the standpoint of utilizing the skills of our people, we will strengthen activities for maintaining a diverse workforce and for further increasing diversity, such as by holding training programs for enabling women to realize their potential. We are dedicated to maintaining workplace and training environments where all employees at the Yodogawa Steel Group can fully utilize their capabilities.

Social Contribution Activities

Donations to Charities Using Shareholder Benefits

Donations by shareholders of record on March 31, 2021 who selected a charitable donation from among the items in the shareholder benefits catalog were as follows. We are very grateful to these shareholders for their generosity.

The following donations were made in November 2021 in the name of the Yodogawa Steel Works, Ltd. (Shareholder Donation Account).

Total donations: 171 shareholders 829,000 yen

UNICEF: 43 shareholders 208,000 yen
 The Japanese Red Cross Society: 48 shareholders 256,000 yen
 Ashinaga Foundation: 80 shareholders 365,000 yen

Transfer to donations from shareholders who did not apply for shareholder benefits: 740 shareholders 3,644,000 yen

*Donations for UNICEF, the Japanese Red Cross Society and Ashinaga Foundation

Opening the Yodoko Guest House to the Public

The Yodoko Guest House was designed by Frank Lloyd Wright, lauded as one of the preeminent architects of the 20th century, and built as a vacation villa for the eighth-generation sake brewer Yamamura Tazaemon of Nada, Kobe. We have owned it since 1947. This villa is designated a National Important Cultural Property by the Japanese government and, since 1989, we have opened it to the public as part of our social contribution activities.



Yodoko Guest House (former residence of the Yamamura Family)



Dolls are displayed at the guest house to celebrate Hinamatsuri (Girls' Day) in March

Social Contribution Activities at Overseas Subsidiaries

SYSCO Taiwan

- Roadside flowers planted by employee volunteers**
 As part of highway beautification programs, we started voluntarily establishing, in 1998, roadside flower beds along a national highway near a business site. We are participating in urban beautification projects as one way to enhance the reputation of Yodogawa Steel.
- Support for community arts and culture**
 In order to support education and the quality of life of communities as a company deeply connected to areas where we operate, we have been making donations to the Kaohsiung Municipal Social Education Center in Taiwan since 2011. These donations are one part of our activities to support community art and cultural programs.

SYSCO Taiwan and PPT Thailand

- Donations to neighborhood schools**
 At SYSCO, one of our social contribution activities was the donation of safety gear to schools in the Siaogang district in 2017 for use by children and supervising adults to ensure their safety. In Thailand, PPT is participating in a scholarship project to support education at elementary schools to contribute to communities.



Children in the Taiwan city of Kaohsiung use safety gear donated by SYSCO

Governance

Basic Philosophy

In order to achieve sustainable growth and increase corporate value over mid- to long-term, we have a variety of initiatives that reflect the standpoints of all stakeholders (shareholders, customers, business partners, employees, and communities) while positioning transparency, fairness, and prompt and courageous decision-making as the objectives of our corporate governance.

Corporate Governance Structure

We emphasize nimble management suited to the scale of our company and use the Audit & Supervisory Board governance structure. Furthermore, we use the Executive Officer system in order to maintain a proper degree of distance between Directors' oversight/decision-making and business execution. This system also maintains unity, from the standpoint of sharing information, concerning management decisions and business operations. In order to maintain a Board of Directors with a dynamic structure and one that is optimal with regard to clarifying management

responsibilities and responding to changes in the business environment, Directors are elected for one-year terms and the Yodogawa Steel Articles of Incorporation limit the number of Directors to no more than seven. By electing Directors with differing backgrounds and knowledge, we aim to ensure an appropriate size and diverse composition of the Board of Directors while facilitating more energetic, constructive, and engaging discussions during meetings. Additionally, in order to strengthen the transparency of oversight and decision-making processes, we appoint Independent Outside Directors who meet the Tokyo Stock Exchange's criteria for independence. As of June 30, 2022, there were seven Directors including three Independent Outside Directors.

For the Audit & Supervisory Board, the Companies Act and the Yodogawa Steel Articles of Incorporation stipulate that we have no more than four Audit & Supervisory Board Members, with at least half being Independent Outside Audit & Supervisory Board Members.

History of corporate governance reforms

June 2003	Yodogawa Steel started one-year terms for Directors in order to build a dynamic structure for the Board of Directors and one that is optimal for clarifying management responsibilities and responding to changes in the business environment.
June 2004	Yodogawa Steel adopted the Executive Officer system, reducing the number of Board of Directors members from no more than 18 to no more than seven. The purposes are to have a measure of distance between Directors' oversight/decision-making functions and business execution functions, to increase the strength and efficiency of the oversight functions of the Board of Directors, and to increase the speed of business operations. After terminating the Directors' retirement benefits program, Yodogawa Steel established a stock option (stock-based remuneration) program for Directors and Executive Officers. This program raises the commitment and motivation of Directors and Executive Officers to increase sales and earnings as well as the stock price.
June 2006	One Outside Director was elected in order to facilitate energetic, constructive, and engaging discussions during Board meetings while also strengthening the transparency of oversight and decision-making processes.
June 2015	The number of Independent Outside Directors increased to two in order to facilitate more energetic, constructive, and engaging discussions during Board meetings while also strengthening the transparency of oversight and decision-making processes.
December 2015	Following the adoption of a corporate governance code in Japan, the Yodogawa Steel Corporate Governance Guidelines were established as the highest set of regulations after the laws and regulations of Japan and the Yodogawa Steel Articles of Incorporation.
June 2018	In order to further strengthen governance, a third Outside Director was added to the Board of Directors, resulting in seven Directors, three of whom are Independent Outside Directors.
June 2019	A female Outside Audit & Supervisory Board Member was elected in order to facilitate more energetic discussions from diverse perspectives at Board of Directors meetings.
December 2021	The Nomination & Remuneration Committee was established for the purposes of increasing the fairness, transparency and objectivity of procedures for director nominations and remuneration and further upgrading corporate governance.

Directors and Audit & Supervisory Board Members (as of June 21, 2022)

Directors



Satoshi Nitta
President and Representative Director



Toshio Kumamoto
Director, Managing Executive Officer



Tadashi Hattori
Director, Managing Executive Officer



Eiichi Tanaka
Director, Managing Executive Officer



Mitsuaki Yuasa
Director (Independent Outside Director)



Sadato Kobayashi
Director (Independent Outside Director)



Katsuyuki Kuse
Director (Independent Outside Director)

Audit & Supervisory Board Members



Shiro Morioka
Audit & Supervisory Board Member (full-time)



Nobusuke Kuzuo
Audit & Supervisory Board Member (full-time)



Miho Ishihara
Audit & Supervisory Board Member (Independent Outside Audit & Supervisory Board Member)



Ritsuko Watanabe
Audit & Supervisory Board Member (Independent Outside Audit & Supervisory Board Member)

FY2021 (Directors and Audit & Supervisory Board members as of June 21, 2022)

Attendance by Outside Directors and Outside Audit & Supervisory Board Members

Name	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings
Mitsuaki Yuasa	16 of 16 meetings	—
Sadato Kobayashi	11 of 11 meetings	—
Katsuyuki Kuse	11 of 11 meetings	—
Miho Ishihara	16 of 16 meetings	15 of 15 meetings
Ritsuko Watanabe	16 of 16 meetings	15 of 15 meetings

Background of Outside Officers / Reason for Election

Mitsuaki Yuasa

Sep. 1973 Registered as Certified Public Accountant
 Jun. 2006 Retired from KPMG AZSA & Co. (currently KPMG AZSA LLC)
 Jul. 2006 Opened Mitsuaki Yuasa CPA Office (current)
 Jun. 2008 Outside Audit & Supervisory Board Member of Yodogawa Steel
 Nov. 2008 Outside Member of the Board of WORLD Co., Ltd.
 Jun. 2009 Outside Audit & Supervisory Board Member of Sojitz Corporation
 Jun. 2016 End of term as Outside Audit & Supervisory Board Member of Yodogawa Steel
 Jun. 2018 Outside Director of Yodogawa Steel (current)

Reason for Election

As a certified public accountant, Mr. Yuasa has considerable expertise involving finance and accounting. He has experience as an outside officer of a publicly owned company and can use his knowledge and experience for the management of Yodogawa Steel.

Sadato Kobayashi

Apr. 1974 Joined Mitsubishi Resin Corp. (currently Mitsubishi Chemical Corporation)
 Apr. 2010 Executive Officer and General Manager of Nagahama Plant and Santou Plant of Mitsubishi Resin Corp.
 Apr. 2011 Managing Executive Officer of Mitsubishi Resin Corp. and Managing Executive Officer of Mitsubishi Chemical Holdings Corporation
 Apr. 2015 Representative Director and Executive Vice President of Mitsubishi Chemical Holdings Corporation
 Apr. 2017 Advisor of Mitsubishi Chemical Corporation
 Jun. 2019 Advisor of Japan Excel-Management Consulting Co., Ltd. (current)
 Jun. 2021 Outside Director of Yodogawa Steel (current)

Reason for Election

Mr. Kobayashi has many years of management experience at a publicly owned company, including the supervision of overseas companies, and considerable experience and knowledge concerning manufacturing and manufacturing technology. This expertise can be used for the management of Yodogawa Steel.

Katsuyuki Kuse

Apr. 1991 Registered as attorney, Joined Kansai Law & Patent Office
 Aug. 1993 Joined Kudawara & Kuse Law Offices, Partner
 Jun. 2009 Member of the Intellectual Property Center of the Japan Federation of Bar Associations (current)
 Sep. 2010 Representative of Kudawara & Kuse Law Offices (current)
 Jun. 2013 Instructor of Japan Intellectual Property Association (current)
 Apr. 2019 Osaka Bar Association, Chairperson of the Intellectual Property Committee
 Jun. 2021 Outside Director of Yodogawa Steel (current)

Reason for Election

Mr. Kuse has considerable experience as an attorney and extensive knowledge about corporate law, particularly concerning intellectual property. He can use this expertise to incorporate external perspectives in the management of Yodogawa Steel.

Miho Ishihara

Oct. 1996 Joined Asahi & Co. (currently KPMG AZSA LLC)
 Jan. 2002 Registered as Certified Public Accountant
 Feb. 2006 Joined Protiviti Japan (currently Protiviti LLC)
 Apr. 2009 Joined EY Advisory Co., Ltd. (currently EY Advisory & Consulting Co., Ltd.)
 May 2010 Opened Ishihara Certified Public Accountant Office (currently Ishihara Certified Public Accountant & Certified Public Tax Accountant Office) (current); Joined Hibiki Audit Corporation (current)
 Dec. 2010 Registered as Certified Public Tax Accountant
 Jun. 2019 Outside Audit & Supervisory Board Member of Yodogawa Steel (current)

Reason for Election

Ms. Ishihara is a certified public accountant and tax accountant and has considerable experience as a consultant for internal controls and risk management. She can use this knowledge and experience to further improve the corporate governance of Yodogawa Steel.

Ritsuko Watanabe

Sep. 2007 Registered as attorney; Joined Hommachi Chuo Law Office (current)
 Jun. 2020 Outside Audit & Supervisory Board Member of Yodogawa Steel (current)

Reason for Election

Ms. Watanabe is an attorney with the extensive knowledge and experience for performing audits from an external and independent standpoint.

Analysis and Evaluation of Effectiveness of the Board of Directors

Yodogawa Steel asks all Directors and Audit & Supervisory Board Members to complete questionnaires in order to analyze and evaluate the effectiveness of the Board of Directors. The following is a summary of the evaluation performed in the fiscal year ended March 31, 2022.

1 Questionnaires

Scope	All 6 Directors and all 4 Audit & Supervisory Board Members
Format	All responses with names
Coverage	Board composition, roles of the Board, operation of Board meetings, status of corporate governance and other subjects

2 Analysis and evaluation results

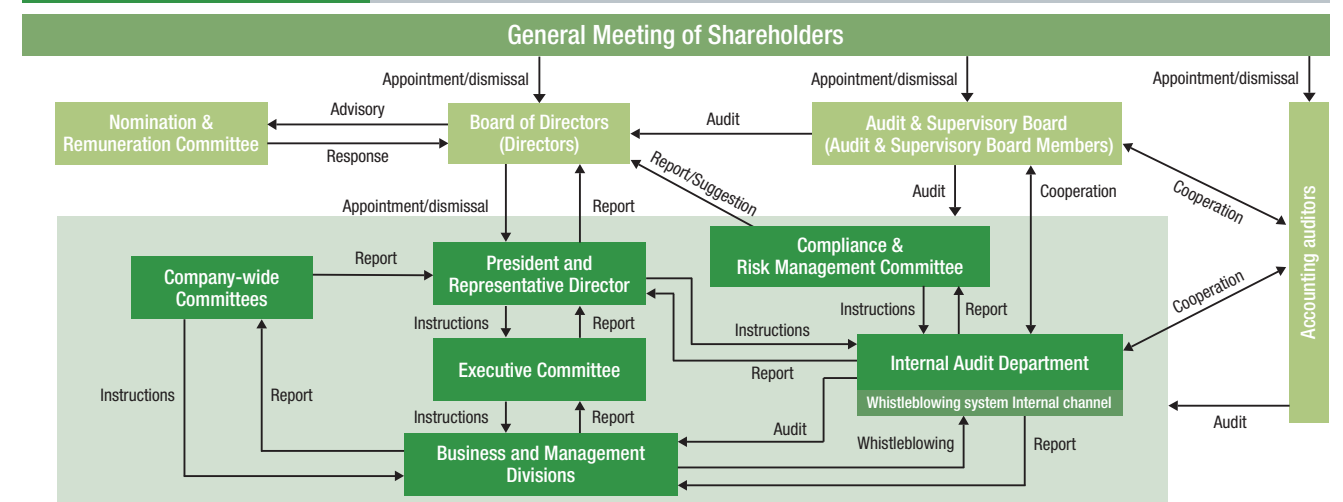
The Board of Directors is generally operating properly with regard to its composition, roles, how meetings are held, corporate governance and other items. Furthermore, the evaluation process concluded that the Nomination & Remuneration Committee, which was voluntarily established in the fiscal year ended March 31, 2022, increased the effectiveness of the Board of Directors. To further increase the board's effectiveness, the following areas for improvement were identified: more thorough discussions of management strategies and business plans based on changes in the business climate, the more effective implementation of risk

management programs, and the effective operation of the Nomination & Remuneration Committee.

3 Actions in response to the evaluation results

The listing of Yodogawa Steel was moved to the Prime Market of the Tokyo Stock Exchange in April 2022. To further increase our corporate value as a global organization that is worthy of a Prime Market listing, we will use the points identified by this evaluation to hold more open discussions by internal and external officers with the goal of further increasing the effectiveness of the Board of Directors.

Diagram of governance structure (as of March 31, 2022)



Market environment

In the fiscal year ended March 31, 2022, there were signs of an economic recovery in Japan centered on consumer spending as more people were vaccinated and countries began to live with the pandemic. However, the economy remained unstable because of the high prices of resources and energy and shortages of semiconductors and other parts and materials.

In Europe and the United States, economics have started to recover, mainly due to consumer spending, because these regions have passed the peak of the pandemic. In China, economic growth is slow primarily because of weakness in the real estate market and lockdowns of major cities due to the country's zero-COVID policy. Currently, the outlook for the global economy is extremely unclear because of the Ukraine crisis and the shift of the United States to monetary tightening.

In the steel industry, the business climate is improving in Japan along with upturns in housing starts and orders for machinery. Market conditions were generally sluggish in the fiscal year's second half because of declining automobile production caused by shortages of semiconductors and other reasons. In overseas steel markets, there was a recovery worldwide during the first half of the fiscal year along with an economic recovery from the downturn caused by the pandemic. Expectations for rising prices of steel products was another reason for the relative strength of overseas steel markets. During the second half, the pace of growth began to slow because of declining economic growth in China, high prices of many products and other reasons.

Results of operations

The Yodogawa Steel Group's net sales in the fiscal year increased

55,691 million yen to 201,655 million yen. Operating profit increased 6,469 million yen to 14,349 million yen, ordinary profit increased 8,125 million yen to 17,916 million yen, and profit attributable to owners of parent increased 3,531 million yen to 9,789 million yen.

Regarding sales the business climate was challenging during the fiscal year because of the rapid increase in all categories of expenses in Japan and other countries. The Yodogawa Steel Group focused on meeting demand that emerged as economies worldwide began recovering from the pandemic downturn and took actions involving selling prices of products that can be reproduced. Sales volumes recovered in Japan and at Taiwan Subsidiary Sheng Yu Steel Co., Ltd. (SYSCO). In China, the sales volume at subsidiary Yodogawa Shengyu (Hegei) High-Tech Steel Co., Ltd. (YSS) increased as the awareness of this brand increased. The result was an increase in consolidated sales. For earnings, operating profit was affected by the continuation of a challenging business climate in Japan as selling price revisions could not keep up with the rising cost of materials and many other items. Despite these difficulties, earnings increased because of the recovery in the volume of sales, an inventory valuation gain and other reasons. Although market conditions were challenging for all overseas subsidiaries, the consolidated operating profit was higher than in the previous fiscal year because of a big improvement in the earnings of SYSCO as prices of steel products increased worldwide and an operating profit at YSS. Ordinary profit increased more than operating profit did mainly due to the recording of foreign exchange gains and increases in dividend income and gain on sale of investment securities in non-operating income. Profit attributable to owners of parent The increase in profit attributable to owners of parent was smaller than the increase in ordinary profit mainly because of an increase in income taxes-current. In addition, the

increase was smaller than the increase in consolidated profit because of the high percentage of non-controlling interests at SYSCO, which was a major reason that the consolidated profit increased.

Outlook

The outlook for the global economy is expected to remain extremely unclear for the time being due to numerous risk factors. Significant sources of risk in 2022 include supply chain disruptions and high prices of resources and energy caused by Russia's invasion of Ukraine, impact of pandemic lockdowns of Shanghai and other cities on the Chinese economy, and the shift of the United States to monetary tightening.

In Japan, the outlook is for a mixture of progress and setbacks involving the pandemic as the risk factors affecting the global economy also have a significant impact on the Japanese economy.

In the steel markets in Japan and other countries, prices of raw materials used for steelmaking and of steel products of all types continue to surge. Furthermore, there is a risk of more increases in the cost of resources and energy along with limited supplies due to sanctions on Russia and other effects of the Ukraine crisis. Due to this situation, the steel market, including the balance between supply and demand, is likely to remain unstable for the time being.

The Yodogawa Steel Group as well is likely to continue to operate in a challenging business climate due to the unpredictability and instability of demand and expenses in all regions. To succeed in this uncertain business climate, all group companies are focusing on speed and agility concerning both sales and production activities to respond to rapidly changing market conditions. To become even more profitable, group companies are also establishing positions in new markets and increasing sales of value-added products.

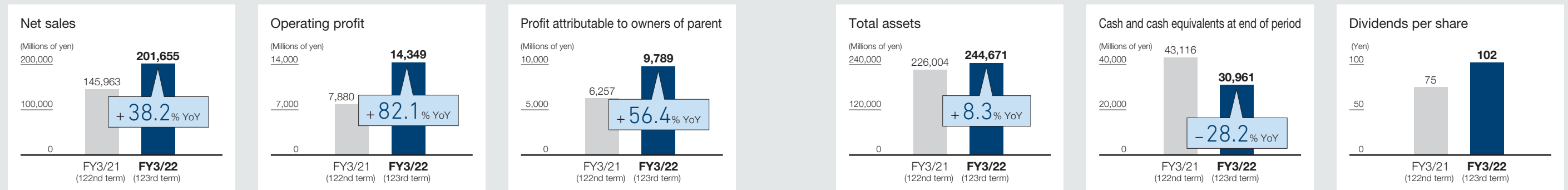
Returns to shareholders

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, 2021 and 2022 and ending on March 31, 2023.

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, 2022 is to be 67 yen per share. With the interim dividend of 35 yen, this will result in a dividend of 102 yen per share for this fiscal year.

There is currently no dividend forecast for the fiscal year ending March 31, 2023. An announcement will be made promptly once it becomes possible to announce a dividend forecast.



Consolidated Balance Sheet

(Millions of yen)

	FY3/21 (as of March 31, 2021)	FY3/22 (as of March 31, 2022)		FY3/21 (as of March 31, 2021)	FY3/22 (as of March 31, 2022)
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	42,035	31,872	Notes and accounts payable-trade	13,744	20,676
Notes and accounts receivable-trade	41,229	—	Electronically recorded obligations-operating	2,247	2,329
Notes and accounts receivable-trade, and contract assets	—	53,671	Short-term borrowings	—	1,320
Electronically recorded monetary claims-operating	3,005	3,412	Lease obligations	40	76
Securities	6,821	2,120	Income taxes payable	2,717	3,590
Merchandise and finished goods	12,672	22,027	Contract liabilities	—	169
Work in process	4,158	6,801	Provision for bonuses	1,365	1,658
Raw materials and supplies	9,258	17,499	Provision for product warranties	336	671
Other	4,783	7,229	Other	7,921	7,064
Allowance for doubtful accounts	(147)	(110)	Total current liabilities	28,373	37,557
Total current assets	123,818	144,523	Non-current liabilities		
Non-current assets			Lease obligations	26	18
Property, plant and equipment			Deferred tax liabilities	5,579	4,103
Buildings and structures	60,789	66,010	Deferred tax liabilities for land revaluation	856	844
Accumulated depreciation	(46,857)	(46,954)	Provision for retirement benefits for directors (and other officers)	52	39
Buildings and structures, net	13,931	19,056	Retirement benefit liability	6,907	6,285
Machinery, equipment and vehicles	136,185	144,768	Other	3,911	3,885
Accumulated depreciation	(124,722)	(130,382)	Total non-current liabilities	17,333	15,175
Machinery, equipment and vehicles, net	11,463	14,386	Total liabilities	45,707	52,733
Land	18,964	19,312	Net assets		
Leased assets	125	173	Shareholders' equity		
Accumulated depreciation	(62)	(81)	Share capital	23,220	23,220
Leased assets, net	63	92	Capital surplus	18,108	18,272
Construction in progress	7,335	2,439	Retained earnings	110,822	118,475
Other	11,877	12,374	Treasury shares	(12,091)	(11,992)
Accumulated depreciation	(11,035)	(11,202)	Total shareholders' equity	140,060	147,977
Other, net	841	1,172	Accumulated other comprehensive income		
Total property, plant and equipment	52,599	56,459	Valuation difference on available-for-sale securities	19,207	16,174
Intangible assets			Deferred gains or losses on hedges	—	(0)
Other	1,752	1,966	Revaluation reserve for land	1,636	1,609
Total intangible assets	1,752	1,966	Foreign currency translation adjustment	1,458	4,433
Investments and other assets			Remeasurements of defined benefit plans	109	101
Investment securities	46,865	40,678	Total accumulated other comprehensive income	22,412	22,319
Retirement benefit asset	285	441	Share acquisition rights	227	187
Deferred tax assets	215	182	Non-controlling interests	17,596	21,454
Other	468	419	Total net assets	180,296	191,937
Total investments and other assets	47,834	41,721	Total liabilities and net assets	226,004	244,671
Total non-current assets	102,185	100,147			
Total assets	226,004	244,671			

*Yodogawa Steel started applying Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) at the beginning of the fiscal year that ended in March 2022. Significant financial indicators for the previous fiscal year have been revised to incorporate this new standard.

Consolidated Statement of Income

(Millions of yen)

	FY3/21 (April 1, 2020 to March 31, 2021)	FY3/22 (April 1, 2021 to March 31, 2022)
Net sales	145,963	201,655
Cost of sales	121,104	168,471
Gross profit	24,858	33,183
Selling, general and administrative expenses	16,978	18,834
Operating profit	7,880	14,349
Non-operating income	2,277	3,918
Non-operating expenses	366	351
Ordinary profit	9,791	17,916
Extraordinary income	14	148
Extraordinary losses	125	971
Profit before income taxes	9,680	17,092
Income taxes-current	3,329	4,999
Income taxes-deferred	(325)	(167)
Total income taxes	3,003	4,831
Profit	6,676	12,261
Profit attributable to non-controlling interests	419	2,471
Profit attributable to owners of parent	6,257	9,789

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY3/21 (April 1, 2020 to March 31, 2021)	FY3/22 (April 1, 2021 to March 31, 2022)
Profit	6,676	12,261
Other comprehensive income	9,675	1,899
Comprehensive income	16,352	14,161

Consolidated Statement of Changes in Equity (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	23,220	18,108	110,822	(12,091)	140,060	19,207	—	1,636	1,458	109	22,412	227	17,596	180,296
Changes during period														
Dividends of surplus			(2,162)		(2,162)									(2,162)
Profit attributable to owners of parent			9,789		9,789									9,789
Purchase of treasury shares				(5)	(5)									(5)
Disposal of treasury shares		(16)		105	88									88
Purchase of shares of consolidated subsidiaries		181			181									181
Reversal of revaluation reserve for land			26		26									26
Net changes in items other than shareholders' equity						(3,032)	(0)	(26)	2,975	(8)	(93)	(40)	3,857	3,723
Total changes during period	—	164	7,652	99	7,917	(3,032)	(0)	(26)	2,975	(8)	(93)	(40)	3,857	11,640
Balance at end of period	23,220	18,272	118,475	(11,992)	147,977	16,174	(0)	1,609	4,433	101	22,319	187	21,454	191,937

Consolidated Statement of Cash Flows

(Millions of yen)

	FY3/21 (April 1, 2020 to March 31, 2021)	FY3/22 (April 1, 2021 to March 31, 2022)
Cash flows from operating activities	17,149	(10,645)
Cash flows from investing activities	(4,672)	(1,985)
Cash flows from financing activities	(3,998)	(1,226)
Effect of exchange rate change on cash and cash equivalents	(19)	1,702
Net increase (decrease) in cash and cash equivalents	8,457	(12,154)
Cash and cash equivalents at beginning of period	34,658	43,116
Cash and cash equivalents at end of period	43,116	30,961

Corporate Profile

Corporate Profile

Company name Yodogawa Steel Works, Ltd.

Established January 30, 1935

Capital 23,220,815,228 yen

Employees 1,206

Major Offices & Plants

Head office 4-1-1, Minamihonmachi, Chuo-ku, Osaka
541-0054, Japan
+81-6-6245-1111

Tokyo branch 1-3-7, Shintomi, Chuo-ku, Tokyo
104-0041, Japan
+81-3-3551-1171

Sales offices Sapporo, Sendai, Morioka, Tokyo, Takasaki, Hokuriku, Nagoya, Osaka, Hiroshima, Takamatsu, Kochi, Yahata, Fukuoka, Kagoshima, Okinawa

Plants Osaka (Osaka prefecture), Kure (Hiroshima prefecture), Ichikawa (Chiba prefecture), Izumiotsu (Osaka prefecture), Himeji (Hyogo prefecture)

Main Affiliated Companies

Consolidated Subsidiaries

Takada Kozai Kogyo Co., Ltd.	Steel sheet processing, sales, and warehousing
Sheng Yu Steel Co., Ltd.	Steel sheet manufacturing and sales
Yodoko Shoji Co., Ltd.	Steel wholesaling and transportation
Keiyo Tekko Futo Co., Ltd.	Distribution and warehousing
Yodoko Kohatsu Co., Ltd.	Golf course and other management and real estate leasing
Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd.	Steel sheet manufacturing and sales
PCM Processing (Thailand) Ltd.	Pre-painted steel sheet manufacturing, processing, and sales
Fukui Yodoko Co., Ltd.	Manufacture and processing of exterior products and other activities

Equity-Method Affiliated Companies

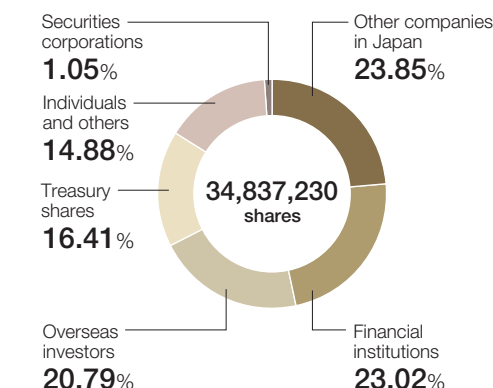
Sadoshima Corporation	Steel wholesaling
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Principal Shareholders

Name	Shares Owned (Thousands of shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,065	10.52
Resona Bank, Limited.	1,068	3.66
Mizuho Bank, Ltd.	1,062	3.64
Yodoko Partners' Shareholding Association	1,054	3.62
Hanwa Co., Ltd.	628	2.15
Northern Trust Co. (AVFC) Sub a/c USL Non-Treaty	618	2.12
Nippon Life Insurance Company	618	2.12
POSCO	600	2.06
JFE Steel Corporation	587	2.01
Custody Bank of Japan, Ltd. (Trust Account)	582	2.00

Notes: 1. Treasury shares (5,719,105 shares) held by Yodogawa Steel are not included in this list of major shareholders.
2. Shareholding ratios do not include treasury shares (5,719,105 shares).

Share Ownership by Category





Yodogawa Steel Works, Ltd.

4-1-1 Minami-honmachi, Chuo-ku, Osaka
541-0054, Japan
Tel. +81-6-6245-1111 (main switchboard)
<https://www.yodoko.co.jp/english/>

Shareholder Reminders

Account closing date	March 31
Ordinary general meeting of shareholders	June
Record date	Ordinary general meeting of shareholders, year-end dividend March 31 Interim dividend September 30 Other dates shall be in accord with pre-announced schedules.
Number of shares per trading unit	100 shares
Shareholder registry administrator & special account administrator	Mizuho Trust & Banking Co., Ltd.
Address of shareholder registry administrator's office of operations	Stock Transfer Agency Department Mizuho Trust & Banking Co., Ltd. 1-3-3, Marunouchi, Chiyoda-ku, Tokyo, Japan
Method of public notice	Electronic notice Please see our website https://www.yodoko.co.jp/english/
Mizuho Trust & Banking Co., Ltd. Stock Transfer Agency Department Contact	
Tel	0120-288-324 (toll free in Japan)
Online	https://www.mizuho-tb.co.jp/daikou/
Postal address	Stock Transfer Agency Department Mizuho Trust & Banking Co., Ltd. 1-3-3, Marunouchi, Chiyoda-ku, Tokyo 100-8241, Japan

Procedures Regarding Stock

Stock handling procedures differ depending on whether shares are held in a securities brokerage account or in a special account. Please see below for whom to contact in each case.

Shares held in a securities brokerage account

Procedures and information	Contact
<ul style="list-style-type: none"> Selling or purchasing odd-lot shares Change of name, address, etc. Changes in method of dividend receipt and payment 	Securities brokerage managing your account
<ul style="list-style-type: none"> Information on mail and returned mail Information on unpaid dividends* Information on other stock handling procedures 	Shareholder registry administrator Mizuho Trust & Banking Co., Ltd. Stock Transfer Agency Department

Shares held in a special account

Procedures and information	Contact
<ul style="list-style-type: none"> Selling or purchasing odd-lot shares Change of name, address, etc. Changes in method of dividend receipt and payment 	Special account management administrator Mizuho Trust & Banking Co., Ltd. Stock Transfer Agency Department
<ul style="list-style-type: none"> Information on mail and returned mail Information on unpaid dividends* Information on other stock handling procedures 	Shareholder registry administrator Mizuho Trust & Banking Co., Ltd. Stock Transfer Agency Department

*Payment of unpaid dividends can be handled at the Mizuho Bank, Ltd. Head Office or at one of the branch offices.