



MEMBERSHIP  
May 10, 2023

## Summary of the Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (FY3/23)

**[Japanese GAAP]**

Company name: Yodogawa Steel Works, Ltd. Listing: Tokyo Stock Exchange  
 Stock code: 5451 URL: <https://www.yodoko.co.jp/>  
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Scheduled date of Annual General Meeting of Shareholders: June 21, 2023  
 Scheduled date of payment of dividend: June 22, 2023  
 Scheduled date of filing of Annual Securities Report: June 21, 2023  
 Preparation of supplementary materials for financial results: Yes  
 Holding of financial results meeting: Yes (for analysts and institutional investors)

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

### 1. Consolidated Financial Results for FY3/23 (April 1, 2022 to March 31, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Mar. 31, 2023	220,314	9.3	12,665	(11.7)	17,686	(1.3)	10,593	8.2
Fiscal year ended Mar. 31, 2022	201,655	38.2	14,349	82.1	17,916	83.0	9,789	56.4

Note: Comprehensive income (millions of yen): Fiscal year ended Mar. 31, 2023: 14,916 (up 5.3%)  
 Fiscal year ended Mar. 31, 2022: 14,161 (down 13.4%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2023	367.13	365.99	6.1	7.1	5.7
Fiscal year ended Mar. 31, 2022	339.77	338.42	5.9	7.6	7.1

Reference: Equity in earnings of affiliates (millions of yen): Fiscal year ended Mar. 31, 2023: 542  
 Fiscal year ended Mar. 31, 2022: 589

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2023	251,057	201,906	71.6	6,223.26
As of Mar. 31, 2022	244,671	191,937	69.6	5,907.11

Reference: Shareholders' equity (millions of yen): As of Mar. 31, 2023: 179,673 As of Mar. 31, 2022: 170,296

(3) Cash flow position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended Mar. 31, 2023	17,336	(3,160)	(5,092)	40,712
Fiscal year ended Mar. 31, 2022	(10,645)	(1,985)	(1,226)	30,961

### 2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Mar. 31, 2022	–	35.00	–	67.00	102.00	2,969	30.0	1.8
Fiscal year ended Mar. 31, 2023	–	40.00	–	71.00	111.00	3,236	30.2	1.8
Fiscal year ending Mar. 31, 2024 (Forecast)	–	–	–	–	–	–	–	–

There is currently no dividend forecast for the fiscal year ending March 31, 2024.

### 3. Consolidated Forecasts for FY3/24 (April 1, 2023 to March 31, 2024)

No consolidated forecast for the fiscal year ending March 31, 2024 is shown because of the difficulty of determining a reliable forecast.

For further details, please refer to “1. Overview of Results of Operations, (2) Outlook” on page 5.

**\* Notes**

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

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

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

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

3) Changes in accounting-based estimates: None

4) Restatements: None

(3) Number of outstanding shares (common shares)

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

As of Mar. 31, 2023: 34,837,230 shares As of Mar. 31, 2022: 34,837,230 shares

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

As of Mar. 31, 2023: 5,966,020 shares As of Mar. 31, 2022: 6,008,176 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2023: 28,855,605 shares Fiscal year ended Mar. 31, 2022: 28,810,962 shares

**Reference: Summary of Non-consolidated Financial Results**

**Non-consolidated Financial Results for FY3/23 (April 1, 2022 to March 31, 2023)**

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Mar. 31, 2023	145,355	14.0	11,036	38.9	17,012	59.8	12,644	72.6
Fiscal year ended Mar. 31, 2022	127,549	29.1	7,946	13.2	10,644	22.6	7,324	–

	Net income per share		Diluted net income per share	
	Yen		Yen	
Fiscal year ended Mar. 31, 2023	433.83		432.50	
Fiscal year ended Mar. 31, 2022	251.72		250.73	

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2023	189,729	152,436	80.3	5,222.49
As of Mar. 31, 2022	181,246	143,036	78.8	4,905.86

Reference: Shareholders' equity (millions of yen): As of Mar. 31, 2023: 152,295 As of Mar. 31, 2022: 142,849

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

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

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the management of Yodogawa Steel Works at the time the materials were prepared. These materials are not promises by Yodogawa Steel Works regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons. For a discussion of the assumptions for forecasts, precautions concerning usage and other information, please refer to "1. Overview of Results of Operations, (2) Outlook" on page 5.

**Contents of Attachments**

1. Overview of Results of Operations	2
(1) Results of Operations and Financial Position	2
(2) Outlook	5
(3) Basic Policy for Profit Distribution and Dividends in the Current and Next Fiscal Years	5
2. Basic Approach to the Selection of Accounting Standards	5
3. Consolidated Financial Statements and Notes	6
(1) Consolidated Balance Sheet	6
(2) Consolidated Statements of Income and Comprehensive Income	8
Consolidated Statement of Income	8
Consolidated Statement of Comprehensive Income	9
(3) Consolidated Statement of Changes in Equity	10
(4) Consolidated Statement of Cash Flows	12
(5) Notes to Consolidated Financial Statements	14
Going-concern Assumption	14
Significant Accounting Policies in the Preparation of Consolidated Financial Statements	14
Notes to Consolidated Balance Sheet	15
Segment Information	15
Per-share Information	18
Subsequent Events	18
4. Non-consolidated Financial Statements	19
(1) Non-consolidated Balance Sheet	19
(2) Non-consolidated Statement of Income	21
(3) Non-consolidated Statement of Changes in Equity	22

## 1. Overview of Results of Operations

### (1) Results of Operations and Financial Position

#### 1) Summary of results of operations

In the fiscal year ended March 31, 2023, there was a slow recovery of the Japanese economy as economic activity began returning to normal due to the progress of the With Corona policy. Despite this improvement, there was an increasing downward pressure on the economy, particularly in the second half of the fiscal year, due to the reasons such as the rising cost of resources and energy caused by the Ukraine crisis, higher prices of imported goods because of the yen's decline and other reasons.

In the United States, concerns about slowing economic growth are increasing because of inflation and monetary tightening. In China, the zero-COVID policy, real estate market downturn and other factors are holding down demand and economic growth. In Europe, economic growth is slowing because of accelerated inflation, which is raising the cost of energy and other items, and rising interest rates.

In Japan, while automobile production seems to be picking up as semiconductor supply shortages have eased and by other factors, residential construction and machinery orders are weak. Under the circumstances, orders and production have been declining in the steel industry.

In overseas steel markets, anticipation for economic recovery was seen in China after its zero-COVID policy was reversed. Although the economy did show signs of improvement, the overall economy remains weak because of economic slowdowns in several regions.

In response to the rapid and unprecedented increase in the cost of raw materials and energy, the Yodogawa Steel Group took many actions to maintain a stable supply of products for customers and lower expenses. In addition, group companies provided customers with thorough explanations of the selling prices of products that can be reproduced.

The Yodogawa Steel Group's net sales in the fiscal year increased 18,659 million yen to 220,314 million yen. Operating profit decreased 1,683 million yen to 12,665 million yen, ordinary profit decreased 230 million yen to 17,686 million yen, and profit attributable to owners of parent increased 804 million yen to 10,593 million yen.

Total assets at the end of the fiscal year increased 6,386 million yen from one year earlier to 251,057 million yen. This increase is attributable mainly to increases in inventories and cash and deposits as a result of an increase in cash flows from operating activities, partly offset by decreases in trade receivables and investment securities resulting from sale of shares held for pure investment purposes. Liabilities decreased 3,582 million yen to 49,150 million yen. This decrease is attributable mainly to decreases in trade payables and retirement benefit liability. Net assets increased 9,968 million yen to 201,906 million yen. This increase is attributable mainly to increases in retained earnings and foreign currency translation adjustment.

Business segment performance was as follows.

#### Steel Sheet-related Business

Net sales totaled 210,952 million yen and operating profit was 13,310 million yen.

#### Roll Business

Net sales totaled 2,929 million yen and operating loss was 262 million yen.

#### Grating Business

Net sales totaled 3,500 million yen and operating profit was 51 million yen.

#### Real Estate Business

Net sales totaled 1,236 million yen and operating profit was 786 million yen.

#### Other Businesses

Net sales totaled 1,695 million yen and operating profit was 237 million yen.

Cash and cash equivalents at the end of the fiscal year increased 9,750 million yen from the end of the previous fiscal year to 40,712 million yen mainly due to the positive operating cash flows.

#### Cash flows from operating activities

Net cash provided by operating activities was 17,336 million yen (compared with 10,645 million yen used in the previous fiscal year) mainly due to the difference between increase in inventories and the decreases in operating profit and trade receivables.

#### Cash flows from investing activities

Net cash used in investing activities increased 1,175 million yen to 3,160 million yen mainly due to purchase of property, plant and equipment.

#### Cash flows from financing activities

Net cash used in financing activities increased 3,865 million yen to 5,092 million yen mainly due to payments of dividends.

## 2) Analysis and review of results of operations

### Net 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.

Selling prices tended to improve in Japan and furthermore, our Thailand subsidiary PCM PROCESSING (THAILAND) Ltd. showed a robust performance, which led to an increase in consolidated sales.

### Operating profit

In Japan, the business climate was challenging primarily due to the rising costs of materials and many other items. Despite these difficulties, earnings increased because of the selling price revisions.

On the other hand, our Taiwan subsidiary Sheng Yu Steel Co., Ltd. (SYSCO) saw a significant decrease in earnings, impacted by deterioration in overseas markets. In China, the sales volume at our subsidiary Yodogawa Shengyu (Hegei) High-Tech Steel Co., Ltd. (YSS) decreased mainly due to the zero COVID-19 policy. The result was a decrease in consolidated operating profit.

### Ordinary profit

Ordinary profit decreased less than operating profit did mainly due to an increase in gain on sale of investment securities in non-operating income.

### Profit attributable to owners of parent

The decrease in profit attributable to owners of parent was larger than the decrease in ordinary profit mainly because of an increase in income taxes-current. However, profit attributable to owners of parent increased year on year because of the high percentage of non-controlling interests at SYSCO, which was a major reason that the consolidated profit decreased.

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

As of the end of March 2023, there were no significant capital expenditures planned that would require the procurement of funds from external sources. For working capital and capital expenditures, the policy is to use internal resources as the main source of funding and use loans from financial institutions as needed for the time being.

As an objective target for monitoring progress concerning management policies, strategic goals and business goals, the Yodogawa Steel Group Medium-Term Management Plan 2022, which was announced in 2020, set the

following goal: consolidated ordinary profit of at least 9 billion yen in the fiscal year ended on March 31, 2023.

The business climate was challenging during the fiscal year that ended on March 31, 2023 because of the rapid increase in all categories of expenses in Japan and other countries. The Yodogawa Steel Group used the speed and flexibility that is one of its key strengths in order to cut costs, improve prices of its products, establish relationships with new customers and make progress in other ways.

As a result, consolidated ordinary profit in the fiscal year surpassed the target for the fiscal year ended on March 31, 2023.

An analysis and review of the financial position and results of operations for business segments are as follows.

#### Steel Sheet-related Business

##### Steel Sheet

In Japan, both sales and earnings increased thanks to revisions of selling prices of all types of steel sheets, although there were sales volume declines in products both for specific high-demand customers and general distribution primarily because of sluggish demand in the building construction sector as well as our sales strategy that focused on profitability in the second half of the fiscal year.

Overseas, SYSCO in Taiwan decreased earnings because of decline in sales volumes in Taiwan and of exports, seriously impacted by the stagnant market in the second half of the fiscal year. YSS, our subsidiary in China suffered a deterioration in performance due to the sales volume decline caused by the lockdowns in Shanghai and other major cities due to the zero-COVID policy. Sales and earnings of PTT, our Thai subsidiary, increased because of the steady sales of high value-added products and progress of revisions of selling prices.

##### Building Material

In the building materials category, although the sales volumes of both exterior products and exterior construction material products were lower than in the previous fiscal year, sales increased overall mainly thanks to the revisions of selling prices. As a result, sales increased and earnings decreased in the Steel Sheet-related Business segment.

##### Roll Business

Sales increased because of an increase in export sales volume of rolls used in the steel industry but there was an operating loss due to cost increases caused by rising material prices.

##### Grating Business

Sales increased mainly because of revisions of selling prices, but earnings decreased due to cost increases caused by rising material prices.

##### Real Estate Business

Sales were almost the same as one year earlier but earnings decreased mainly because of an increase in depreciation associated with renovations and improvements at leased properties.

##### Other Businesses

Sales and earnings decreased because of lower sales in the volume of cargo handled in the warehousing and transportation businesses.

**(2) Outlook**

The outlook for the global economy is expected to remain unclear because of a combination of factors. Even though the Chinese economy is anticipated to recover following the abolishment of its zero-COVID policy, concerns remain over an economic downturn caused by the effects of the prolonged Ukraine-Russia conflict and monetary tightening in the United States and Europe. Furthermore, signs of financial instability are suspected.

In Japan, the trend of rising prices is expected to continue and the Bank of Japan's monetary policy trend needs to be closely monitored. The economy is expected to be significantly affected by the aforementioned global risk factors.

In the steel markets in Japan and other countries, while prices of raw materials used for steelmaking as well as cost of resources and energy are expected to remain at a high level, there is additional geopolitical risks such as the situation in Russia and Ukraine and concerns over the Taiwan emergency. 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. At the same time, by steadily implementing the newly formulated "Yodogawa Steel Group Medium-Term Management Plan 2025," we will work to strengthen our earning power.

There is no forecast for the fiscal year ending in March 2024 at this time because of the increasing uncertainty about the business climate in Japan and other countries. An announcement will be made promptly once it becomes possible to determine a reliable forecast.

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

Distributing earnings to shareholders is one of the highest priorities of Yodogawa Steel. Earnings are distributed by paying dividends that reflect results of operations, repurchasing stock and in other ways. The basic policy for dividends that are in line with our results of operations is to make payments that are stable and continuous. Dividends also take into consideration the need for funds for investments and other actions for increasing corporate value, the outlook for sales and earnings, the need to maintain financial soundness, and other items.

Regarding shareholder returns for the three fiscal years ending on March 31, 2024, 2025 and 2026, we will place emphasis on dividend payments, maintaining an annual dividend of at least 50 yen per share considering factors such as our capital investment plan and financial condition, with the target consolidated payout ratio of 30% or more to pay dividends that reflect results of operations.

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, 2023 is to be 71 yen per share. With the interim dividend of 40 yen, this will result in a dividend of 111 yen per share for this fiscal year.

There is currently no dividend forecast for the fiscal year ending March 31, 2024. An announcement will be made promptly once it becomes possible to disclose a dividend forecast.

**2. Basic Approach to the Selection of Accounting Standards**

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

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

**3. Consolidated Financial Statements and Notes****(1) Consolidated Balance Sheet**

	(Millions of yen)	
	FY3/22	FY3/23
	(as of Mar. 31, 2022)	(as of Mar. 31, 2023)
Assets		
Current assets		
Cash and deposits	31,872	40,189
Notes and accounts receivable-trade, and contract assets	53,671	49,521
Electronically recorded monetary claims-operating	3,412	4,454
Securities	2,120	4,207
Merchandise and finished goods	22,027	23,285
Work in process	6,801	6,476
Raw materials and supplies	17,499	19,924
Other	7,229	2,961
Allowance for doubtful accounts	(110)	(152)
Total current assets	144,523	150,867
Non-current assets		
Property, plant and equipment		
Buildings and structures	66,010	67,510
Accumulated depreciation	(46,954)	(48,585)
Buildings and structures, net	19,056	18,925
Machinery, equipment and vehicles	144,768	147,138
Accumulated depreciation	(130,382)	(134,183)
Machinery, equipment and vehicles, net	14,386	12,955
Land	19,312	19,095
Leased assets	173	177
Accumulated depreciation	(81)	(106)
Leased assets, net	92	70
Construction in progress	2,439	4,457
Other	12,374	12,343
Accumulated depreciation	(11,202)	(11,246)
Other, net	1,172	1,097
Total property, plant and equipment	56,459	56,602
Intangible assets		
Other	1,966	2,076
Total intangible assets	1,966	2,076
Investments and other assets		
Investment securities	40,678	40,193
Retirement benefit asset	441	724
Deferred tax assets	182	137
Other	419	454
Total investments and other assets	41,721	41,510
Total non-current assets	100,147	100,189
Total assets	244,671	251,057



	(Millions of yen)	
	FY3/22	FY3/23
	(as of Mar. 31, 2022)	(as of Mar. 31, 2023)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	20,676	17,881
Electronically recorded obligations-operating	2,329	2,987
Short-term borrowings	1,320	1,328
Lease liabilities	76	61
Income taxes payable	3,590	3,159
Contract liabilities	169	156
Provision for bonuses	1,658	1,259
Provision for product warranties	671	971
Other	7,064	7,285
<b>Total current liabilities</b>	<b>37,557</b>	<b>35,092</b>
<b>Non-current liabilities</b>		
Lease liabilities	18	10
Deferred tax liabilities	4,103	3,873
Deferred tax liabilities for land revaluation	844	807
Provision for retirement benefits for directors (and other officers)	39	32
Retirement benefit liability	6,285	5,517
Other	3,885	3,816
<b>Total non-current liabilities</b>	<b>15,175</b>	<b>14,058</b>
<b>Total liabilities</b>	<b>52,733</b>	<b>49,150</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	23,220	23,220
Capital surplus	18,272	18,267
Retained earnings	118,475	126,064
Treasury shares	(11,992)	(11,895)
<b>Total shareholders' equity</b>	<b>147,977</b>	<b>155,657</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	16,174	16,115
Deferred gains or losses on hedges	(0)	-
Revaluation reserve for land	1,609	1,529
Foreign currency translation adjustment	4,433	5,958
Remeasurements of defined benefit plans	101	412
<b>Total accumulated other comprehensive income</b>	<b>22,319</b>	<b>24,016</b>
Share acquisition rights	187	140
Non-controlling interests	21,454	22,092
<b>Total net assets</b>	<b>191,937</b>	<b>201,906</b>
<b>Total liabilities and net assets</b>	<b>244,671</b>	<b>251,057</b>

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

(Millions of yen)

	FY3/22 (Apr. 1, 2021 to Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)
Net sales	201,655	220,314
Cost of sales	168,471	187,650
Gross profit	33,183	32,664
Selling, general and administrative expenses	18,834	19,998
Operating profit	14,349	12,665
Non-operating income		
Interest income	320	397
Dividend income	1,104	1,161
Insurance claim income	135	65
Gain on sale of investment securities	797	2,408
Foreign exchange gains	404	601
Share of profit of entities accounted for using equity method	589	542
Other	565	175
Total non-operating income	3,918	5,350
Non-operating expenses		
Interest expenses	67	118
Commitment fees	21	21
Cost for employees transferred temporarily to overseas subsidiaries	174	160
Other	87	29
Total non-operating expenses	351	329
Ordinary profit	17,916	17,686
Extraordinary income		
Gain on sale of non-current assets	148	187
Other	-	0
Total extraordinary income	148	187
Extraordinary losses		
Loss on sale and retirement of non-current assets	510	171
Impairment losses	459	835
Loss on valuation of investment securities	1	-
Total extraordinary losses	971	1,006
Profit before income taxes	17,092	16,867
Income taxes-current	4,999	5,321
Income taxes-deferred	(167)	(348)
Total income taxes	4,831	4,973
Profit	12,261	11,893
Profit attributable to non-controlling interests	2,471	1,299
Profit attributable to owners of parent	9,789	10,593

**(Consolidated Statement of Comprehensive Income)**

(Millions of yen)

	FY3/22 (Apr. 1, 2021 to Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)
Profit	12,261	11,893
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,156)	(18)
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	5,142	2,442
Remeasurements of defined benefit plans, net of tax	(105)	585
Share of other comprehensive income of entities accounted for using equity method	20	13
Total other comprehensive income	1,899	3,022
Comprehensive income	14,161	14,916
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,722	12,371
Comprehensive income attributable to non-controlling interests	4,438	2,544

**(3) Consolidated Statement of Changes in Equity**

FY3/22 (Apr. 1, 2021 to Mar. 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	23,220	18,108	110,822	(12,091)	140,060
Changes during period					
Dividends of surplus			(2,162)		(2,162)
Profit attributable to owners of parent			9,789		9,789
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		(16)		105	88
Purchase of shares of consolidated subsidiaries		181			181
Reversal of revaluation reserve for land			26		26
Net changes in items other than shareholders' equity					
Total changes during period	-	164	7,652	99	7,917
Balance at end of period	23,220	18,272	118,475	(11,992)	147,977

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	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	19,207	-	1,636	1,458	109	22,412	227	17,596	180,296
Changes during period									
Dividends of surplus									(2,162)
Profit attributable to owners of parent									9,789
Purchase of treasury shares									(5)
Disposal of treasury shares									88
Purchase of shares of consolidated subsidiaries									181
Reversal of revaluation reserve for land									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	(3,032)	(0)	(26)	2,975	(8)	(93)	(40)	3,857	11,640
Balance at end of period	16,174	(0)	1,609	4,433	101	22,319	187	21,454	191,937

FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	23,220	18,272	118,475	(11,992)	147,977
Changes during period					
Dividends of surplus			(3,085)		(3,085)
Profit attributable to owners of parent			10,593		10,593
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		(5)		101	96
Reversal of revaluation reserve for land			80		80
Net changes in items other than shareholders' equity					
Total changes during period	–	(5)	7,588	96	7,679
Balance at end of period	23,220	18,267	126,064	(11,895)	155,657

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	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	16,174	(0)	1,609	4,433	101	22,319	187	21,454	191,937
Changes during period									
Dividends of surplus									(3,085)
Profit attributable to owners of parent									10,593
Purchase of treasury shares									(5)
Disposal of treasury shares									96
Reversal of revaluation reserve for land									80
Net changes in items other than shareholders' equity	(58)	0	(80)	1,524	311	1,696	(46)	638	2,288
Total changes during period	(58)	0	(80)	1,524	311	1,696	(46)	638	9,968
Balance at end of period	16,115	–	1,529	5,958	412	24,016	140	22,092	201,906

**(4) Consolidated Statement of Cash Flows**

(Millions of yen)

	FY3/22 (Apr. 1, 2021 to Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)
Cash flows from operating activities		
Profit before income taxes	17,092	16,867
Depreciation	4,154	5,042
Share of loss (profit) of entities accounted for using equity method	(589)	(542)
Increase (decrease) in retirement benefit liability	(874)	(479)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(13)	(6)
Increase (decrease) in provision for bonuses	234	(435)
Increase (decrease) in allowance for doubtful accounts	(36)	42
Interest and dividend income	(1,424)	(1,558)
Interest expenses	67	118
Insurance claim income	(135)	(65)
Loss (gain) on sale of investment securities	(797)	(2,408)
Loss (gain) on valuation of investment securities	1	-
Loss (gain) on sale and retirement of non-current assets	362	(15)
Impairment losses	459	835
Decrease (increase) in trade receivables	(12,437)	3,321
Decrease (increase) in inventories	(19,044)	(2,466)
Increase (decrease) in trade payables	6,786	(2,294)
Increase (decrease) in accrued consumption taxes	(1,119)	1,147
Other, net	(570)	4,473
Subtotal	(7,883)	21,575
Proceeds from insurance income	135	65
Interest and dividends received	1,393	1,658
Interest paid	(67)	(84)
Income taxes paid	(4,222)	(5,877)
Net cash provided by (used in) operating activities	(10,645)	17,336

(Millions of yen)

	FY3/22 (Apr. 1, 2021 to Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)
Cash flows from investing activities		
Investments in time deposits with a maturity of more than three months	(9,294)	(9,832)
Proceeds from time deposits with a maturity of more than three months	12,834	8,418
Proceeds from sale and redemption of securities	321	1,119
Purchase of property, plant and equipment	(7,939)	(6,171)
Proceeds from sale of property, plant and equipment	213	470
Purchase of intangible assets	(306)	(237)
Purchase of investment securities	(738)	(57)
Proceeds from sale and redemption of investment securities	3,615	3,319
Loan advances	–	(67)
Proceeds from collection of loans receivable	118	–
Purchase of shares of subsidiaries	(808)	(122)
Net cash provided by (used in) investing activities	(1,985)	(3,160)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,321	11
Repayments of lease liabilities	(46)	(79)
Proceeds from sale of treasury shares	0	0
Purchase of treasury shares	(2)	(2)
Dividends paid	(2,184)	(3,116)
Dividends paid to non-controlling interests	(315)	(1,906)
Net cash provided by (used in) financing activities	(1,226)	(5,092)
Effect of exchange rate change on cash and cash equivalents	1,702	667
Net increase (decrease) in cash and cash equivalents	(12,154)	9,750
Cash and cash equivalents at beginning of period	43,116	30,961
Cash and cash equivalents at end of period	30,961	40,712





## Notes to Consolidated Balance Sheet

### Contingent liabilities

Yodogawa Steel Works has determined that, depending on the location, conditions and other aspects of their use, there have been problems involving the appearance and durability of some building exterior pre-painted steel sheets manufactured between 2007 and 2016 that have occurred prior to the end of the expected lifetime of these sheets. Yodogawa Steel Works has explained this problem to companies that sell these sheets and is covering repair and other expenses.

Repair and other expenses, including expenses for problems that have occurred but where repairs and other activities have not been completed, are recorded as period costs. The costs of the problems involving these sheets have not been expensed because it is not possible to determine a reliable forecast of how many problems will occur.

There may be significant repair and other expenses involving these sheets in the coming years depending on number of problems that occur.

### Segment Information

#### 1. Overview of reportable segments

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

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

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

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

The calculation method for each reportable segment is the same as that described in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements."

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

FY3/22 (Apr. 1, 2021 to Mar. 31, 2022)

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustment	Amounts shown on the consolidated financial statements
	Steel Sheet-related Business	Roll Business	Grating Business	Real Estate Business	Total				
Net sales									
External sales	192,428	2,689	3,443	1,263	199,826	1,829	201,655	–	201,655
Inter-segment sales and transfers	–	–	–	419	419	2,682	3,102	(3,102)	–
Total	192,428	2,689	3,443	1,683	200,246	4,511	204,757	(3,102)	201,655
Segment profit	14,213	8	109	857	15,188	445	15,634	Note 2 (1,285)	Note 3 14,349
Segment assets	199,558	5,259	3,566	9,663	218,047	11,374	229,422	Note 4 15,248	244,671
Other items									
Depreciation	3,536	85	47	159	3,828	234	4,063	91	4,154
Investment in equity-method affiliates	5,810	0	512	4	6,327	–	6,327	–	6,327
Increases in property, plant and equipment and intangible assets	6,178	110	49	509	6,848	400	7,248	Note 5 (30)	7,218

- Notes:
1. Others represent businesses which are not included in any of the reportable segments and mainly consist of transportation, warehouse, golf course, machinery plant, electric power (sale of solar power) and other businesses.
  2. The adjustment to segment profit includes unallocated expenses of (1,281) million yen and an elimination for inter-segment transactions of (3) million yen.
  3. Segment profit is adjusted to be consistent with the operating profit on the consolidated statement of income.
  4. The adjustment to segment assets includes corporate assets of 15,670 million yen and an elimination for inter-segment transactions of (421) million yen.
  5. The adjustment of (30) million yen to increases in property, plant and equipment and intangible assets is capital expenditures mainly for corporate tools, furniture and fixtures.

FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustment	Amounts shown on the consolidated financial statements
	Steel Sheet-related Business	Roll Business	Grating Business	Real Estate Business	Total				
Net sales									
External sales	210,952	2,929	3,500	1,236	218,618	1,695	220,314	–	220,314
Inter-segment sales and transfers	–	–	0	421	421	2,599	3,020	(3,020)	–
Total	210,952	2,929	3,500	1,657	219,040	4,295	223,335	(3,020)	220,314
Segment profit (loss)	13,310	(262)	51	786	13,885	237	14,122	Note 2 (1,457)	Note 3 12,665
Segment assets	198,095	5,560	3,518	10,873	218,048	11,058	229,106	Note 4 21,950	251,057
Other items									
Depreciation	4,384	108	54	176	4,724	228	4,952	89	5,042
Investment in equity-method affiliates	6,247	0	536	5	6,790	–	6,790	–	6,790
Increases in property, plant and equipment and intangible assets	4,060	50	65	339	4,516	1,234	5,751	Note 5 136	5,888

- Notes:
1. Others represent businesses which are not included in any of the reportable segments and mainly consist of transportation, warehouse, golf course, machinery plant, electric power (sale of solar power) and other businesses.
  2. The adjustment to segment profit (loss) includes unallocated expenses of (1,450) million yen and an elimination for inter-segment transactions of (6) million yen.
  3. Segment profit (loss) is adjusted to be consistent with the operating profit on the consolidated statement of income.
  4. The adjustment to segment assets includes corporate assets of 22,221 million yen and an elimination for inter-segment transactions of (270) million yen.
  5. The adjustment of 136 million yen to increases in property, plant and equipment and intangible assets is capital expenditures mainly for corporate tools, furniture and fixtures.

## Information related to impairment of non-current assets for each reportable segment

FY3/22 (Apr. 1, 2021 to Mar. 31, 2022)

(Millions of yen)

	Steel Sheet-related Business	Roll Business	Grating Business	Real Estate Business	Others	Elimination or corporate	Total
Impairment losses	–	–	–	–	458	1	459

FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)

(Millions of yen)

	Steel Sheet-related Business	Roll Business	Grating Business	Real Estate Business	Others	Elimination or corporate	Total
Impairment losses	–	–	–	–	835	–	835

**Per-share Information**

(Yen)

	FY3/22 (Apr. 1, 2021 to Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)
Net assets per share	5,907.11	6,223.26
Net income per share	339.77	367.13
Diluted net income per share	338.42	365.99

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

	FY3/22 (Apr. 1, 2021 to Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	9,789	10,593
Amount not available to common shareholders (Millions of yen)	–	–
Profit attributable to common shareholders of parent (Millions of yen)	9,789	10,593
Average number of common shares outstanding during period (Thousands of shares)	28,810	28,855
Diluted net income per share		
Adjustment to profit attributable to owners of parent (Millions of yen)	–	–
Increase in the number of common shares (Thousands of shares)	115	90
[of which share acquisition rights (Thousands of shares)]	[115]	[90]
Summary of potential stock not included in the calculation of diluted net income per share since there was no dilutive effect		–

**Subsequent Events**

Not applicable.

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

(Millions of yen)

	FY3/22 (as of Mar. 31, 2022)	FY3/23 (as of Mar. 31, 2023)
Assets		
Current assets		
Cash and deposits	5,580	10,405
Notes and accounts receivable-trade, and contract assets	50,932	47,515
Electronically recorded monetary claims-operating	1,113	1,318
Securities	2,000	4,199
Merchandise and finished goods	14,487	18,307
Work in process	4,963	5,397
Raw materials and supplies	9,054	11,803
Prepaid expenses	172	167
Other	6,374	7,761
Allowance for doubtful accounts	(5)	(5)
Total current assets	94,671	106,869
Non-current assets		
Property, plant and equipment		
Buildings	9,791	9,710
Structures	1,125	1,061
Machinery and equipment	4,135	3,780
Vehicles	9	122
Tools, furniture and fixtures	496	507
Land	12,537	12,298
Construction in progress	288	107
Total property, plant and equipment	28,384	27,588
Intangible assets		
Software	202	143
Other	819	995
Total intangible assets	1,022	1,139
Investments and other assets		
Investment securities	32,103	30,771
Shares of subsidiaries and associates	22,919	23,042
Long-term loans receivable	1,926	-
Other	218	318
Allowance for doubtful accounts	(0)	-
Total investments and other assets	57,168	54,132
Total non-current assets	86,574	82,859
Total assets	181,246	189,729

	(Millions of yen)	
	FY3/22	FY3/23
	(as of Mar. 31, 2022)	(as of Mar. 31, 2023)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable-trade	4	-
Electronically recorded obligations-operating	2,199	2,271
Accounts payable-trade	16,075	13,379
Short-term borrowings	1,640	1,400
Accounts payable-other	673	576
Accrued expenses	2,347	2,366
Income taxes payable	1,773	2,973
Contract liabilities	42	0
Advances received	105	103
Deposits received	97	105
Provision for bonuses	899	1,063
Provision for product warranties	671	971
Other	844	1,711
<b>Total current liabilities</b>	<b>27,374</b>	<b>26,924</b>
<b>Non-current liabilities</b>		
Provision for retirement benefits	5,061	4,864
Long-term guarantee deposits	1,422	1,429
Deferred tax liabilities	3,916	3,643
Asset retirement obligations	223	224
Other	211	206
<b>Total non-current liabilities</b>	<b>10,835</b>	<b>10,368</b>
<b>Total liabilities</b>	<b>38,209</b>	<b>37,292</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	23,220	23,220
<b>Capital surplus</b>		
Legal capital surplus	5,805	5,805
Other capital surplus	13,234	13,229
<b>Total capital surplus</b>	<b>19,040</b>	<b>19,034</b>
<b>Retained earnings</b>		
<b>Other retained earnings</b>		
Reserve for tax purpose reduction entry of non-current assets	739	708
General reserve	71,382	71,382
Retained earnings brought forward	25,789	35,347
<b>Total retained earnings</b>	<b>97,911</b>	<b>107,439</b>
Treasury shares	(13,146)	(13,047)
<b>Total shareholders' equity</b>	<b>127,026</b>	<b>136,647</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	15,823	15,648
<b>Total valuation and translation adjustments</b>	<b>15,823</b>	<b>15,648</b>
Share acquisition rights	187	140
<b>Total net assets</b>	<b>143,036</b>	<b>152,436</b>
<b>Total liabilities and net assets</b>	<b>181,246</b>	<b>189,729</b>

**(2) Non-consolidated Statement of Income**

(Millions of yen)

	FY3/22 (Apr. 1, 2021 to Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)
Net sales	127,549	145,355
Cost of sales	104,455	119,039
Gross profit	23,094	26,315
Selling, general and administrative expenses	15,148	15,279
Operating profit	7,946	11,036
Non-operating income		
Interest income	361	288
Dividend income	1,537	3,408
Gain on sale of investment securities	528	2,408
Other	602	141
Total non-operating income	3,029	6,246
Non-operating expenses		
Interest expenses	61	76
Other	269	194
Total non-operating expenses	330	271
Ordinary profit	10,644	17,012
Extraordinary income		
Gain on sale of non-current assets	130	185
Total extraordinary income	130	185
Extraordinary losses		
Loss on sale and retirement of non-current assets	487	139
Loss on valuation of investment securities	1	–
Impairment losses	1	–
Total extraordinary losses	491	139
Profit before income taxes	10,283	17,058
Income taxes-current	3,175	4,629
Income taxes-deferred	(216)	(215)
Total income taxes	2,958	4,414
Profit	7,324	12,644

**(3) Non-consolidated Statement of Changes in Equity**

FY3/22 (Apr. 1, 2021 to Mar. 31, 2022)

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings				Total retained earnings
					Reserve for tax purpose reduction entry of non-current assets	Reserve for special depreciation	General reserve	Retained earnings brought forward	
Balance at beginning of period	23,220	5,805	13,251	19,056	829	102	71,382	25,173	97,488
Changes during period									
Reversal of reserve for tax purpose reduction entry of non-current assets					(27)			27	–
Reversal of reserve for special depreciation						(38)		38	–
Decrease by corporate division - split-off type					(62)	(64)		(4,593)	(4,719)
Dividends of surplus								(2,181)	(2,181)
Profit								7,324	7,324
Purchase of treasury shares									
Disposal of treasury shares			(16)	(16)					
Net changes in items other than shareholders' equity									
Total changes during period	–	–	(16)	(16)	(89)	(102)	–	616	423
Balance at end of period	23,220	5,805	13,234	19,040	739	–	71,382	25,789	97,911

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(13,249)	126,516	18,748	18,748	227	145,492
Changes during period						
Reversal of reserve for tax purpose reduction entry of non-current assets						–
Reversal of reserve for special depreciation						–
Decrease by corporate division - split-off type		(4,719)				(4,719)
Dividends of surplus		(2,181)				(2,181)
Profit		7,324				7,324
Purchase of treasury shares	(2)	(2)				(2)
Disposal of treasury shares	105	88				88
Net changes in items other than shareholders' equity			(2,925)	(2,925)	(40)	(2,966)
Total changes during period	102	510	(2,925)	(2,925)	(40)	(2,456)
Balance at end of period	(13,146)	127,026	15,823	15,823	187	143,036



FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings			Total retained earnings
					Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	23,220	5,805	13,234	19,040	739	71,382	25,789	97,911
Changes during period								
Reversal of reserve for tax purpose reduction entry of non-current assets					(30)		30	–
Dividends of surplus							(3,116)	(3,116)
Profit							12,644	12,644
Purchase of treasury shares								
Disposal of treasury shares			(5)	(5)				
Net changes in items other than shareholders' equity								
Total changes during period	–	–	(5)	(5)	(30)	–	9,558	9,527
Balance at end of period	23,220	5,805	13,229	19,034	708	71,382	35,347	107,439

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(13,146)	127,026	15,823	15,823	187	143,036
Changes during period						
Reversal of reserve for tax purpose reduction entry of non-current assets		–				–
Dividends of surplus		(3,116)				(3,116)
Profit		12,644				12,644
Purchase of treasury shares	(2)	(2)				(2)
Disposal of treasury shares	101	96				96
Net changes in items other than shareholders' equity			(175)	(175)	(46)	(221)
Total changes during period	99	9,621	(175)	(175)	(46)	9,400
Balance at end of period	(13,047)	136,647	15,648	15,648	140	152,436

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