



YODOKO REPORT

122nd Term Report

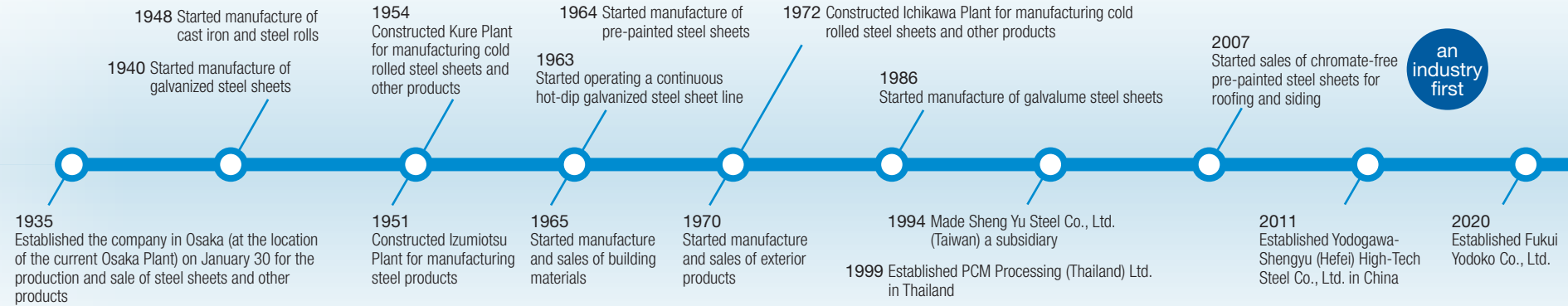
April 1, 2020-March 31, 2021

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.

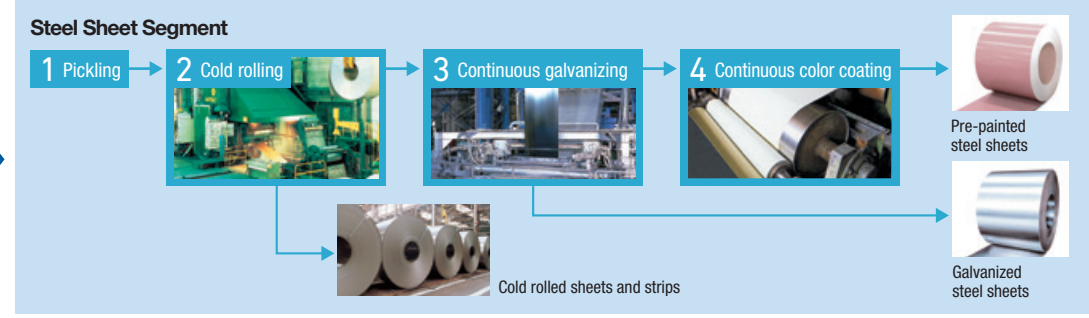
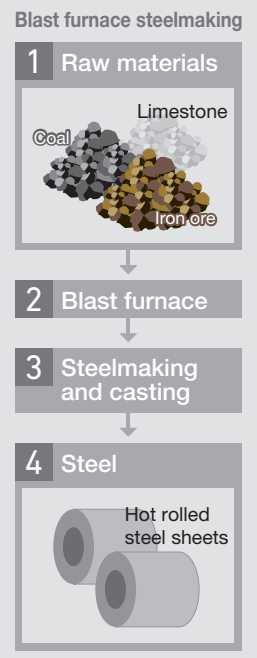
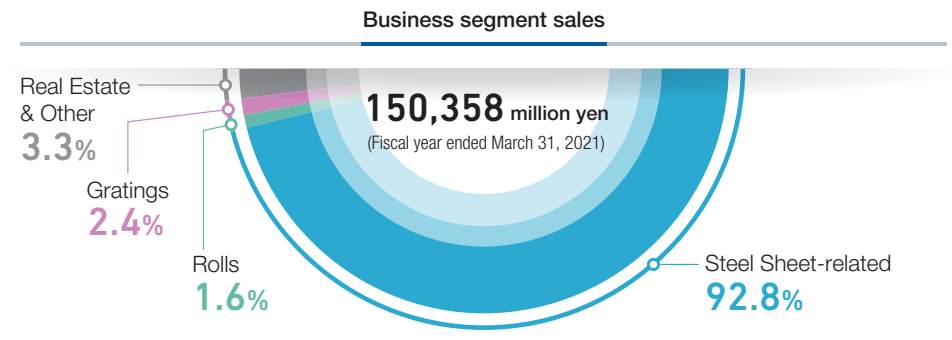
We would like to take this opportunity to express our appreciation for your support. The overseas business climate for the Yodogawa Steel Group became increasingly uncertain during the fiscal year ended March 31, 2021 because of the inability to predict the end of the COVID-19 pandemic, U.S.-China trade friction and other reasons. In Japan, although some sectors of the economy started to recover, a combination of progress and setbacks concerning the pandemic and economic will probably continue. In the steel market, there are concerns about instability of the balance between the supply and demand for steel for the time being in Japan and other countries. As a result, the steel market is likely to remain difficult with an uncertain outlook. In operations outside Japan, group companies

are continuing to have difficulty capturing orders because of the effects of trade protectionism. Furthermore, an unpredictable and unstable environment for demand and expenses is expected to continue in every region where the group companies operate. 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

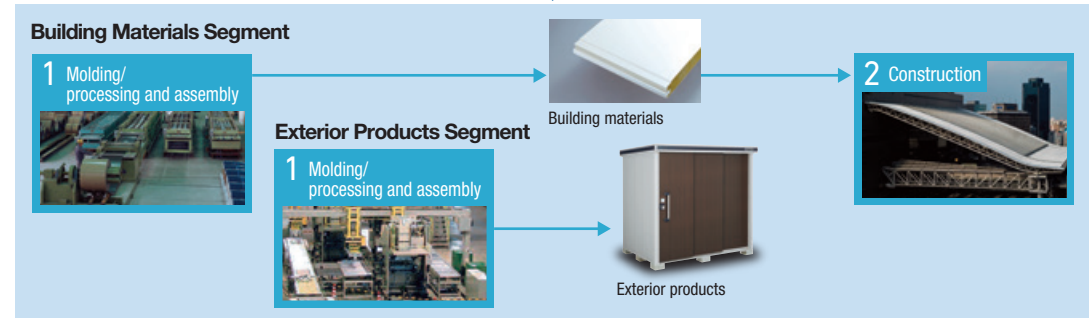
High-quality steel sheets incorporating years of accumulated technologies are used for a variety of industrial purposes, such as construction and the manufacture of home appliances and housing equipment. Through the development of highly functional, value-added, and environmentally friendly products,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

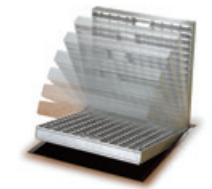
With products that range from rolls for the steel industry fabricated by one of the world's largest centrifugal casting facilities to equipment for the paper industry, including rolls and peripheral equipment, Yodogawa Steel is one of Japan's leading roll manufacturers.



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

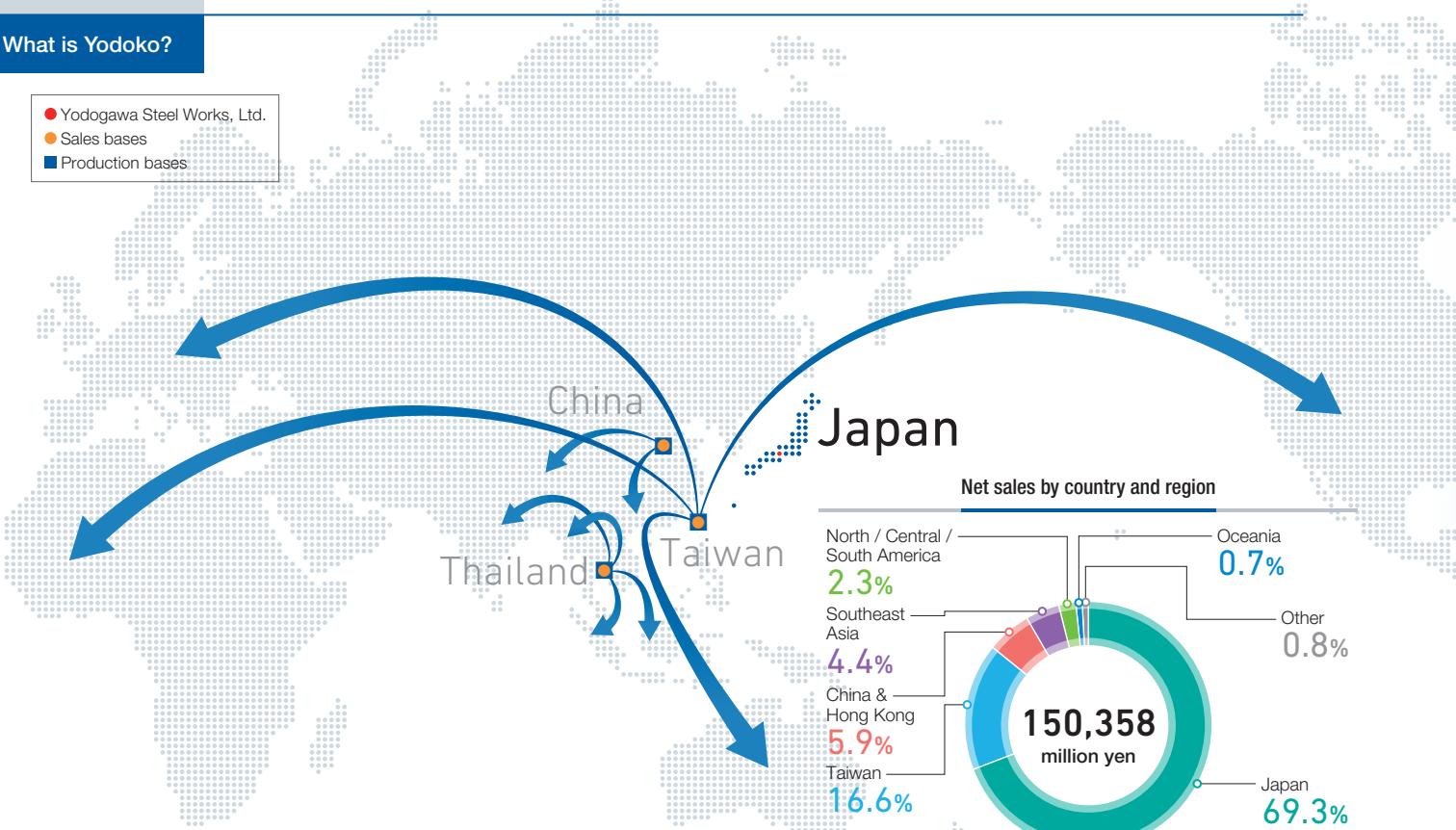
The Real Estate Business manages and effectively uses properties owned by Yodogawa Steel by leasing buildings and operating parking lots.



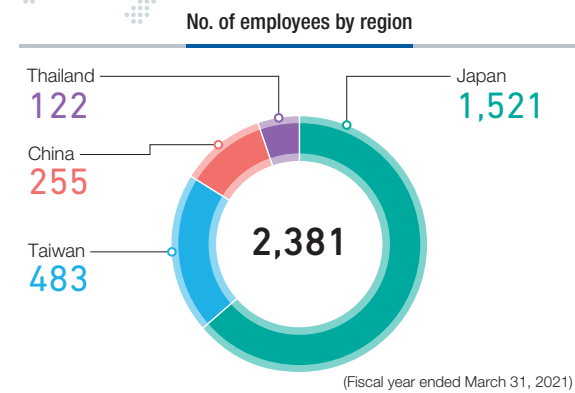
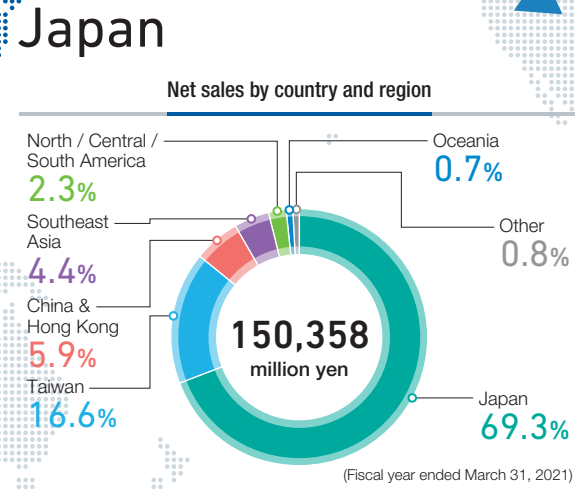
The Production and Sales Frameworks Behind Our Momentum

What is Yodoko?

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

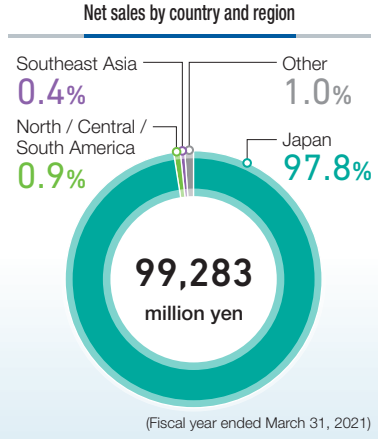


Starting ahead of our competitors, we established a well-balanced sales and production network in Asia and use this infrastructure to supply high-quality surface-treated steel sheets to customers worldwide.

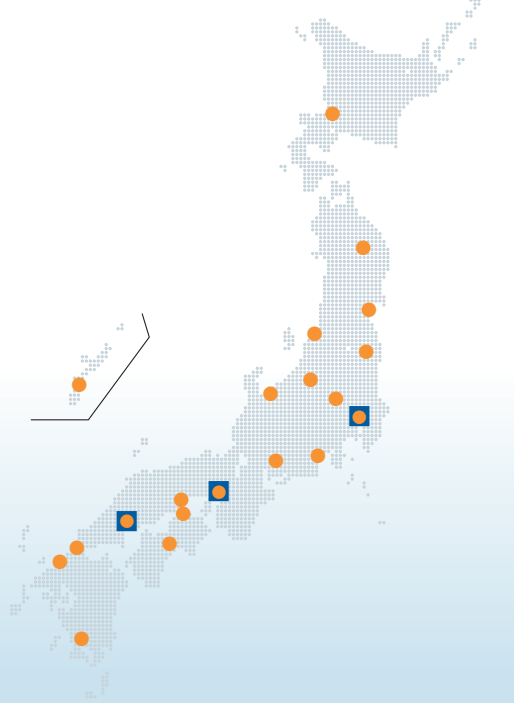


Japan

Yodogawa Steel Works, Ltd.

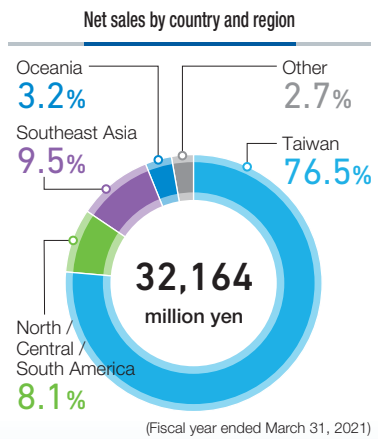


A well-balanced network of production bases in Japan and 21 sales offices that maintain close relationships with customers and with the region that each office serves.



Taiwan

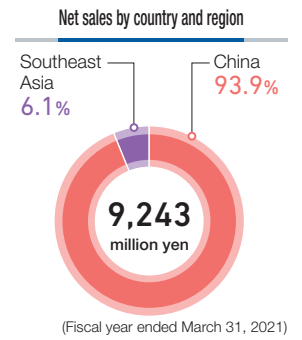
Sheng Yu Steel Co., Ltd. (SYSCO Taiwan)



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

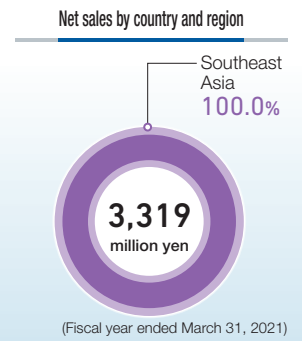
China

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

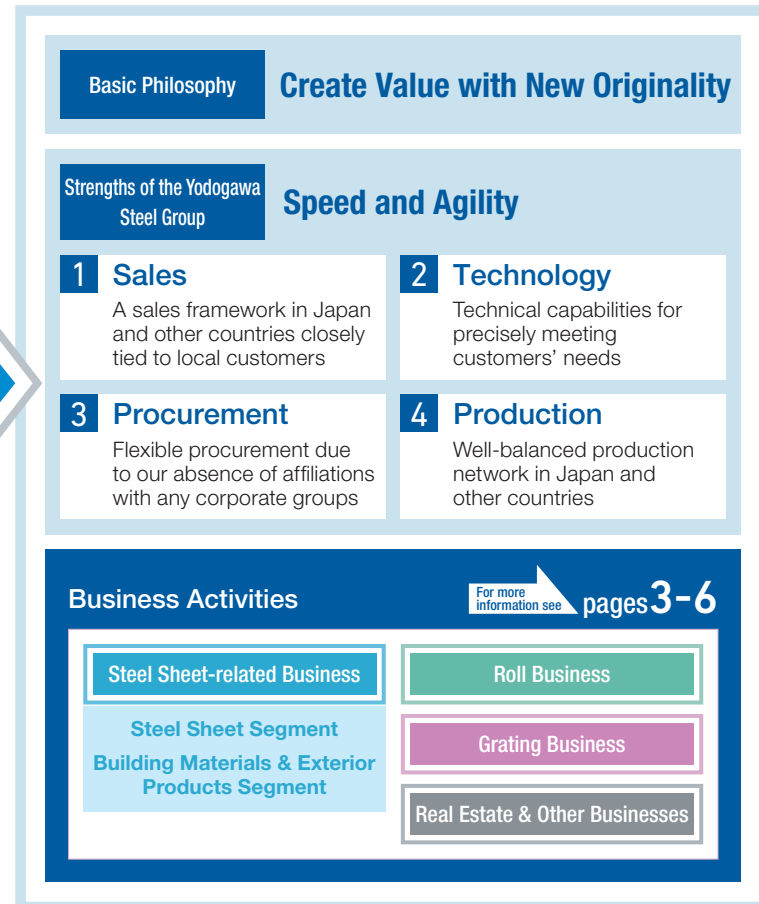
Create a sustainable society

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

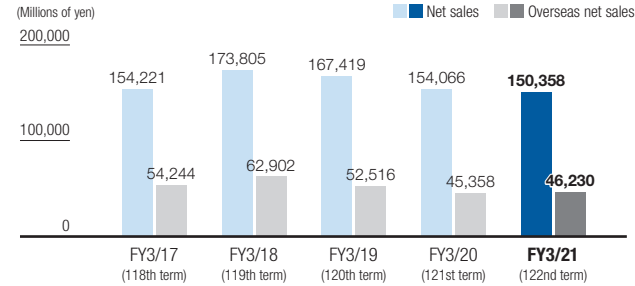
Employees

- 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

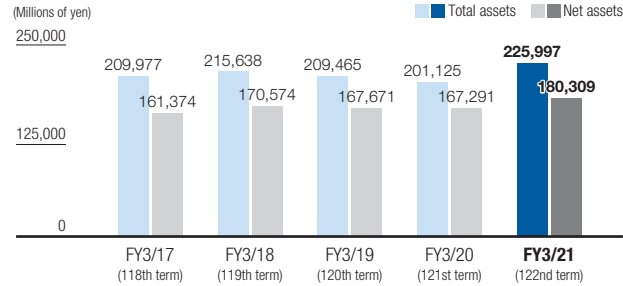
Society and nature

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

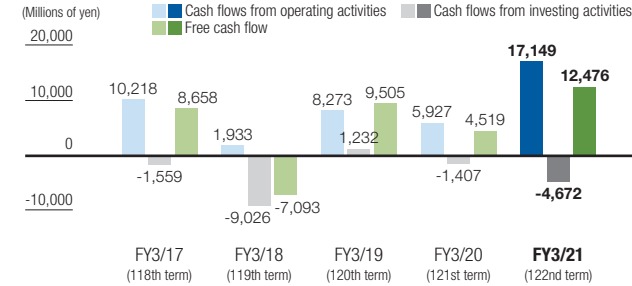
Net sales, overseas net sales (consolidated)



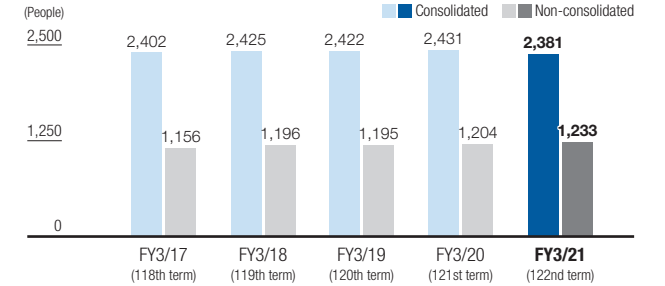
Total assets, net assets (consolidated)



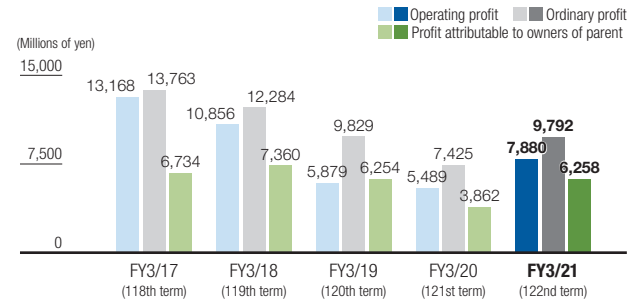
Cash flows from operating activities, cash flows from investing activities, free cash flow (consolidated)



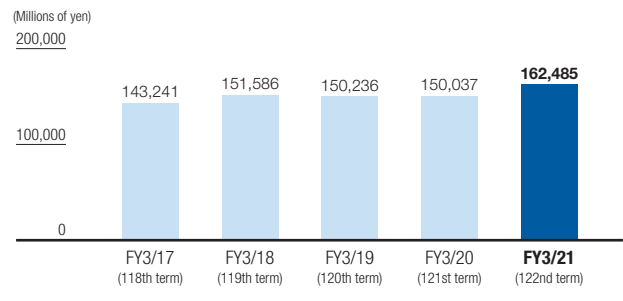
No. of employees (consolidated, non-consolidated)



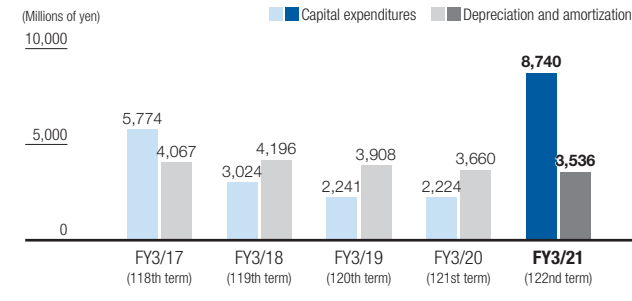
Operating profit, ordinary profit, profit attributable to owners of parent (consolidated)



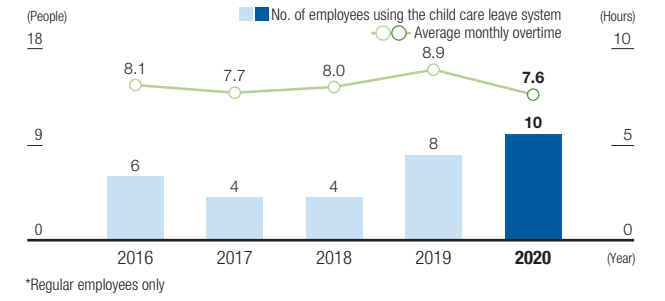
Shareholders' equity (consolidated)



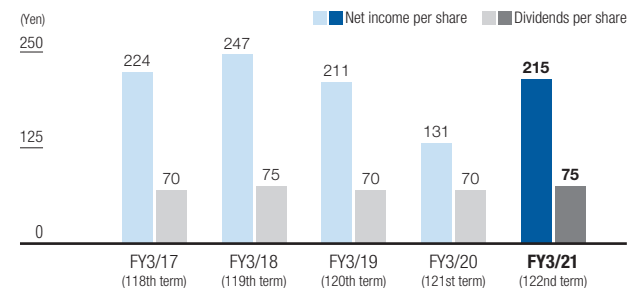
Capital expenditures, depreciation and amortization (consolidated)



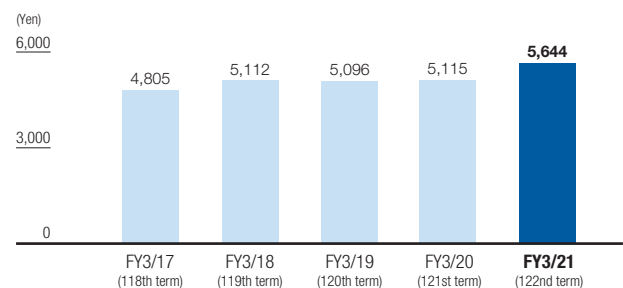
No. of employees using the child care leave system, average monthly overtime* (non-consolidated)



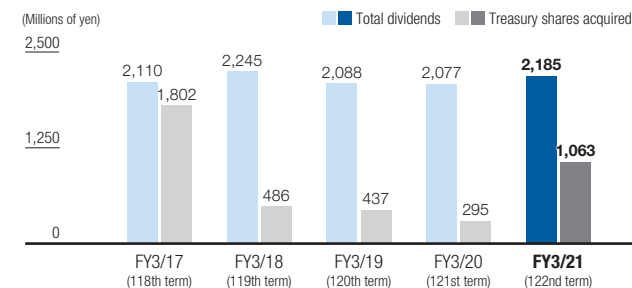
Net income per share, dividends per share (consolidated)



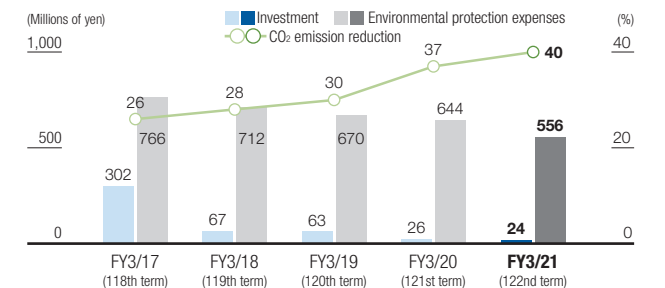
Net assets per share (consolidated)



Total dividends, treasury shares acquired (non-consolidated)



Environmental protection expenses, CO₂ emissions (reduction vs. fiscal 1990 emissions*) Consolidated (Japan)



*Under the Japan Iron and Steel Federation's Voluntary Action Program (created in 1996), the commitment was made to conserve energy in iron- and steel-making processes. A 10% reduction in fiscal 2010 energy consumption compared with fiscal 1990 levels was established as the goal.

Implement sales reforms and make products more competitive by using entirely new ideas

During the fiscal year that ended in March 2021, the business climate was extremely difficult in Japan and worldwide because of the economic impact of the COVID-19 pandemic as well as prolonged U.S.-China trade friction and other reasons.

The Yodogawa Steel Group's net sales in the fiscal year decreased 2.4% to 150,358 million yen. Operating profit increased 43.6% to 7,880 million yen, ordinary profit increased 31.9% to 9,792 million yen, and profit attributable to owners of parent increased 62.0% to 6,258 million yen. To become even more profitable, group companies will target new markets, increase sales of value-added products, and use new and innovative methods for reforming sales activities and reexamining the manufacturing and logistics infrastructure.

Satoshi Nitta President and Representative Director



Q What is your assessment of the Yodogawa Steel Group's performance in the fiscal year ended March 31, 2021?

A Sales were down but, despite the COVID-19 pandemic, our earnings were higher.

In the fiscal year ended March 31, 2021, economies in Japan and other countries faced extremely challenging conditions because of the COVID-19 pandemic. In Japan, the sharp downturn in economic activity severely impacted our operations during much of the fiscal year's first half. In China, which recovered quickly from the pandemic, the economy recovered along with a rebound in domestic demand, higher exports and other reasons. In this difficult environment, our sales were down but earnings increased.

Reforms of sales activities and many cost reduction measures contributed to earnings growth. I believe another important factor is our ability to purchase various materials with speed and agility.

I anticipate a challenging business climate again, particularly in Japan, in the fiscal year ending in March 2022. We will continue to forcefully implement sales reforms and make other improvements and I expect to see benefits from these activities.

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

A Progress with reexamination for production process and sales reforms.

In the Steel Sheet Segment, we used the realignments of our competitors as an opportunity to strengthen our sales capabilities. These measures have produced certain benefits. Sales of pre-painted steel sheets for home appliances performed relatively well. One reason was strong sales of



YODO-Garage Emerge II

these appliances as people stayed home for safety during the pandemic. Sales of strips were slow for a while because of the impact of the pandemic on automobile production. But signs of a recovery in demand in this category emerged in the fiscal year's second half.

In the Building Materials & Exterior Products Segment, we worked on lowering administrative expenses and boosting production yields for roof materials. Most significant was collaboration with our customers for reviewing the entire process from forming these materials from coils to the delivery of finished products. Supplying products with the distinctive value that only our group can provide remains our goal in this segment. At the same time, there will be more measures for structural issues such as the management and expenses of this segment in order to make manufacturing even more efficient.

In addition, there were strong sales again in this fiscal year of two garage products that we introduced in the fiscal year ended in March 2020: YODO-Garage Emerge II, a premium garage model, and the stylish YODO Garage Raviege III Dressed Option.

Sales of YODO Monooki storage sheds were relatively strong because of demand associated with people staying home. Marketing activities included a new streaming video website that provides new ideas for using these storage sheds based on the concept of enjoying time at home.

On the other hand, distribution expenses are a problem for some exterior products. To receive the understanding of customers, we are reviewing all distribution activities, including distribution bases, and cutting expenses. We have also started charging for deliveries.

I am confident that these reforms to our sales activities, including the reexamination of sales channels for roofing products that I mentioned earlier, will improve our profitability. We will give our customers thorough explanations of our actions to receive their understanding. My goal is to start seeing benefits of these measures in the fiscal year ending in March 2022.

Following the occurrence of problems created by improper quality management in the Roll Business, all group companies have taken many actions for making improvements to our quality assurance system. In addition, we have largely completed the installation of a system that automatically utilizes measurement data. But we are still not satisfied with our response to this issue. We will continue to seek more ways to make our quality assurance system even more rigorous.

Q What is your assessment of the Yodogawa Steel Group's progress during the Medium-Term Management Plan 2022 and issues that need to be addressed?

A Numerous activities for dealing with raw material price volatility and trade protectionism.

Our current medium-term plan started in April 2020. The plan has three core strategies: use speed and agility to build a



YODO Roof is used in the ceiling of the central terminal at Osaka International Airport

stronger profit structure; take on the challenge of entering new business fields; and establish a foundation for sustainable operations. We are positioning this plan as the approach run for upcoming actions to make our long-term vision a reality.

The medium-term plan has the goal of consolidated ordinary profit of at least 9 billion yen in the fiscal year ending in March 2023, which is the plan's final year. We have been using the speed and agility that are a key strength of our group in order to cut costs, improve prices of our products, establish relationships with new customers and achieve progress in other ways. As a result, consolidated ordinary profit in the fiscal year was about 9.7 billion yen. However, we need to continue working on building an infrastructure capable of consistent profitability.

One reason is concerns about the ability to offset the higher prices of raw materials and many other items by product price revisions alone. YSS in China achieved a big increase in sales due mainly to heightening its stature in the steel market and raising sales of value-added products. Now YSS needs to focus on profitability. In Taiwan, SYSCO was not significantly affected by the COVID-19 crisis. However,

performance was severely impacted by U.S. trade protectionism that restricted exports of steel and aluminum products to the United States. I do not think this problem can be resolved quickly even with the new Biden administration. Everyone at our group is firmly committed to achieving the goals of the Medium-Term Management Plan 2022 and our long-term vision. We will continue to move quickly with reforms to sales activities, cost cutting and many other initiatives.

Q What are your highest priorities?

A Joint programs for the 50th anniversary of the start of sales of YODO Monooki Storage Sheds.

In 2020, we celebrated the 50th anniversary of the launch of YODO Monooki Storage Sheds. One event, delayed somewhat by the COVID-19 crisis, was the sale starting in April 2021 of a limited number of the LMD-2215 Coleman storage shed, which was created with Coleman Japan Co., Ltd. Coleman is one of the world's largest suppliers of



The YODO Monooki Storage Shed LMD-2215 Coleman

outdoor recreation products and has many fans in Japan. This new model targets the increasing demand in Japan for outdoor recreation products as well as the growth of "camping at home" during the pandemic. Working with Coleman will make it possible to add a new category to the markets for our storage sheds.

To bolster production and distribution operations, Fukui Yodoko Co., Ltd. will start a full-scale operation of a new factory at the end of 2021. This factory will give us a stronger infrastructure for producing and distributing exterior products that I expect will make this business more profitable.

At our steel sheet factory, we need to start thinking about investments to replace aging equipment.

In the Building Materials & Exterior Products Segment, I want to improve our product development capabilities with the goal of creating products through the unified activities of product development and sales personnel. To accomplish this, I have placed the Head Office Development Division under the supervision of the general manager of the Sales Division. No other company has this type of organizational structure for these activities. I believe this change will enable us to supply value-added products that precisely target the needs of our customers.

The digital transformation is another priority. For safety during the pandemic, we have been using TV conferences, telework and other measures involving this transformation. But more progress is needed. Making business processes more efficient is only one aspect of the digital transformation. I also want to use digital technologies extensively for adding new forms of value to our products and services.

Q Please tell us about your environmental and social activities.

A Comprehensive partnership agreement with the Cerezo OSAKA professional football club.

Environmental protection has been one of the global pressing issues. The Yodogawa Steel Group has a strong commitment to using business activities that reflect the Sustainable Development Goals for the creation of value that results in a lower environmental impact. One example of our commitment is annual expenditures of about 700 million yen for combating global warming, preventing pollution and other environmental measures. Due to constant activities for conserving energy, annual CO₂ emissions of the Yodogawa Steel Group in Japan are now 154,000 tons, 40% below emissions in the reference year of 1990. Furthermore, solar panels at group companies in Japan generate 6.43 million kWh of electricity every year, which prevents the creation of an estimated 3,568 tons of CO₂ emissions.



Solar panels at the Izumiotsu Plant

The Japanese government has established the target of no greenhouse gas emissions on a net basis by 2050. This target has generated considerable interest in measures for becoming carbon neutral. The Yodogawa Steel Group is constantly collecting information about new technologies for accomplishing these goals and continuously studying ways to incorporate these advances in production processes.

We have established a comprehensive partnership with the Cerezo OSAKA professional football club covering the five-year period that began in April 2021. The agreement includes naming rights for the Nagai Stadium, which is now called the Yodoko Sakura Stadium. We proposed this name when we supervised the construction of a roof at this stadium. Both this football club and Yodogawa Steel use the sakura (cherry blossom) as their symbol. Although the COVID-19 pandemic has temporarily prevented people from going out to enjoy sport and other outdoor activities, I am certain that this stadium will be a valuable element of this area by hosting many events while also helping raise awareness of Yodogawa Steel and our brands.



The Yodoko Sakura Stadium uses YODO Roof panels

Q What is your policy for distributing earnings to shareholders?

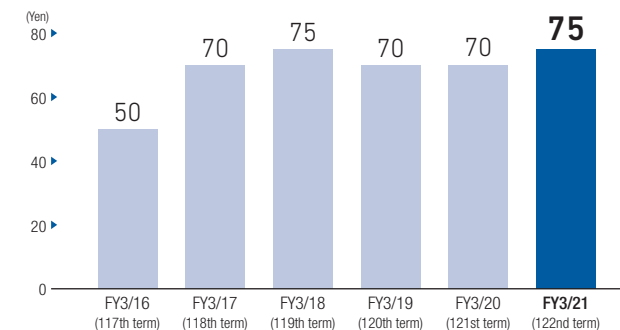
A Based on our dividend policy, we paid a dividend of 75 yen for the fiscal year ended March 31, 2021.

Stable, continuous distributions to shareholders are one of our highest priorities. As one way to distribute earnings to shareholders, we will continue to buy back our stock, which raises earnings per share.

Our guideline for the dividend is a consolidated payout ratio between about 30% and 50%. Based on this policy, we paid a 75 yen dividend (35 yen interim dividend and 40 yen year-end dividend) for the fiscal year that ended in March 2021, resulting in a consolidated payout ratio of 34.8%.

To express our appreciation to shareholders for their support, we have upgraded our shareholder benefit program. We increased the value of catalog gifts for shareholders and give shareholders QUO prepaid cards with an original design to commemorate our partnership with Cerezo OSAKA. We will continue to seek more ways to encourage people to become long-term Yodogawa Steel shareholders.

Dividends per share



Q Finally, what is your message to stakeholders?

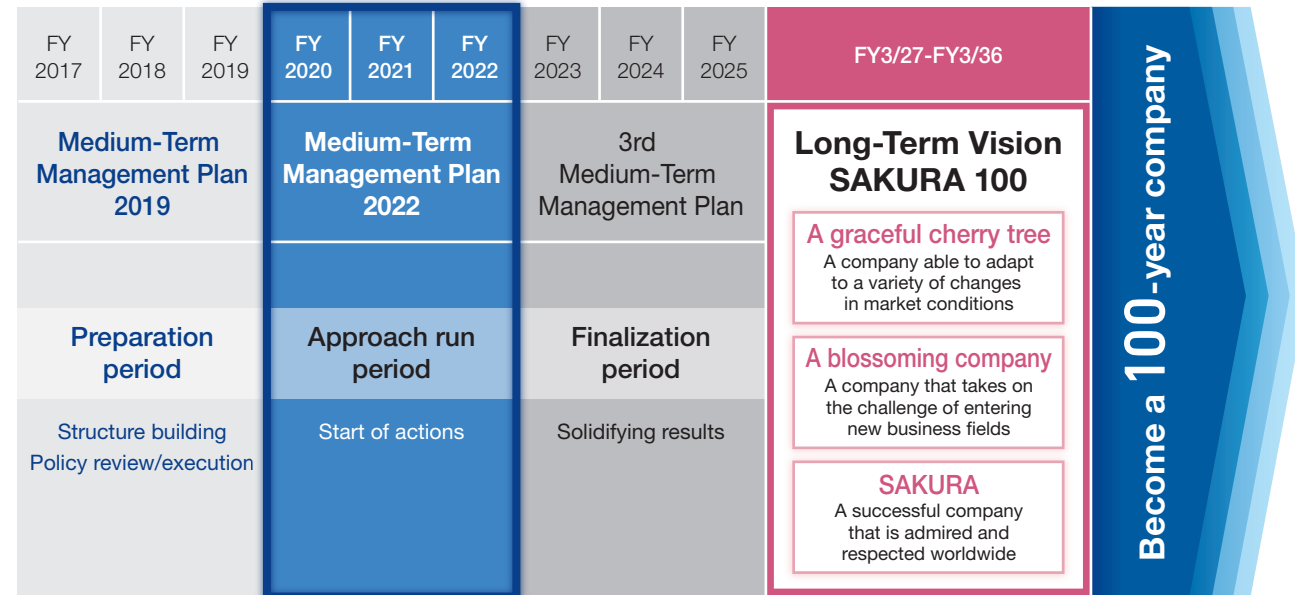
A We are committed to being an organization that is trusted by our customers and society.

Since I became president of Yodogawa Steel, I have made “trust” a key theme of my activities. I am determined to continue making progress as an organization that is worthy of the trust of our customers and society. Two years ago, there was an incident involving quality at our group. I extend my sincere apology to customers, shareholders and others for the trouble created by this problem. Restoring the trust of our stakeholders is now one of our most important tasks. We will continue to use numerous measures to accomplish this goal. The new plant of Fukui Yodoko will start operating in the fiscal year ending in March 2022. Other large investments will be needed as well, such as updates at our steel sheet plant. To achieve the goals of our SAKURA 100 long-term vision, we will be taking many actions while looking for new methods for doing business that are not restricted by our activities in prior years. I sincerely ask for the continued support and understanding of all our stakeholders.



Overview of the Medium-Term Management Plan 2022

Positioning of the Medium-Term Management Plans

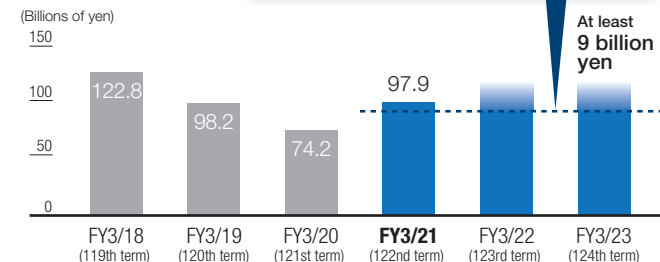


Major Initiatives of Business Segments

Steel Sheet-Related Business	Steel Sheet Business	<ul style="list-style-type: none"> Increased sales of highly-functional steel sheets that resist microbes, prevent static electricity and have other properties Continued work on the specifications for replacements of major production lines
	Building Materials Business	<ul style="list-style-type: none"> Established a department exclusive for interior and exterior panels, improved order receipt and placement operations and took other actions for rebuilding production and sales frameworks Rebuilt the sales agent network for YODO Roof
	Exterior Products Business	<ul style="list-style-type: none"> Jointly developed an outdoor gear storage shed with outdoor brand Coleman Japan for a limited number of sales to celebrate the 50th anniversary of the start of sales of YODO Monooki Storage Sheds Progress on schedule with the transfer of production to Fukui Yodoko and for the start of mass production of YODO Monooki Storage Shed Esumo in the second half of the fiscal year ending in March 2022
	Overseas	<ul style="list-style-type: none"> Sales activities to enter new overseas export markets were suspended because of COVID-19 PPT in Thailand plans to start using new raw material suppliers on a trial basis in order to receive reduced tariffs within the ASEAN
Roll Business		<ul style="list-style-type: none"> Reexamined production operations to become more profitable
Grating Business		<ul style="list-style-type: none"> Activities to sell grates in market sectors other than highways were successful in some categories

Medium-Term Management Plan 2022 Objectives

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



• Although the impact of the COVID-19 crisis had been uncertain during the fiscal year that ended in March 2021, the Yodogawa Steel Group recorded an ordinary profit of 9,790 million yen. This accomplishment was the result of cost cutting and the lower cost of energy in Japan, an improvement in the earnings of SYSCO in Taiwan, a return to profitability at PPT in Thailand, and other reasons.

• The global steel market is expected to remain uncertain and challenging in the fiscal year ending in March 2022. 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.



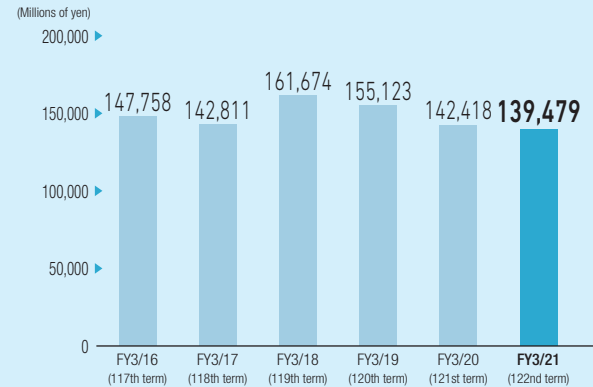
The Yodoko Sakura Stadium uses YODO Roof panels



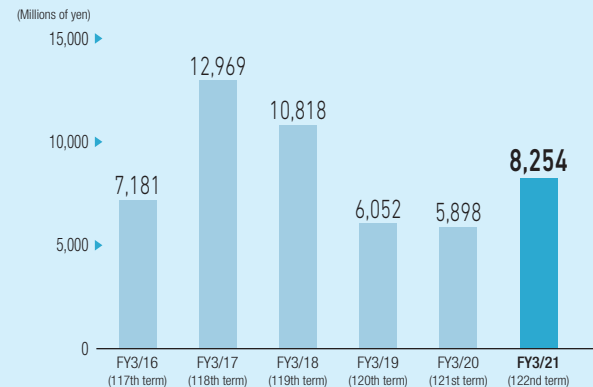
The LMD-2215 Coleman storage shed to celebrate the 50th anniversary of the launch of YODO Monooki Storage Sheds

Steel Sheet-Related Business

122nd term (actual) YoY
Net sales 139,479 million yen -2.1%



122nd term (actual) YoY
Operating profit (loss) 8,254 million yen +39.9%



Steel Sheet Segment

Performance in the year ended March 31, 2021

- The volume of sales of galvanized steel sheets to specific high-demand customers in Japan increased because of measures to increase market share while the iron and steel industry in Japan undergoes a reorganization. The sales volume of pre-painted steel sheets for building materials was unchanged as activities to increase market share were offset by a decline in the demand for building materials. There was also no change in the sales volume of pre-painted steel sheets for home appliances as a result of strong sales of home appliances as people stayed home for safety during the pandemic.
- In the general distribution category in Japan, orders were strong, particularly in the distribution warehouse and drug store sectors. Sales were higher as sales increased for both galvanized and pre-painted steel sheets.
- In Taiwan, although COVID-19 pandemic impacted the performance of SYSCO, earnings increased because of price revisions associated with an upturn in the global steel market in the fiscal year's second half. In China, YSS posted record-high sales and in Thailand PPT was profitable due to a focus on increasing sales in its core home appliance market.

Outlook for the year ending March 31, 2022

- Goal is building a stronger profit structure by adding new customers, product applications and sales channels for sales growth and price revisions.
- Overseas, SYSCO in Taiwan is establishing a base for stable earnings by reviewing manufacturing operations and becoming more efficient. In China, the goals of YSS are more sales volume growth and profitability. In Thailand, PPT is conducting sales activities to locate new users and using other measures for the stability of its performance.

Initiatives for achieving the Medium-Term Management Plan targets

- In the galvanized sheets category, activities are targeting demand by moving quickly in response to shifts in the overall supply of these sheets. Receiving orders while maintaining the proper balance between profitability and plant capacity utilization is another theme in this business. For colored sheets, the primary goals are adding new sources of demand by developing products for specific requirements and creating ideas for highly distinctive new products.
- We are dedicated to using the needs, suggestions and other input from our customers to develop products with substantial added value and create more applications for our products. All these activities are aimed at making our brands even more powerful.



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, 2021

- In the building materials sector, sales of the YODO fire-proof panel Grand Wall increased but lower demand caused by the pandemic brought down the sales volume of roof products. The result was lower sales of building materials.
- Sales of exterior products increased because of higher sales of storage sheds and garages, which was attributable in part to demand associated with staying home during the pandemic.
- Construction sales decreased as a smaller number of projects under construction offset completions of large projects for commercial, logistics and other facilities.

Outlook for the year ending March 31, 2022

- We expect an increase in the sales volumes of roofing products and exterior wall materials mainly due to the outlook for firm demand primarily involving large construction projects.
- For exterior products, our goal is higher sales by using collaborations with other companies to add new sales channels for Yodo Monooki Storage Sheds and offer more options for these sheds to cover a wider range of applications.
- In the construction sector, a number of planned projects have been delayed and we are focusing activities on large projects where work has started.

Initiatives for achieving the Medium-Term Management Plan targets

- Rebuilding the sales framework for the core YODO Roof products in the building materials sector.
- Concentrating on starting operations at Fukui Yodoko for rebuilding the production and sales frameworks for exterior products.
- 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.



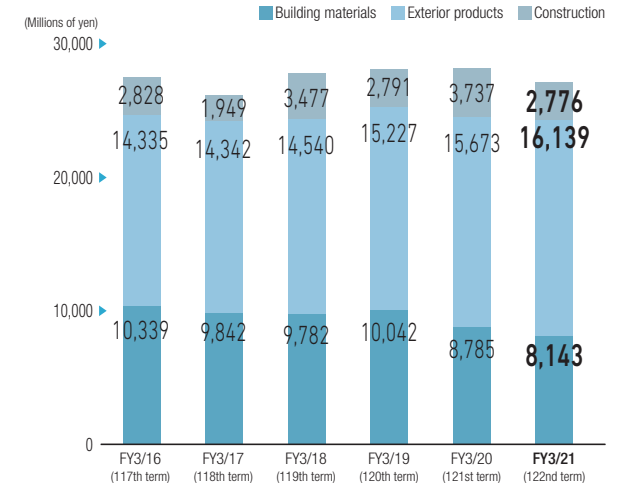
YODO Roof is used at Osaka International Airport



YODO Garage Raviege III

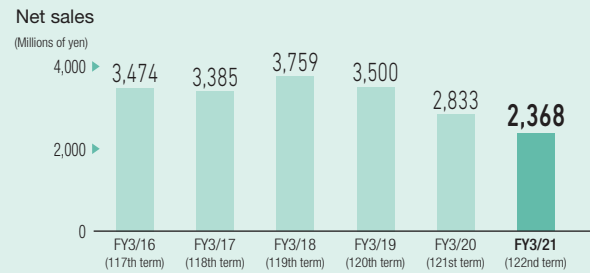
Reference Building Materials & Exterior Products Segment (Yodogawa Steel, non-consolidated)

	122nd term (actual)	YoY
Total net sales	27,059 million yen	-4.0%
Building materials	8,143 million yen	-7.3%
Exterior products	16,139 million yen	+3.0%
Construction	2,776 million yen	-25.7%



Roll Business

	122nd term (actual)	YoY
Net sales	2,368 million yen	-16.4%
Operating profit (loss)	-412 million yen	—



Performance in the year ended March 31, 2021

- The sales volume of rolls decreased because of a downturn in the output of the iron and steel industry caused by the pandemic and the longer roll replacement cycle.
- In the non-ferrous industry as well, the sales volume of rolls was lower as the pandemic pushed back investments in the paper industry to update equipment.

Outlook for the year ending March 31, 2022

- We expect a recovery in the demand for rolls used in the iron and steel industry because of higher steel output as automobile production rebounds. We also plan to generate sales by submitting proposals for maintenance and other services to prospective customers.
- In the non-ferrous industry, there is considerable interest in the utilization of our accumulated roll manufacturing technologies and we plan to use this interest to capture new 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

	122nd term (actual)	YoY
Net sales	4,965 million yen	-6.9%
Operating profit (loss)	1,069 million yen	+3.4%



Performance in the year ended March 31, 2021

- Real estate sales increased because of a higher occupancy rate at tenant-oriented buildings.
- Engineering sales decreased as most operations were at plants in Japan and there were no overseas technical support operations because of the pandemic.

Outlook for the year ending March 31, 2022

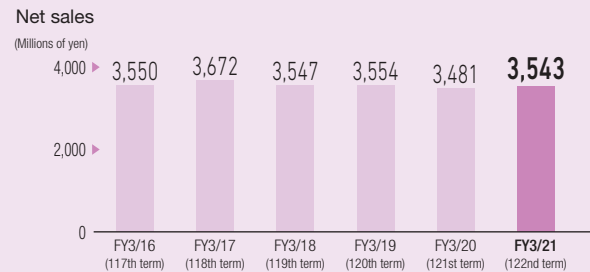
- Effectively utilizing properties remains the priority of the Real Estate Business.
- The Engineering Business is focusing on sales activities to capture orders in the next fiscal year and afterward.

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

	122nd term (actual)	YoY
Net sales	3,543 million yen	+1.8%
Operating profit (loss)	174 million yen	+116.4%



Performance in the year ended March 31, 2021

- Earnings increased because of the strong performance in public-works projects in Japan, mainly for the core highway sector, and a sales strategy of this business that placed emphasis on profitability.
- The strong performance of the harbor and railroad categories contributed to sales and earnings.

Outlook for the year ending March 31, 2022

- We expect a higher volume of public-works projects in Japan, including projects for safety during the pandemic, and no change in the volume of civil engineering projects. The grating business will continue to use a variety of sales activities in order to secure sales.
- 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

Announcement of the launch of LMD-2215 Coleman storage shed to celebrate the 50th anniversary of the launch of YODO Monooki Storage Sheds

We started manufacturing and selling exterior products in 1970 and celebrated in October 2020 the 50th anniversary of the debut of YODO Monooki Storage Shed.

To mark this accomplishment, we created the LMD-2215 Coleman storage shed through a collaboration with Coleman, one of the world's largest producers of outdoor recreation products.

Demand for outdoor gear has been increasing in Japan. During the COVID-19 pandemic, there has also been an upturn in demand involving camping at home and barbecuing. A total of 2,000 of these storage sheds were produced.

The storage shed business will continue to create new products and target new uses for storage sheds in order to meet an even broader range of customer needs.



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	: 483
Main facilities	: 1 pickling line 2 cold rolling lines 2 galvanizing lines 2 color coating lines		



Performance in the year ended March 31, 2021

- The economy of Taiwan was impacted by COVID-19 in the first half of the fiscal year but the economy grew during the second half. Growth was supported by increasing demand for semiconductors starting in the third quarter and higher internal demand backed by government measures to encourage Taiwan firms operating in China to return to Taiwan.
- Sales to large customers in Taiwan that export products mainly to the United States were slow because of the pandemic. But SYSCO was profitable due to price increases that reflected a big increase in global steel prices that started in the third quarter.
- SYSCO's exports were held down during the first half of 2020 by trade protectionism and the pandemic. But the sales volume increased in the second half along with the growth of demand as markets for steel products recovered.

Outlook for the year ending March 31, 2022

- Activities are under way at SYSCO to increase sales in Taiwan by raising sales of value-added products and supplying products for more applications. These measures include cooperation with subsidiary Yodoko International Ltd. (YIL) to increase sales of construction products and sales of galvanized products used to make solar panel frames.
- The business climate for exports remains difficult because of U.S. trade protectionism. SYSCO will flexibly respond to changes in market conditions to secure sales.
- For sales and earnings growth, SYSCO is reexamining manufacturing operations and raising efficiency. In addition, there are activities for restructuring the company's management, 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	Number of employees	: 255
Business activities	: Steel sheet manufacturing and sales		
Main facilities	: 1 galvanizing line 2 color coating lines		



Performance in the year ended March 31, 2021

- In the first half of the fiscal year, sales were slow because of disruptions in the supply of electricity caused by heavy rain. Sales rose to an all-time high in the second half because of higher sales volume as economic activity in China rebounded rapidly.
- Sales of building materials were supported by the growth of orders for construction projects and from pig farmers, a sector where there is a large volume of construction expenditures.
- YSS used joint activities with partners in China to increase sales of steel to home appliance manufacturers in China.

Outlook for the year ending March 31, 2022

- With prices of steel products climbing, YSS is aiming for year-on-year sales growth by increasing sales of value-added products used for building materials and orders from Japanese home appliance manufacturers in China.
- To increase earnings, YSS plans to increase sales of value-added products, use joint activities with Yodoko Building Materials (Hangzhou) Co., Ltd. (YBMH) to supply products that competitors cannot match, and place emphasis on profitability when accepting new orders.

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	: 122
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, 2021

- Thailand enacted anti-dumping measures against inexpensive Chinese galvanized steel coils and sheets due to U.S.-China trade friction and other reasons. Although this created concerns about a higher cost of raw materials, PPT maintained profitability by using new suppliers and quickly taking other measures involving procurement activities.
- The pandemic has increased demand for the replacement of home appliances. PPT raised its sales volume by capturing a larger share of the markets for pre-painted steel sheets for AC outdoor units, which is a new application, and refrigerators. As a result, sales increased and PPT achieved fiscal year profitability.

Outlook for the year ending March 31, 2022

- Thailand's imports of inexpensive steel products are increasing following the end of the country's anti-dumping measures that targeted pre-painted steel sheets made in China, Taiwan and South Korea. Due to concerns about price-based competition, PPT will conduct sales activities while monitoring changes in prices in Thailand.
- Major goals of PPT are capturing a larger share of the AC outdoor unit market, which is a new application, and establishing relationships with new customers. The company also plans to propose innovative ideas concerning pre-painted steel sheets for building materials in order to sell these sheets to more building material companies in Thailand.

Topics

YSS Awarded as an Outstanding Company at the Hefei Economic and Technology Development Zone

Since starting operations in 2013, YSS has been manufacturing steel sheets that are used mainly by the home appliance factories in China of Japanese companies. In the building materials category, YSS and YBMH have jointly received orders involving high-profile projects in China such as the new Beijing Daxing International Airport and the Shenzhen World Exhibition & Convention Center, which is one of the world's largest facilities of this type. The increasing stature of YSS and the power of its brand resulted in record-high sales in the fiscal year that ended in March 2021. Due to these accomplishments, YSS was chosen for a Growth Progress Award by the Hefei Economic and Technology Development Zone Management Committee. This recognition reinforces YSS's commitment to remaining a key member of the Yodogawa Steel Group in China.



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.

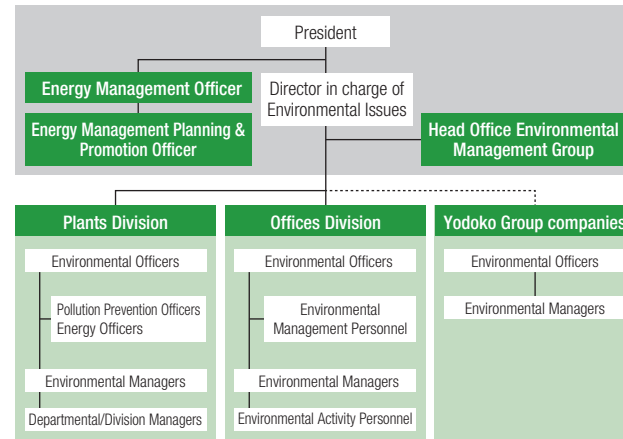
3. Establish internal organizations

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

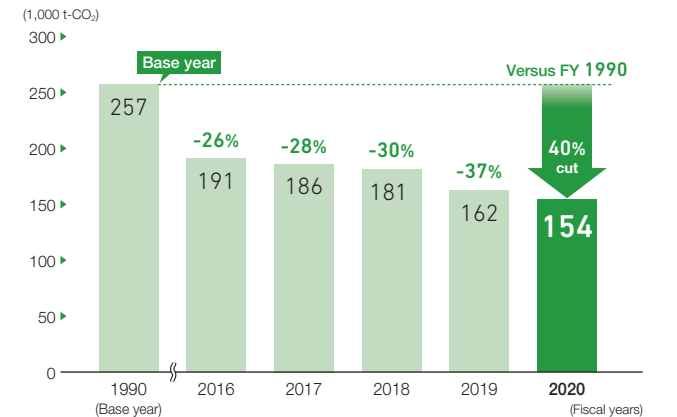
Combat global warming	Reduce CO ₂ from manufacturing
	Reduce CO ₂ from transport activities
	Reduce CO ₂ from offices
Create a recycling-oriented society	Reduce the use of resources
Reduce environmentally harmful substances	Reduce VOC emissions
	Reduce usage of toxic chemicals
	Environmentally conscious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

Combat Global Warming

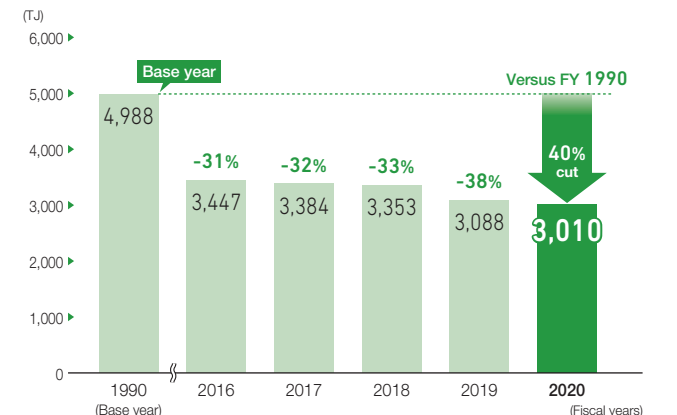
To combat global warming, we are increasing efficiency by upgrading equipment used for manufacturing while also improving operations and using LED lights for peripheral equipment. For logistics, our activities include shifting to rail and

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 2021 (FY2020), we cut CO₂ emissions by 40% and energy consumption by 40% (both vs. FY1990).

CO₂ emissions Consolidated (Japan)

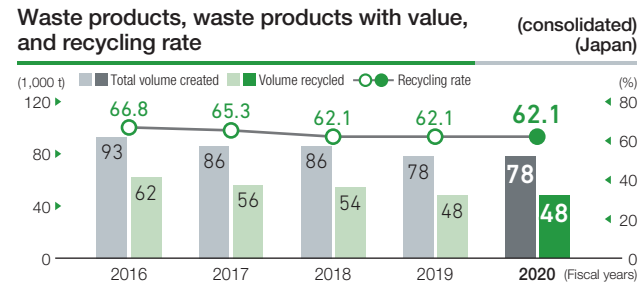


Energy consumption Consolidated (Japan)



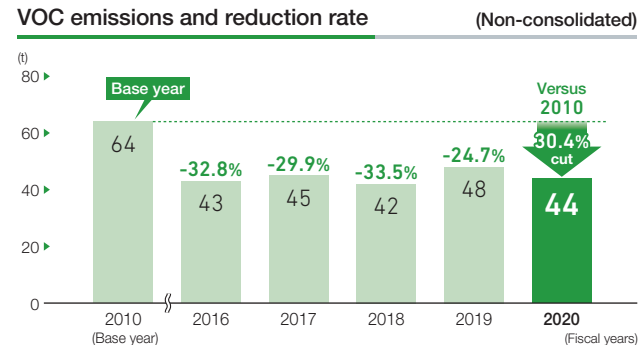
1 Create an Environmentally Recycling-oriented Society

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 FY2020, our total volume of waste materials was 78,000 tons. The reuse of waste materials as a resource was about the same as in the previous fiscal year.



2 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 FY2020 VOC emissions to 30.4% below the FY2010 level.



3 Economical Utilization of Clean Energy

On the roofs and grounds of our Osaka, Izumiotsu, and Fukui Plants, and at group companies, we have installed photovoltaic power generation systems that produced approximately 6,430 MWh of electricity in FY2020.

This photovoltaic power generation is expected to reduce annual CO₂ emissions by about 3,568 tons.



Solar panels in SYSCO Taiwan

4 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.

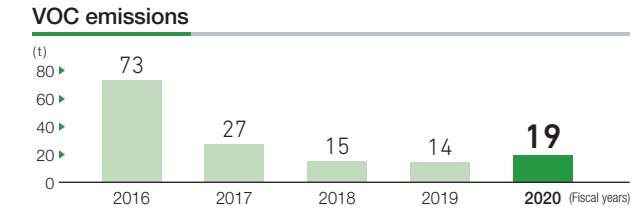
Our environmental investments in FY2020 were 24 million yen, which included the installation of LED lights... Total environmental expenses in FY2020 were 556 million yen, consisting of 17% for air pollution prevention, 25% for water contamination prevention, and 36% for processing industrial waste. These expenses were mainly for preventing pollution and recycling resources.

Note: FY2020 numerical environmental data on pages 26 and 27 are preliminary figures.

Topics SYSCO's Environmental Activities

1 Reduce Environmentally Harmful Substances

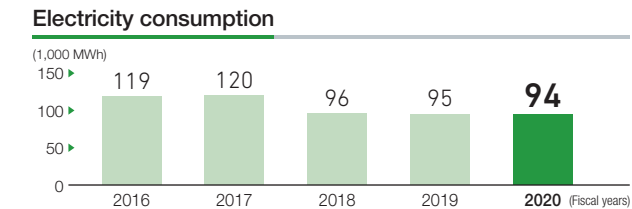
In 2016 and 2017, SYSCO replaced production line equipment with machinery that holds down VOC emissions. In FY2019, there were more activities to lower these emissions, including the partial modification of production lines.



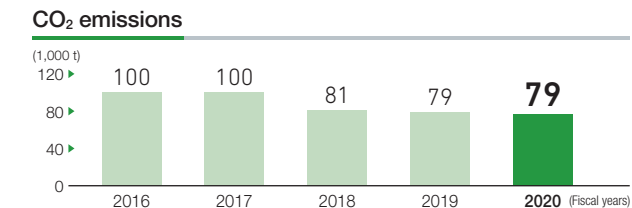
2 Combat global warming

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.

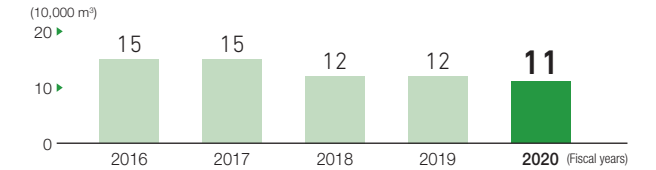
- 1) Reduced electricity consumption by increasing the efficiency of rolling mill exhaust fans.
- 2) Reduced electricity consumption by increasing the use of inverters and replacing conventional lights with energy-efficient fixtures.



- 3) Installed heat recovery steam generators on some production lines, as in the previous fiscal year.



Natural gas consumption



3 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 11,842 tons of these sheets during 2020.

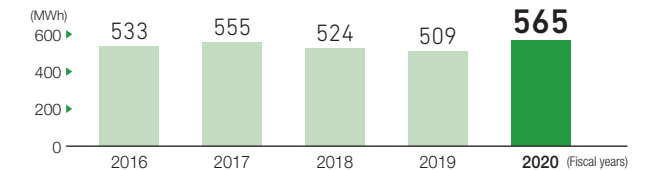
Development of GL steel sheets for solar panel mounts

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.

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 2020, these systems have generated a cumulative 2,707 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 are developing chromate-free plates as quickly as possible. 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

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 YODO Kura Storage Shed MD configured for performing medical tests

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

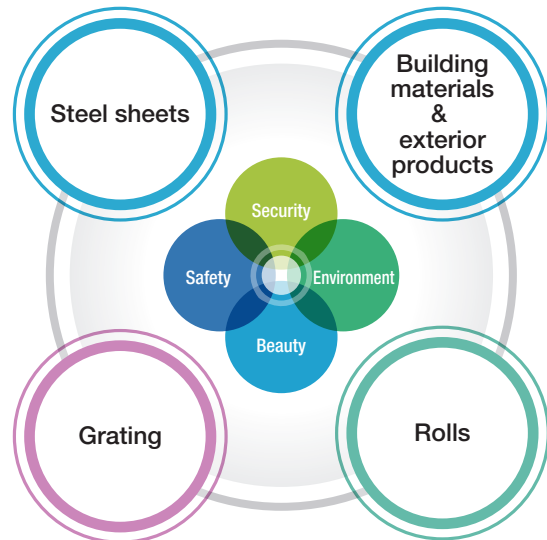
Social

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.

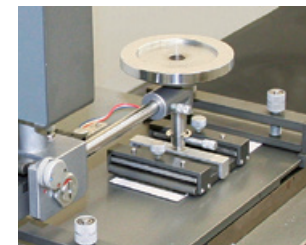
We manufacture two major categories of steel sheet products. The first category is steel sheets with specifications that meet the requirements of manufacturers of electric appliances and building materials. The second category is steel sheets that we sell through intermediaries for general-purpose building 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

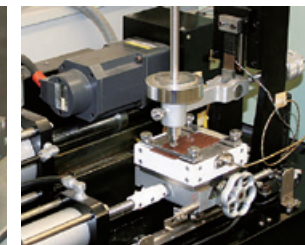
We believe that the mission of every company is to develop technologies and products that reflect changes in its markets and society. This is why we are constantly taking on new R&D themes and challenges. In the Steel Sheet Segment, R&D activities extend from surface-processing technologies to colors, 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)



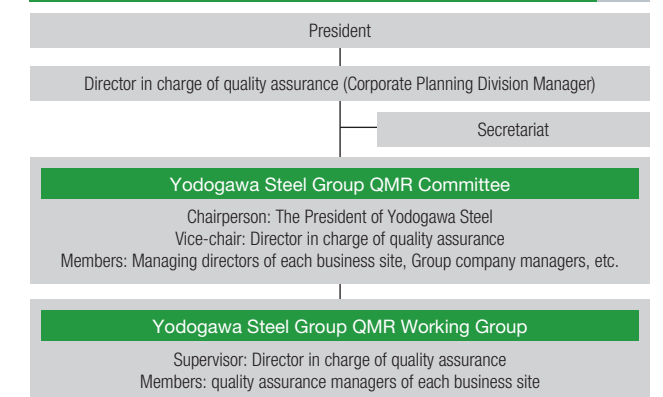
Exposure testing area, southern Taiwan (Kenting, Pingtung County)

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. This conference did not take place in the fiscal year ended March 31, 2021 because of the COVID-19 crisis.

Presentations are made at the JK Conference to provide opportunities to study examples of initiatives that we can leverage to improve business practices. We utilize these types of activities for the growth and self-realization for all employees.



Yodogawa Steel Group JK Conference

Diversity

We hire people regardless of gender, nationality, or disabilities. Similarly, we aim to be a company with a broad array of values and a global outlook that enables us to contribute to cities, lifestyles, and society in general.

We believe that establishing a work environment conducive to energetic participation will stimulate the growth of employees with diverse talents and values while also increasing corporate value. One key component of this objective is encouraging the participation of women. We have created a hiring goal to make women 20% of our college-graduate career-path personnel. Furthermore, we provide language and other types of training programs in order to increase the number of career-path women.

Social Contribution Activities

Donations to Charities Using Shareholder Benefits

Donations by shareholders of record on March 31, 2020 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 2020 in the name of the Yodogawa Steel Works, Ltd. (Shareholder Donation Account).

Total donations: 186 shareholders 649,000 yen

UNICEF: 53 shareholders 166,000 yen
The Japanese Red Cross Society: 70 shareholders 285,000 yen
Ashinaga Foundation: 63 shareholders 198,000 yen

Transfer to donations from shareholders who did not apply for shareholder benefits: 732 shareholders 2,395,000 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 struc-

ture 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, 2021, there were six 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.

Directors and Audit & Supervisory Board Members (as of June 22, 2021)

Directors

					
Satoshi Nitta President and Representative Director	Toshio Kumamoto Director, Managing Executive Officer	Tadashi Hattori 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)	Kazuki Miyajima 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)

FY2020 (Directors and Audit & Supervisory Board members as of June 22, 2021)

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	14 of 14 meetings	—
Sadato Kobayashi	Elected at the General Meeting of Shareholders held on June 22, 2021	
Katsuyuki Kuse	Elected at the General Meeting of Shareholders held on June 22, 2021	
Miho Ishihara	14 of 14 meetings	17 of 17 meetings
Ritsuko Watanabe	11 of 11 meetings	13 of 13 meetings

*Ms. Watanabe was elected as an Outside Audit & Supervisory Board member at the General Meeting of Shareholders held on June 23, 2020

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 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 FY2020.

1 Questionnaires

Scope	All 6 Directors and all 4 Audit & Supervisory Board Members
Format	All responses are anonymous
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. As a result, the evaluation process concluded that the Board of Directors is effective.

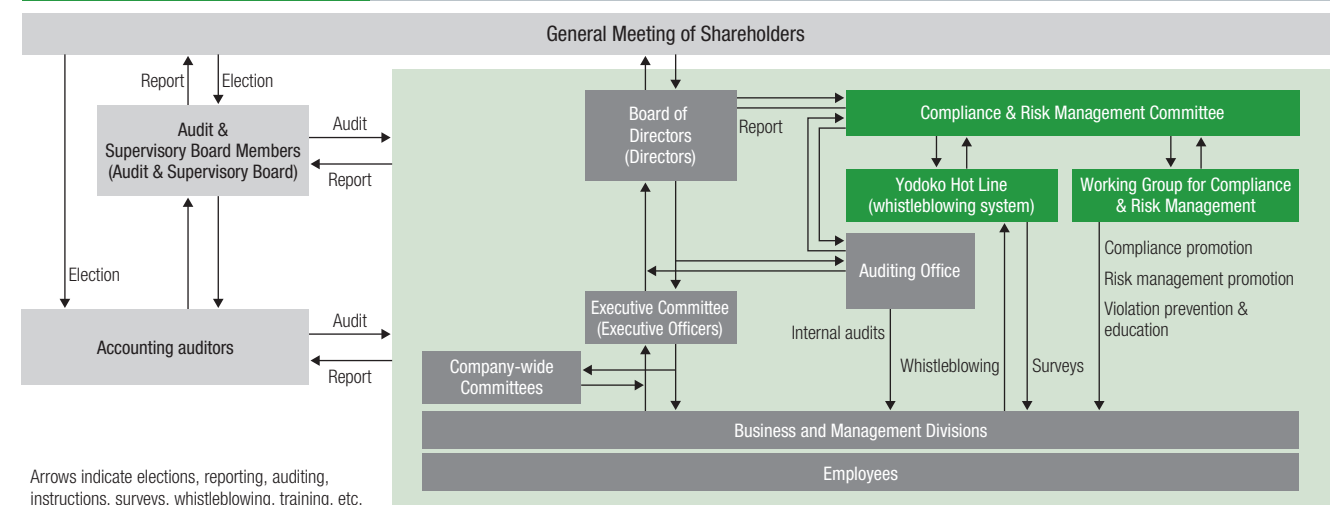
To further increase effectiveness, the following areas for improvement were identified: more thorough discussions of management strategies and business plans, the more effective implementation of risk management programs and succession plans, and studies regarding the use of voluntary committees.

3 Actions in response to the evaluation results

The fiscal year that ended in March 2021 was the first year of the Yodogawa Steel Group Medium-term Management Plan 2022. This three-year plan will end in March 2023.

Based on the points that were identified by this evaluation, the internal and external officers will conduct more open discussions for the proper oversight of management in order to increase the Board's effectiveness for the further growth of the Yodogawa Steel Group's corporate value.

Diagram of governance structure



Arrows indicate elections, reporting, auditing, instructions, surveys, whistleblowing, training, etc.

Market environment

In the fiscal year ended March 31, 2021, the Japanese economy started to recover from the impact of the COVID-19 pandemic because of economic stimulus measures by the Japanese government and other reasons. However, the economy began to weaken again in 2021 due to another state of emergency in response to a new wave of infections that started late in 2020 and other effects of this crisis.

There was a significant slowdown of the global economy due to the COVID-19 pandemic. In the United States, consumer spending and capital expenditures recovered with the support of additional economic measures by the new Biden administration. In China, the economy recovered at a moderate pace as internal demand rebounded and exports and manufacturing output increased.

The steel market in Japan was sluggish, but there were improvements in some sectors, such as an upturn in demand in the non-residential construction category, including distribution warehouses. The overseas steel market has been unstable because steel production in China is increasing again along with a recovery in economic activity and exports of steel are growing.

Results of operations

The Yodogawa Steel Group's net sales in the fiscal year decreased 3,708 million yen to 150,358 million yen. Operating profit increased 2,391 million yen to 7,880 million yen, ordinary profit increased 2,366 million yen to 9,792 million yen, and profit attributable to owners of parent increased 2,395 million

yen to 6,258 million yen.

Regarding sales the operating environment was very challenging in Japan and other countries because of the COVID-19 pandemic. Sales volumes in Japan and at Taiwan subsidiary Sheng Yu Steel Co., Ltd. (SYSCO) were down in the first half of the fiscal year. In China, where the economy recovered quickly from the COVID-19 downturn, the sales volume of Yodogawa Shengyu (Hefei) High-Tech Steel Co., Ltd. (YSS) increased. However, consolidated sales were lower than in the previous fiscal year. For earnings, operating profit was higher in Japan primarily because of cost-cutting measures and the lower cost of energy. Although market conditions were challenging for all overseas subsidiaries, there was a big improvement in the earnings of SYSCO in the fiscal year's second half and the earnings of PCM Processing (Thailand) Ltd. (PPT), a subsidiary in Thailand, improved. As a result, operating profit was higher than in the previous fiscal year. Ordinary profit increased by about the same amount as the increase in operating profit. In non-operating income, there were foreign exchange gains but gain on sale of investment securities decreased. A smaller loss on valuation of investment securities, which is an extraordinary loss, and other factors resulted in an increase in consolidated profit that was larger than the increase in ordinary profit. However, the earnings of SYSCO, which has a high percentage of non-controlling interests, was a major reason for the higher consolidated profit. Consequently, the increase in profit attributable to owners of parent was smaller than the increase in consolidated profit.

Outlook

The outlook for the global economy is becoming increasingly uncertain because of the inability to predict when the COVID-19 pandemic will end, prolonged U.S.-China trade friction and other reasons.

In Japan, although some sectors of the economy are recovering, there is still a long way to go until a significant percentage of the population has received COVID-19 vaccinations. The outlook is therefore for a combination of progress and setbacks concerning the pandemic and economic activity.

In the steel market, there are concerns about instability of the balance between the supply and demand for steel for the time being in Japan and other countries. As a result, the steel market is likely to remain difficult with an uncertain outlook.

The Yodogawa Steel Group anticipates a challenging business environment. In all regions, our overseas subsidiaries continue to be affected by protectionist measures amid an unpredictable and unstable environment for demand and expenses. 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.

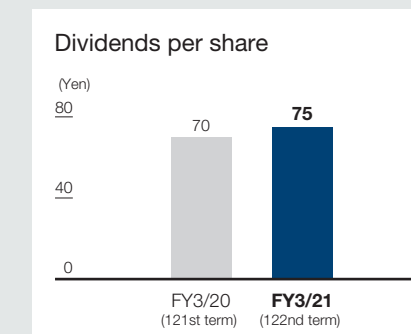
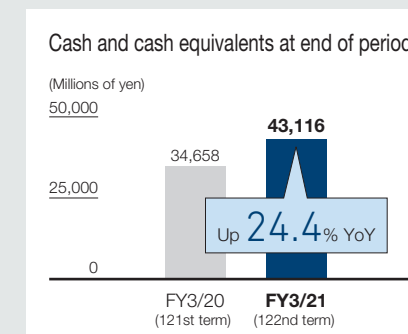
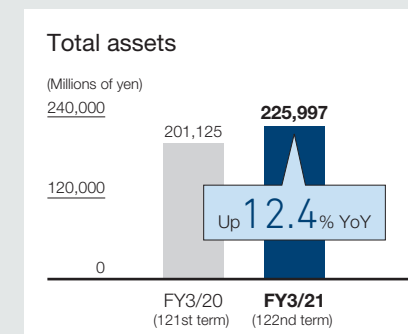
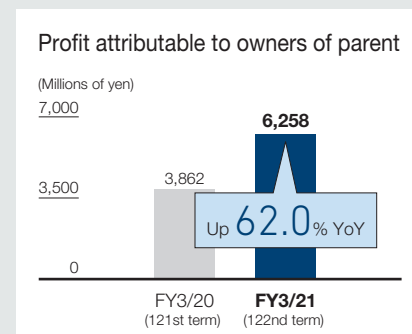
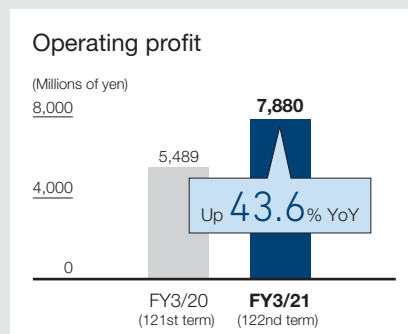
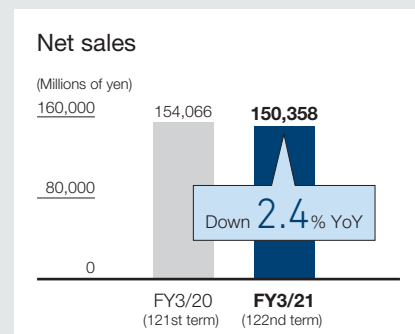
Returns to shareholders

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 ending on March 31, 2022 and 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, 2021 is to be 40 yen per share. With the interim dividend of 35 yen, this will result in a dividend of 75 yen per share for this fiscal year.

There is currently no dividend forecast for the fiscal year ending March 31, 2022. An announcement will be made promptly once it becomes possible to announce a dividend forecast.



Consolidated Balance Sheet

(Millions of yen)

	FY3/20 (as of March 31, 2020)	FY3/21 (as of March 31, 2021)		FY3/20 (as of March 31, 2020)	FY3/21 (as of March 31, 2021)
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	32,650	42,035	Notes and accounts payable-trade	10,582	13,744
Notes and accounts receivable-trade	39,117	41,229	Electronically recorded obligations-operating	2,340	2,247
Electronically recorded monetary claims-operating	—	3,005	Short-term borrowings	640	—
Securities	8,652	6,821	Lease obligations	23	40
Merchandise and finished goods	15,406	12,672	Income taxes payable	250	2,717
Work in process	4,145	4,158	Provision for bonuses	923	1,365
Raw materials and supplies	12,216	9,258	Provision for product warranties	—	336
Other	4,496	4,783	Other	4,748	7,902
Allowance for doubtful accounts	(131)	(147)	Total current liabilities	19,509	28,353
Total current assets	116,553	123,818	Non-current liabilities		
Non-current assets			Lease obligations	22	26
Property, plant and equipment			Deferred tax liabilities	2,044	5,579
Buildings and structures	60,663	60,789	Deferred tax liabilities for land revaluation	856	856
Accumulated depreciation	(46,096)	(46,857)	Provision for retirement benefits for directors (and other officers)	79	52
Buildings and structures, net	14,566	13,931	Retirement benefit liability	7,281	6,907
Machinery, equipment and vehicles	135,668	136,185	Other	4,041	3,911
Accumulated depreciation	(123,356)	(124,722)	Total non-current liabilities	14,324	17,333
Machinery, equipment and vehicles, net	12,312	11,463	Total liabilities	33,834	45,687
Land	19,001	18,964	Net assets		
Leased assets	91	125	Shareholders' equity		
Accumulated depreciation	(50)	(62)	Share capital	23,220	23,220
Leased assets, net	41	63	Capital surplus	20,381	18,108
Construction in progress	802	7,335	Retained earnings	106,763	110,835
Other	11,838	11,877	Treasury shares	(13,351)	(12,091)
Accumulated depreciation	(11,069)	(11,035)	Total shareholders' equity	137,014	140,073
Other, net	769	841	Accumulated other comprehensive income		
Total property, plant and equipment	47,493	52,599	Valuation difference on available-for-sale securities	10,476	19,207
Intangible assets			Revaluation reserve for land	1,636	1,636
Other	1,641	1,752	Foreign currency translation adjustment	1,489	1,458
Total intangible assets	1,641	1,752	Remeasurements of defined benefit plans	(578)	109
Investments and other assets			Total accumulated other comprehensive income	13,023	22,412
Investment securities	34,778	46,865	Share acquisition rights	224	227
Retirement benefit asset	—	285	Non-controlling interests	17,029	17,596
Deferred tax assets	234	208	Total net assets	167,291	180,309
Other	424	468	Total liabilities and net assets	201,125	225,997
Total investments and other assets	35,437	47,827			
Total non-current assets	84,572	102,179			
Total assets	201,125	225,997			

Consolidated Statement of Income

(Millions of yen)

	FY3/20 (April 1, 2019 to March 31, 2020)	FY3/21 (April 1, 2020 to March 31, 2021)
Net sales	154,066	150,358
Cost of sales	131,540	125,004
Gross profit	22,525	25,354
Selling, general and administrative expenses	17,036	17,473
Operating profit	5,489	7,880
Non-operating income	3,035	2,277
Non-operating expenses	1,099	366
Ordinary profit	7,425	9,792
Extraordinary income	295	14
Extraordinary losses	2,213	125
Profit before income taxes	5,507	9,681
Income taxes-current	1,782	3,329
Income taxes-deferred	236	(325)
Total income taxes	2,019	3,003
Profit	3,488	6,677
Profit (loss) attributable to non-controlling interests	(373)	419
Profit attributable to owners of parent	3,862	6,258

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY3/20 (April 1, 2019 to March 31, 2020)	FY3/21 (April 1, 2020 to March 31, 2021)
Profit	3,488	6,677
Other comprehensive income	(1,371)	9,675
Comprehensive income	2,117	16,352

Consolidated Statement of Changes in Equity (April 1, 2020 to March 31, 2021)

(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	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	20,381	106,763	(13,351)	137,014	10,476	1,636	1,489	(578)	13,023	224	17,029	167,291
Changes during period													
Dividends of surplus			(2,185)		(2,185)								(2,185)
Profit attributable to owners of parent			6,258		6,258								6,258
Purchase of treasury shares				(1,068)	(1,068)								(1,068)
Disposal of treasury shares		(12)		30	18								18
Cancellation of treasury shares		(2,298)		2,298	—								—
Purchase of shares of consolidated subsidiaries		37			37								37
Net changes in items other than shareholders' equity						8,730		(30)	688	9,388	3	567	9,959
Total changes during period	—	(2,273)	4,072	1,260	3,059	8,730	—	(30)	688	9,388	3	567	13,018
Balance at end of period	23,220	18,108	110,835	(12,091)	140,073	19,207	1,636	1,458	109	22,412	227	17,596	180,309

Consolidated Statement of Cash Flows

(Millions of yen)

	FY3/20 (April 1, 2019 to March 31, 2020)	FY3/21 (April 1, 2020 to March 31, 2021)
Cash flows from operating activities	5,927	17,149
Cash flows from investing activities	(1,407)	(4,672)
Cash flows from financing activities	(2,265)	(3,998)
Effect of exchange rate change on cash and cash equivalents	87	(19)
Net increase (decrease) in cash and cash equivalents	2,341	8,457
Cash and cash equivalents at beginning of period	32,316	34,658
Cash and cash equivalents at end of period	34,658	43,116

Corporate Profile

Corporate Profile

Company name Yodogawa Steel Works, Ltd.

Established January 30, 1935

Capital 23,220,815,228 yen

Employees 1,233

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, Morioka, Sendai Regional, Niigata, Nagano, Takasaki, Tokyo Regional, Yokohama, Shizuoka, Hokuriku, Nagoya Regional, Osaka Regional, Kobe, Okayama, Hiroshima Regional, Takamatsu Regional, Kochi, Yahata, Fukuoka Regional, 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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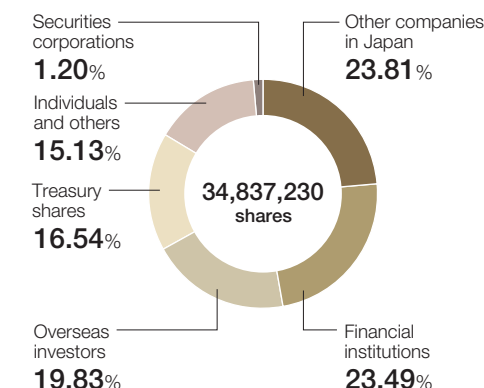
Principal Shareholders

Name	Shares Owned (Thousands of shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,425	4.90
Resona Bank, Limited.	1,068	3.67
Mizuho Bank, Ltd.	1,062	3.65
Yodoko Partners' Shareholding Association	996	3.42
Nippon Life Insurance Company	618	2.12
Custody Bank of Japan, Ltd. (Trust Account)	613	2.10
POSCO	600	2.06
JFE Steel Corporation	587	2.02
Sadoshima Corporation	571	1.96
Nippon Paint Industrial Coatings Co., Ltd.	547	1.88

Notes: 1. Treasury shares (5,763,858 shares) held by Yodogawa Steel are not included in this list of major shareholders.

2. Shareholding ratios do not include treasury shares (5,763,858 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	1-2-1, Yaesu, Chuo-ku, Tokyo 103-8670, Japan, Mizuho Trust & Banking Co., Ltd. Stock Transfer Agency Department
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. 2-8-4 Izumi, Suginami-ku, Tokyo 168-8507, 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.