



February 4, 2021

**Summary of the Consolidated Financial Results for the Third Quarter
of the Fiscal Year Ending March 31, 2021 (FY3/21)
(Nine Months Ended December 31, 2020)**

[Japanese GAAP]

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 Scheduled date of filing of Quarterly Report: February 10, 2021
 Scheduled date of payment of dividend: -
 Preparation of supplementary materials for quarterly financial results: None
 Holding of quarterly financial results meeting: None

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

1. Consolidated Financial Results for the Third Quarter (April 1, 2020 to December 31, 2020) of FY3/21

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Dec. 31, 2020	107,775	(7.9)	5,499	30.0	6,944	33.7	4,618	38.2
Nine months ended Dec. 31, 2019	117,076	(7.9)	4,230	(13.9)	5,193	(25.6)	3,342	(20.4)

Note: Comprehensive income (millions of yen):
 Nine months ended Dec. 31, 2020: 13,225 (up 231.0%)
 Nine months ended Dec. 31, 2019: 3,995 (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2020	158.72	158.01
Nine months ended Dec. 31, 2019	113.41	112.95

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of Dec. 31, 2020	217,298	177,184	73.6
As of Mar. 31, 2020	201,125	167,291	74.6

Reference: Shareholders' equity (millions of yen): As of Dec. 31, 2020: 159,957 As of Mar. 31, 2020: 150,037

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2020	-	30.00	-	40.00	70.00
Fiscal year ending Mar. 31, 2021	-	35.00	-	-	-
Fiscal year ending Mar. 31, 2021 (Forecast)	-	-	-	35.00	70.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Forecasts for FY3/21 (April 1, 2020 to March 31, 2021)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	150,000	(2.6)	7,200	31.2	8,700	17.2	5,600	45.0	192.93

Note: Revisions to the most recently announced consolidated earnings forecast: Yes

For further details, please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 3.

*** Notes**

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

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

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

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

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

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common shares)

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

As of Dec. 31, 2020:	35,837,230 shares	As of Mar. 31, 2020:	35,837,230 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2020:	7,056,994 shares	As of Mar. 31, 2020:	6,509,597 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2020:	29,099,189 shares	Nine months ended Dec. 31, 2019	29,475,755 shares
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* The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

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

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the management of Yodogawa Steel Works at the time the materials were prepared. These materials are not promises by Yodogawa Steel Works regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons. For a discussion of the assumptions for forecasts, precautions concerning usage and other information, please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements” on page 3.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first nine months of the fiscal year ending March 31, 2021, the Japanese economy was severely impacted by the worldwide spread of the new coronavirus infection (the COVID-19 pandemic). On the other hand, there were improvements in some sectors due to government economic measures.

In the global economy, there was a significant slowdown due to the COVID-19 pandemic. However, the global economy has started to recover slowly with the support of upturns in consumer spending and jobs in the United States, production and capital expenditures in China, and other improvements.

In the steel market in Japan, manufacturers reduced output and inventories due to the slowdown in economic activity. But this was followed by a rapid market recovery that included a big increase in automobile production. In the overseas steel market, steel production in China is increasing again along with a recovery in economic activity, and the market has been unstable because of speculation in raw materials and other reasons.

The Yodogawa Steel Group's net sales in the first nine months decreased 9,301 million yen to 107,775 million yen. Operating profit increased 1,269 million yen to 5,499 million yen, ordinary profit increased 1,751 million yen to 6,944 million yen, and profit attributable to owners of parent increased 1,275 million yen to 4,618 million yen.

In Japan, sales decreased due to lower sales of steel sheets, but earnings were higher because of cost reduction measures.

Overseas, sales decreased mainly because of lower sales at the Taiwan subsidiary Sheng Yu Steel Co., Ltd. (SYSCO). Although sales were lower, earnings increased mainly because of higher earnings at the Thai subsidiary PCM Processing (Thailand) Ltd. (PPT).

Results by business segment are as follows.

1) Steel Sheet-related Business

Net sales totaled 99,693 million yen and operating profit was 5,789 million yen. Sales declined and earnings increased.

Steel Sheet

In Japan, sales decreased because of lower sales volume of steel sheets to specific high-demand customers as well as a decrease in sales volume of steel sheets for general distribution due to sluggish construction demand caused by the COVID-19 pandemic. However, earnings increased due to cost reduction measures.

Overseas, operating profit increased at SYSCO in Taiwan despite a decline in sales volume in the domestic market in Taiwan mainly because this company conducted sales activities that placed priority on profitability. At Yodogawa Shengyu (Hefei) High-Tech Steel Co., Ltd. (YSS), a subsidiary in China, the sales volume increased but earnings were about the same as one year earlier. The main reason was the negative effect of urban blockade measures implemented to protect against the COVID-19 pandemic around the time of the Chinese New Year's holiday. The business climate for PPT in Thailand continues to be difficult. Although sales were about the same as one year earlier, profitability improved due to an increase in sales volume of value-added products.

Building Material & Exterior Products

In the building materials category, sales volumes for fire-proof panel wall materials (Yodo Grand Wall), storage sheds and garages remained firm. However, sales were lower than one year earlier mainly because sales of YODO Roof and Yodo Print decreased. Construction sales were about the same as one year earlier.

2) Roll Business

Net sales totaled 1,886 million yen and operating loss was 291 million yen.

Sales and earnings decreased due to lower sales to the steel industry.

3) Grating Business

Net sales totaled 2,587 million yen and operating profit was 117 million yen.

Sales decreased due to a reduction in road projects and other factors but earnings increased because of sales activities that placed priority on profitability.

4) Real Estate Business

Net sales totaled 929 million yen and operating profit was 659 million yen.

Sales and earnings increased because of a higher occupancy rate at tenant-occupied buildings.

5) Other Businesses

Net sales totaled 2,677 million yen and operating profit was 100 million yen.

Sales and earnings decreased due to lower sales in the materials sales operations and the warehousing and transportation businesses.

(2) Explanation of Financial Position

Assets

Current assets increased by 1,181 million yen from the end of the previous fiscal year to 117,734 million yen. This was attributable mainly to an increase of 6,258 million yen in cash and deposits, a decrease of 3,152 million yen in securities and a decrease of 3,396 million yen in raw materials and supplies.

Non-current assets increased by 14,991 million yen from the end of the previous fiscal year to 99,563 million yen. This was mainly attributable to increases of 12,224 million yen in investment securities and 2,636 million yen in property, plant and equipment.

Total assets increased by 16,172 million yen from the end of the previous fiscal year to 217,298 million yen.

Liabilities

Current liabilities increased by 2,598 million yen from the end of the previous fiscal year to 22,107 million yen. This was attributable mainly to an increase of 1,297 million yen in income taxes payable.

Non-current liabilities increased by 3,681 million yen from the end of the previous fiscal year to 18,006 million yen. This was attributable mainly to an increase of 3,676 million yen in deferred tax liabilities included in other non-current liabilities. Total liabilities increased by 6,279 million yen from the end of the previous fiscal year to 40,114 million yen.

Net assets

Net assets increased by 9,892 million yen from the end of the previous fiscal year to 177,184 million yen. This was attributable mainly to increases of 2,432 million yen in retained earnings and 8,651 million yen in valuation difference on available-for-sale securities.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

The outlook for global economy is becoming increasingly uncertain due to the second wave of COVID-19 pandemic and prolonged U.S.-China trade friction.

In Japan, although some sectors of the economy are recovering, the business climate is expected to remain challenging for the foreseeable future because of the return of a state of emergency in response to the current COVID-19 pandemic and other events.

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.

All group companies are working on becoming more profitable. Companies are establishing positions in new markets and increasing sales of value-added products while taking full advantage of the speed and flexibility that are key strengths of the Yodogawa Steel Group.

The forecast for consolidated performance in the current fiscal year is based on this outlook for the economy and steel market.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	(Millions of yen)	
	FY3/20 (as of Mar. 31, 2020)	Third quarter of FY3/21 (as of Dec. 31, 2020)
Assets		
Current assets		
Cash and deposits	32,650	38,908
Notes and accounts receivable-trade	39,117	39,618
Electronically recorded monetary claims-operating	-	2,763
Securities	8,652	5,500
Merchandise and finished goods	15,406	13,600
Work in process	4,145	3,888
Raw materials and supplies	12,216	8,820
Other	4,496	4,766
Allowance for doubtful accounts	(131)	(132)
Total current assets	116,553	117,734
Non-current assets		
Property, plant and equipment	47,493	50,130
Intangible assets	1,641	1,729
Investments and other assets		
Investment securities	34,778	47,002
Other	658	700
Total investments and other assets	35,437	47,703
Total non-current assets	84,572	99,563
Total assets	201,125	217,298
Liabilities		
Current liabilities		
Notes and accounts payable-trade	10,582	11,129
Electronically recorded obligations-operating	2,340	2,354
Short-term borrowings	640	235
Income taxes payable	250	1,547
Provision for bonuses	923	632
Other	4,772	6,208
Total current liabilities	19,509	22,107
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	79	49
Retirement benefit liability	7,281	7,392
Other	6,963	10,564
Total non-current liabilities	14,324	18,006
Total liabilities	33,834	40,114
Net assets		
Shareholders' equity		
Share capital	23,220	23,220
Capital surplus	20,381	20,411
Retained earnings	106,763	109,196
Treasury shares	(13,351)	(14,402)
Total shareholders' equity	137,014	138,426
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,476	19,128
Revaluation reserve for land	1,636	1,636
Foreign currency translation adjustment	1,489	1,239
Remeasurements of defined benefit plans	(578)	(472)
Total accumulated other comprehensive income	13,023	21,531
Share acquisition rights	224	235
Non-controlling interests	17,029	16,990
Total net assets	167,291	177,184
Total liabilities and net assets	201,125	217,298

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**(Quarterly Consolidated Statement of Income)****(For the Nine-month Period)**

(Millions of yen)

	First nine months of FY3/20 (Apr. 1, 2019 to Dec. 31, 2019)	First nine months of FY3/21 (Apr. 1, 2020 to Dec. 31, 2020)
Net sales	117,076	107,775
Cost of sales	99,983	89,276
Gross profit	17,092	18,499
Selling, general and administrative expenses	12,862	13,000
Operating profit	4,230	5,499
Non-operating income		
Interest income	379	212
Dividend income	747	571
Foreign exchange gains	22	32
Gain on valuation of derivatives	-	11
Gain on sales of investment securities	0	462
Share of profit of entities accounted for using equity method	348	214
Other	226	245
Total non-operating income	1,723	1,751
Non-operating expenses		
Interest expenses	64	51
Cost for employees transferred temporarily to overseas subsidiaries	133	132
Loss on valuation of derivatives	513	-
Other	48	122
Total non-operating expenses	760	305
Ordinary profit	5,193	6,944
Extraordinary income		
Gain on sales of non-current assets	0	0
Insurance claim income	-	13
Total extraordinary income	0	14
Extraordinary losses		
Loss on sales and retirement of non-current assets	86	60
Loss on valuation of investment securities	273	1
Impairment loss	0	0
Loss on disaster	13	-
Loss on liquidation of subsidiaries and associates	-	12
Other	-	0
Total extraordinary losses	375	75
Profit before income taxes	4,818	6,883
Income taxes-current	1,198	2,246
Income taxes-deferred	389	(33)
Total income taxes	1,588	2,213
Profit	3,230	4,670
Profit (loss) attributable to non-controlling interests	(112)	51
Profit attributable to owners of parent	3,342	4,618

(Quarterly Consolidated Statement of Comprehensive Income)**(For the Nine-month Period)**

(Millions of yen)

	First nine months of FY3/20 (Apr. 1, 2019 to Dec. 31, 2019)	First nine months of FY3/21 (Apr. 1, 2020 to Dec. 31, 2020)
Profit	3,230	4,670
Other comprehensive income		
Valuation difference on available-for-sale securities	2,132	8,683
Foreign currency translation adjustment	(1,487)	(302)
Remeasurements of defined benefit plans, net of tax	133	119
Share of other comprehensive income of entities accounted for using equity method	(13)	54
Total other comprehensive income	765	8,555
Comprehensive income	3,995	13,225
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	4,550	13,126
Comprehensive income attributable to non-controlling interests	(554)	99

(3) Notes to Quarterly Consolidated Financial Statements

Going-concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Notes to Quarterly Consolidated Balance Sheet

Contingent liabilities

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

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

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

Segment and Other Information**Segment information**

I. First nine months of FY3/20 (Apr. 1, 2019 to Dec. 31, 2019)

Information related to net sales and profit/loss for each reportable segment

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustment (Note 2)	Amounts shown on the consolidated statement of income (Note 3)
	Steel Sheet-related Business	Roll Business	Grating Business	Real Estate Business	Total				
Net sales									
External sales	108,193	2,133	2,623	903	113,853	3,223	117,076	-	117,076
Inter-segment sales and transfers	-	-	-	331	331	1,820	2,151	(2,151)	-
Total	108,193	2,133	2,623	1,234	114,185	5,043	119,228	(2,151)	117,076
Segment profit (loss)	4,384	(220)	68	639	4,871	228	5,099	(869)	4,230

- Notes: 1. Others represent businesses which are not included in any of the reportable segments and mainly consist of transportation, warehouse, golf course, machinery plant, electric power (sale of solar power) and other businesses.
2. The adjustment to segment profit (loss) includes unallocated expenses of (870) million yen and an elimination for inter-segment transactions of 0 million yen.
3. Segment profit (loss) is adjusted to be consistent with the operating profit on the quarterly consolidated statement of income.

II. First nine months of FY3/21 (Apr. 1, 2020 to Dec. 31, 2020)

Information related to net sales and profit/loss for each reportable segment

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustment (Note 2)	Amounts shown on the consolidated statement of income (Note 3)
	Steel Sheet-related Business	Roll Business	Grating Business	Real Estate Business	Total				
Net sales									
External sales	99,693	1,886	2,587	929	105,097	2,677	107,775	-	107,775
Inter-segment sales and transfers	-	-	-	326	326	1,599	1,926	(1,926)	-
Total	99,693	1,886	2,587	1,256	105,424	4,277	109,701	(1,926)	107,775
Segment profit (loss)	5,789	(291)	117	659	6,275	100	6,375	(876)	5,499

- Notes: 1. Others represent businesses which are not included in any of the reportable segments and mainly consist of transportation, warehouse, golf course, machinery plant, electric power (sale of solar power) and other businesses.
2. The adjustment to segment profit (loss) includes unallocated expenses of (877) million yen and an elimination for inter-segment transactions of 0 million yen.
3. Segment profit (loss) is adjusted to be consistent with the operating profit on the quarterly consolidated statement of income.

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