



MEMBERSHIP
May 11, 2021

Summary of the Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (FY3/21)

[Japanese GAAP]

Company name: Yodogawa Steel Works, Ltd. Stock exchange listed: Tokyo, 1st Section
 Stock code: 5451 URL: <https://www.yodoko.co.jp/>
 Representative: Satoshi Nitta, President and Representative Director
 Inquiries: Takayuki Deguchi, General Manager of IR Department
 Tel: +(81)6-6245-1113

Scheduled date of Annual General Meeting of Shareholders: June 22, 2021
 Scheduled date of payment of dividend: June 23, 2021
 Scheduled date of filing of Annual Securities Report: June 22, 2021
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

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

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

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Mar. 31, 2021	150,358	(2.4)	7,880	43.6	9,792	31.9	6,258	62.0
Fiscal year ended Mar. 31, 2020	154,066	(8.0)	5,489	(6.6)	7,425	(24.5)	3,862	(38.2)

Note: Comprehensive income (millions of yen): Fiscal year ended Mar. 31, 2021 16,352 (up 672.3%)
 Fiscal year ended Mar. 31, 2020 2,117 (up 256.6%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2021	215.60	214.64	4.0	4.6	5.2
Fiscal year ended Mar. 31, 2020	131.14	130.60	2.6	3.6	3.6

Reference: Equity in earnings of affiliates (millions of yen): Fiscal year ended Mar. 31, 2021 404
 Fiscal year ended Mar. 31, 2020 475

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2021	225,997	180,309	71.9	5,644.68
As of Mar. 31, 2020	201,125	167,291	74.6	5,115.92

Reference: Shareholders' equity (millions of yen): As of Mar. 31, 2021: 162,485 As of Mar. 31, 2020: 150,037

(3) Cash flow position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended Mar. 31, 2021	17,149	(4,672)	(3,998)	43,116
Fiscal year ended Mar. 31, 2020	5,927	(1,407)	(2,265)	34,658

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Mar. 31, 2020	-	30.00	-	40.00	70.00	2,077	53.4	1.4
Fiscal year ended Mar. 31, 2021	-	35.00	-	40.00	75.00	2,185	34.8	1.4
Fiscal year ending Mar. 31, 2022 (Forecast)	-	-	-	-	-	-	-	-

There is currently no dividend forecast for the fiscal year ending March 31, 2022.

3. Consolidated Forecasts for FY3/22 (April 1, 2021 to March 31, 2022)

No consolidated forecast for the fiscal year ending March 31, 2022 is shown because of the difficulty of determining a reliable forecast.

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

*** Notes**

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

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

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

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

3) Changes in accounting-based estimates: None

4) Restatements: None

(3) Number of outstanding shares (common shares)

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

As of Mar. 31, 2021: 34,837,230 shares As of Mar. 31, 2020: 35,837,230 shares

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

As of Mar. 31, 2021: 6,051,658 shares As of Mar. 31, 2020: 6,509,597 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2021: 29,026,357 shares Fiscal year ended Mar. 31, 2020: 29,453,161 shares

Reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for FY3/21 (April 1, 2020 to March 31, 2021)

(1) Non-consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Mar. 31, 2021	99,283	(3.2)	7,022	18.2	8,685	11.9	11	(99.7)
Fiscal year ended Mar. 31, 2020	102,602	(7.0)	5,940	(6.2)	7,763	(26.5)	4,524	(23.2)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2021	0.39	0.39
Fiscal year ended Mar. 31, 2020	152.13	151.51

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2021	182,765	145,492	79.5	4,996.50
As of Mar. 31, 2020	166,540	140,367	84.1	4,732.34

Reference: Shareholders' equity (millions of yen): As of Mar. 31, 2021: 145,264

As of Mar. 31, 2020: 140,143

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

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

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

Contents of Attachments

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

1. Overview of Results of Operations

(1) Results of Operations and Financial Position

1) Summary of results of operations

In the fiscal year ended March 31, 2021, the Japanese economy recovered 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.

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.

Total assets at the end of the fiscal year increased 24,872 million yen from one year earlier to 225,997 million yen. This was attributable mainly to an increase in cash flows from operating activities and an increase in the valuation of investment securities as financial markets recovered. Liabilities increased 11,853 million yen to 45,687 million yen. This was attributable mainly to increases in notes and accounts payable-trade, income taxes payable and deferred tax liabilities. Net assets increased 13,018 million yen to 180,309 million yen. This was attributable mainly to increases in retained earnings and valuation difference on available-for-sale securities.

Results by business segment are as follows.

Steel Sheet-related Business

Net sales totaled 139,479 million yen and operating profit was 8,254 million yen.

Roll Business

Net sales totaled 2,368 million yen and operating loss was 412 million yen.

Grating Business

Net sales totaled 3,543 million yen and operating profit was 174 million yen.

Real Estate Business

Net sales totaled 1,239 million yen and operating profit was 871 million yen.

Other Businesses

Net sales totaled 3,726 million yen and operating profit was 198 million yen.

Cash and cash equivalents at the end of the fiscal year increased 8,457 million yen from the end of the previous fiscal year to 43,116 million yen mainly due to an increase in operating cash flows.

Cash flows from operating activities

Net cash provided by operating activities increased 11,222 million yen to 17,149 million yen. Operating profit of 7,880 million yen was the primary source of cash.

Cash flows from investing activities

Net cash used in investing activities was 4,672 million yen (compared with 1,407 million yen used in the previous

fiscal year) mainly due to the purchase of non-current assets.

Cash flows from financing activities

Net cash used in financing activities was 3,998 million yen (compared with 2,265 million yen used in the previous fiscal year) mainly due to cash dividends paid and the purchase of treasury shares.

2) Analysis and review of results of operations

Net 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.

Operating profit

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

Operating 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.

Profit attributable to owners of parent

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.

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

As of the end of March 2021, there were no significant capital expenditures planned that would require the procurement of funds from external sources. For working capital and capital expenditures, the policy is to use internal resources as the main source of funding and use loans from financial institutions as needed for the time being.

As an objective target for monitoring progress concerning management policies, strategic goals and business goals, the Yodogawa Steel Group Medium-Term Management Plan 2022, which was announced in May 2020, has the following goal: consolidated ordinary profit of at least 9 billion yen in the fiscal year ending on March 31, 2023.

In the fiscal year that ended on March 31, 2021, the operating environment was challenging because of sluggish demand in Japan, trade protectionism in all regions of the world and other reasons. The Yodogawa Steel Group used the speed and flexibility that is one of its key strengths in order to cut costs, improve prices of its products, establish relationships with new customers and make progress in other ways. As a result, consolidated ordinary profit in the fiscal year surpassed the target for the fiscal year ending on March 31, 2023.

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

Steel Sheet-related Business

Steel Sheet Segment

In Japan, although the sales volume of steel sheets for general distribution increased, total sales were lower. The main reason was a large volume of steel sheet processing orders in the previous fiscal year involving specific high-demand customers.

Overseas, operating profit increased significantly at SYSCO in Taiwan mainly because of an improvement in steel prices in overseas markets in the second half. Sales were lower due to a decline in sales of pre-painted steel sheets in Taiwan. At YSS, a subsidiary in China, sales increased but there was only a small improvement in earnings. Sales benefited from China's recovery from the COVID-19 downturn and an increase in the sales volume resulting from a focus on sales activities to add new customers. The business climate for PPT in Thailand continues to be difficult. Although sales decreased, profitability improved due to an increase in the sales volume of value-added products, resulting in fiscal year profitability.

Building Material & Exterior Products Segment

In the building materials category, sales decreased as sales of fire-proof wall materials (Yodo Grand Wall) increased but the sales volume of YODO Roof decreased due to a reexamination of the policy for selling this product. Sales of exterior products increased. One reason was higher sales of storage sheds in the first half associated with spending by people staying home for safety during the COVID-19 pandemic. Consistently strong sales of garages, which have earned an excellent reputation among consumers, also contributed to sales growth. Construction sales decreased, partly because of the completion of a large project in the previous fiscal year.

As a result, sales declined and earnings increased in this segment.

Roll Business

Sales and earnings decreased due to lower sales of rolls used in the steel industry.

Grating Business

Market conditions were challenging in the public-works sector but private-sector business remained firm. The performance of this segment also benefited from measures to revise selling prices. As a result, earnings increased even though sales were about the same as one year earlier.

Real Estate Business

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

Other Businesses

Sales decreased but earnings increased due to higher profitability along with growth in the volume of cargo handled in the transportation and warehouse businesses despite lower sales in the engineering business.

(2) 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 flexibility that are a key strength of the Yodogawa Steel Group.

There is no forecast for the fiscal year ending in March 2022 at this time because of the increasing uncertainty about the business climate in Japan and other countries. An announcement will be made promptly once it becomes possible to determine a reliable forecast.

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

Distributing earnings to shareholders is one of the highest priorities of Yodogawa Steel. Earnings are distributed by paying dividends that reflect results of operations, repurchasing stock and in other ways. The basic policy for dividends that are in line with our results of operations is to make payments that are stable and continuous. Dividends also take into consideration the need for funds for investments and other actions for increasing corporate value, the outlook for sales and earnings, the need to maintain financial soundness, and other items. 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 ending on March 31, 2021, 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 disclose a dividend forecast.

2. Basic Approach to the Selection of Accounting Standards

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

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

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

	(Millions of yen)	
	FY3/20	FY3/21
	(as of Mar. 31, 2020)	(as of Mar. 31, 2021)
Assets		
Current assets		
Cash and deposits	32,650	42,035
Notes and accounts receivable-trade	39,117	41,229
Electronically recorded monetary claims-operating	-	3,005
Securities	8,652	6,821
Merchandise and finished goods	15,406	12,672
Work in process	4,145	4,158
Raw materials and supplies	12,216	9,258
Other	4,496	4,783
Allowance for doubtful accounts	(131)	(147)
Total current assets	116,553	123,818
Non-current assets		
Property, plant and equipment		
Buildings and structures	60,663	60,789
Accumulated depreciation	(46,096)	(46,857)
Buildings and structures, net	14,566	13,931
Machinery, equipment and vehicles	135,668	136,185
Accumulated depreciation	(123,356)	(124,722)
Machinery, equipment and vehicles, net	12,312	11,463
Land	19,001	18,964
Leased assets	91	125
Accumulated depreciation	(50)	(62)
Leased assets, net	41	63
Construction in progress	802	7,335
Other	11,838	11,877
Accumulated depreciation	(11,069)	(11,035)
Other, net	769	841
Total property, plant and equipment	47,493	52,599
Intangible assets		
Other	1,641	1,752
Total intangible assets	1,641	1,752
Investments and other assets		
Investment securities	34,778	46,865
Retirement benefit asset	-	285
Deferred tax assets	234	208
Other	424	468
Total investments and other assets	35,437	47,827
Total non-current assets	84,572	102,179
Total assets	201,125	225,997

	(Millions of yen)	
	FY3/20	FY3/21
	(as of Mar. 31, 2020)	(as of Mar. 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	10,582	13,744
Electronically recorded obligations-operating	2,340	2,247
Short-term borrowings	640	-
Lease obligations	23	40
Income taxes payable	250	2,717
Provision for bonuses	923	1,365
Provision for product warranties	-	336
Other	4,748	7,902
Total current liabilities	19,509	28,353
Non-current liabilities		
Lease obligations	22	26
Deferred tax liabilities	2,044	5,579
Deferred tax liabilities for land revaluation	856	856
Provision for retirement benefits for directors (and other officers)	79	52
Retirement benefit liability	7,281	6,907
Other	4,041	3,911
Total non-current liabilities	14,324	17,333
Total liabilities	33,834	45,687
Net assets		
Shareholders' equity		
Share capital	23,220	23,220
Capital surplus	20,381	18,108
Retained earnings	106,763	110,835
Treasury shares	(13,351)	(12,091)
Total shareholders' equity	137,014	140,073
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,476	19,207
Revaluation reserve for land	1,636	1,636
Foreign currency translation adjustment	1,489	1,458
Remeasurements of defined benefit plans	(578)	109
Total accumulated other comprehensive income	13,023	22,412
Share acquisition rights	224	227
Non-controlling interests	17,029	17,596
Total net assets	167,291	180,309
Total liabilities and net assets	201,125	225,997

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

(Millions of yen)

	FY3/20 (Apr. 1, 2019 to Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 to Mar. 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		
Interest income	450	262
Dividend income	773	597
Insurance claim income	76	100
Gain on sale of investment securities	1,028	503
Foreign exchange gains	-	152
Gain on valuation of derivatives	-	11
Share of profit of entities accounted for using equity method	475	404
Other	230	244
Total non-operating income	3,035	2,277
Non-operating expenses		
Interest expenses	81	66
Foreign exchange losses	121	-
Commitment fees	24	21
Cost for employees transferred temporarily to overseas subsidiaries	161	166
Loss on valuation of derivatives	653	-
Other	55	111
Total non-operating expenses	1,099	366
Ordinary profit	7,425	9,792
Extraordinary income		
Gain on sale of non-current assets	0	1
Insurance claim income	295	13
Total extraordinary income	295	14
Extraordinary losses		
Loss on sale and retirement of non-current assets	92	67
Impairment losses	0	45
Loss on disaster	214	-
Loss on valuation of investment securities	1,905	-
Loss on liquidation of subsidiaries and associates	-	12
Other	-	0
Total 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	FY3/21
	(Apr. 1, 2019 to Mar. 31, 2020)	(Apr. 1, 2020 to Mar. 31, 2021)
Profit	3,488	6,677
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,608)	8,803
Foreign currency translation adjustment	281	59
Remeasurements of defined benefit plans, net of tax	44	699
Share of other comprehensive income of entities accounted for using equity method	(88)	112
Total other comprehensive income	(1,371)	9,675
Comprehensive income	2,117	16,352
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	2,158	15,646
Comprehensive income attributable to non-controlling interests	(41)	706

(3) Consolidated Statement of Changes in Equity

FY3/20 (Apr. 1, 2019 to Mar. 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	23,220	20,385	104,961	(13,061)	135,505
Changes during period					
Dividends of surplus			(2,063)		(2,063)
Profit attributable to owners of parent			3,862		3,862
Purchase of treasury shares				(300)	(300)
Disposal of treasury shares		(3)		10	6
Reversal of revaluation reserve for land			2		2
Net changes in items other than shareholders' equity					
Total changes during period	-	(3)	1,802	(290)	1,508
Balance at end of period	23,220	20,381	106,763	(13,351)	137,014

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	12,213	1,639	1,378	(500)	14,730	210	17,225	167,671
Changes during period								
Dividends of surplus								(2,063)
Profit attributable to owners of parent								3,862
Purchase of treasury shares								(300)
Disposal of treasury shares								6
Reversal of revaluation reserve for land								2
Net changes in items other than shareholders' equity	(1,736)	(2)	111	(78)	(1,706)	13	(195)	(1,889)
Total changes during period	(1,736)	(2)	111	(78)	(1,706)	13	(195)	(380)
Balance at end of period	10,476	1,636	1,489	(578)	13,023	224	17,029	167,291

FY3/21 (Apr. 1, 2020 to Mar. 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	23,220	20,381	106,763	(13,351)	137,014
Changes during period					
Dividends of surplus			(2,185)		(2,185)
Profit attributable to owners of parent			6,258		6,258
Purchase of treasury shares				(1,068)	(1,068)
Disposal of treasury shares		(12)		30	18
Cancellation of treasury shares		(2,298)		2,298	-
Purchase of shares of consolidated subsidiaries		37			37
Net changes in items other than shareholders' equity					
Total changes during period	-	(2,273)	4,072	1,260	3,059
Balance at end of period	23,220	18,108	110,835	(12,091)	140,073

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	10,476	1,636	1,489	(578)	13,023	224	17,029	167,291
Changes during period								
Dividends of surplus								(2,185)
Profit attributable to owners of parent								6,258
Purchase of treasury shares								(1,068)
Disposal of treasury shares								18
Cancellation of treasury shares								-
Purchase of shares of consolidated subsidiaries								37
Net changes in items other than shareholders' equity	8,730		(30)	688	9,388	3	567	9,959
Total changes during period	8,730	-	(30)	688	9,388	3	567	13,018
Balance at end of period	19,207	1,636	1,458	109	22,412	227	17,596	180,309

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY3/20 (Apr. 1, 2019 to Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 to Mar. 31, 2021)
Cash flows from operating activities		
Profit before income taxes	5,507	9,681
Depreciation	3,788	3,684
Share of loss (profit) of entities accounted for using equity method	(475)	(404)
Increase (decrease) in retirement benefit liability	74	338
Increase (decrease) in provision for retirement benefits for directors (and other officers)	13	(27)
Increase (decrease) in provision for bonuses	(47)	436
Increase (decrease) in allowance for doubtful accounts	(1)	15
Interest and dividend income	(1,224)	(859)
Interest expenses	81	66
Insurance claim income	(371)	(114)
Loss (gain) on sale of investment securities	(1,028)	(503)
Loss (gain) on valuation of investment securities	1,905	-
Loss (gain) on valuation of derivatives	653	(11)
Loss (gain) on sale and retirement of non-current assets	92	66
Loss on disaster	214	-
Impairment losses	0	45
Decrease (increase) in trade receivables	4,915	(5,102)
Decrease (increase) in inventories	249	5,725
Increase (decrease) in trade payables	(4,955)	3,068
Increase (decrease) in accrued consumption taxes	(215)	815
Other, net	(1,034)	144
Subtotal	8,143	17,064
Proceeds from insurance income	371	114
Interest and dividends received	1,311	1,000
Interest paid	(81)	(67)
Payments associated with disaster loss	(609)	(22)
Income taxes paid	(3,209)	(938)
Net cash provided by (used in) operating activities	5,927	17,149

(Millions of yen)

	FY3/20 (Apr. 1, 2019 to Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 to Mar. 31, 2021)
Cash flows from investing activities		
Investments in time deposits with a maturity of more than three months	(6,667)	(8,132)
Proceeds from time deposits with a maturity of more than three months	5,896	9,182
Proceeds from sale and redemption of securities	1,700	-
Purchase of property, plant and equipment	(2,691)	(6,720)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(314)	(256)
Purchase of investment securities	(607)	(6)
Proceeds from sale and redemption of investment securities	1,421	929
Loan advances	(200)	(2)
Proceeds from collection of loans receivable	52	177
Proceeds from liquidation of subsidiaries and associates	-	154
Other, net	1	1
Net cash provided by (used in) investing activities	(1,407)	(4,672)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	283	(600)
Repayments of lease obligations	(14)	(24)
Proceeds from sale of treasury shares	0	0
Purchase of treasury shares	(297)	(1,065)
Dividends paid	(2,083)	(2,207)
Dividends paid to non-controlling interests	(154)	(91)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(10)
Net cash provided by (used in) 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

(5) Notes to Consolidated Financial Statements

Going-concern Assumption

Not applicable.

Significant Accounting Policies in the Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 8

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

(2) Names of major non-consolidated subsidiaries

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

The sum of total assets, sales, profit or loss (equity-method amount), retained earnings (equity-method amount) and other financial items of non-consolidated subsidiaries is small in relation to all of the corresponding consolidated figures. Consequently, these subsidiaries are excluded from consolidation because they would not have a material impact on the consolidated financial statements.

2. Application of equity method

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

Non-consolidated subsidiaries: None

Affiliates: 1 SADOSHIMA CORPORATION

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

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

Affiliates: FUJIDEN INTERNATIONAL CORP.

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

3. Fiscal year-end of consolidated subsidiaries

For consolidated subsidiaries, the fiscal year-end of SYSCO, YSS and PPT is the end of December. For the preparation of the consolidated financial statements, the financial statements as of the end of December are used for SYSCO, YSS and PPT. Consolidation adjustments are then made as needed for any significant transactions that occurred between January 1 and March 31, the end of the consolidated fiscal year.

Notes to Consolidated Balance Sheet

Contingent liabilities

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

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

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

Segment Information

1. Overview of reportable segments

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

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

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

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

The calculation method complies with accounting principles and procedures used for the preparation of the consolidated financial statements.

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

FY3/20 (Apr. 1, 2019 to Mar. 31, 2020)

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustment	Amounts shown on the consolidated financial statements
	Steel Sheet-related Business	Roll Business	Grating Business	Real Estate Business	Total				
Net sales									
External sales	142,418	2,833	3,481	1,205	149,939	4,127	154,066	-	154,066
Inter-segment sales and transfers	-	-	-	442	442	2,332	2,774	(2,774)	-
Total	142,418	2,833	3,481	1,647	150,381	6,460	156,841	(2,774)	154,066
Segment profit (loss)	5,898	(311)	80	847	6,515	186	6,702	Note 2 (1,213)	Note 3 5,489
Segment assets	142,409	4,345	3,278	9,279	159,312	9,105	168,417	Note 4 32,707	201,125
Other items									
Depreciation	3,142	93	57	132	3,424	304	3,729	59	3,788
Investment in equity-method affiliates	4,911	-	406	3	5,321	-	5,321	-	5,321
Increases in property, plant and equipment and intangible assets	1,889	130	2	101	2,123	184	2,308	Note 5 230	2,538

- Notes: 1. Others represent businesses which are not included in any of the reportable segments and mainly consist of transportation, warehouse, golf course, machinery plant, electric power (sale of solar power) and other businesses.
2. The adjustment to segment profit (loss) includes unallocated expenses of (1,214) million yen and an elimination for inter-segment transactions of 1 million yen.
3. Segment profit (loss) is adjusted to be consistent with the operating profit on the consolidated statement of income.
4. The adjustment to segment assets includes corporate assets of 32,976 million yen and an elimination for inter-segment transactions of (269) million yen.
5. The adjustment of 230 million yen to increases in property, plant and equipment and intangible assets is capital expenditures mainly for corporate tools, furniture and fixtures.

FY3/21 (Apr. 1, 2020 to Mar. 31, 2021)

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustment	Amounts shown on the consolidated financial statements
	Steel Sheet-related Business	Roll Business	Grating Business	Real Estate Business	Total				
Net sales									
External sales	139,479	2,368	3,543	1,239	146,631	3,726	150,358	-	150,358
Inter-segment sales and transfers	-	-	-	431	431	2,229	2,661	(2,661)	-
Total	139,479	2,368	3,543	1,670	147,063	5,956	153,019	(2,661)	150,358
Segment profit (loss)	8,254	(412)	174	871	8,887	198	9,085	Note 2 (1,204)	Note 3 7,880
Segment assets	161,336	4,478	3,362	9,330	178,508	10,480	188,988	Note 4 37,008	225,997
Other items									
Depreciation	3,022	103	49	142	3,317	300	3,618	65	3,684
Investment in equity-method affiliates	5,313	0	481	4	5,799	-	5,799	-	5,799
Increases in property, plant and equipment and intangible assets	8,365	44	33	163	8,606	98	8,704	Note 5 292	8,997

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

2. The adjustment to segment profit (loss) includes unallocated expenses of (1,205) 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 consolidated statement of income.

4. The adjustment to segment assets includes corporate assets of 37,347 million yen and an elimination for inter-segment transactions of (338) million yen.

5. The adjustment of 292 million yen to increases in property, plant and equipment and intangible assets is capital expenditures mainly for corporate tools, furniture and fixtures.

Per-share Information

(Yen)

	FY3/20 (Apr. 1, 2019 to Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 to Mar. 31, 2021)
Net assets per share	5,115.92	5,644.68
Net income per share	131.14	215.60
Diluted net income per share	130.60	214.64

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

	FY3/20 (Apr. 1, 2019 to Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 to Mar. 31, 2021)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	3,862	6,258
Amount not available to common shareholders (Millions of yen)	-	-
Profit attributable to common shareholders of parent (Millions of yen)	3,862	6,258
Average number of common shares outstanding during period (Thousands of shares)	29,453	29,026
Diluted net income per share		
Adjustment to profit attributable to owners of parent (Millions of yen)	-	-
Increase in the number of common shares (Thousands of shares)	121	130
[of which share acquisition rights (Thousands of shares)]	[121]	[130]
Summary of potential stock not included in the calculation of diluted net income per share since there was no dilutive effect		-

Subsequent Events

Not applicable.

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

	(Millions of yen)	
	FY3/20 (as of Mar. 31, 2020)	FY3/21 (as of Mar. 31, 2021)
Assets		
Current assets		
Cash and deposits	14,657	19,842
Notes receivable-trade	2,007	955
Electronically recorded monetary claims-operating	-	1,302
Accounts receivable-trade	33,153	37,804
Securities	8,577	6,700
Merchandise and finished goods	12,652	9,933
Work in process	3,041	3,010
Raw materials and supplies	6,188	5,400
Prepaid expenses	57	162
Other	1,235	3,696
Allowance for doubtful accounts	(3)	(4)
Total current assets	81,567	88,805
Non-current assets		
Property, plant and equipment		
Buildings	7,335	7,109
Structures	693	681
Machinery and equipment	4,906	4,380
Vehicles	34	24
Tools, furniture and fixtures	354	359
Land	13,851	13,806
Construction in progress	187	3,843
Total property, plant and equipment	27,363	30,204
Intangible assets		
Software	181	229
Other	597	611
Total intangible assets	778	840
Investments and other assets		
Investment securities	27,476	38,956
Shares of subsidiaries and associates	27,896	21,849
Long-term loans receivable	1,224	1,854
Other	231	255
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	56,830	62,915
Total non-current assets	84,972	93,960
Total assets	166,540	182,765

	(Millions of yen)	
	FY3/20 (as of Mar. 31, 2020)	FY3/21 (as of Mar. 31, 2021)
Liabilities		
Current liabilities		
Notes payable-trade	3	3
Electronically recorded obligations-operating	2,340	2,247
Accounts payable-trade	7,864	10,646
Short-term borrowings	1,940	1,940
Accounts payable-other	337	336
Accrued expenses	1,976	2,269
Income taxes payable	124	2,336
Advances received	108	126
Deposits received	96	97
Provision for bonuses	793	849
Provision for product warranties	-	336
Other	798	2,794
Total current liabilities	16,383	23,984
Non-current liabilities		
Provision for retirement benefits	5,691	6,017
Long-term guarantee deposits	1,330	1,352
Deferred tax liabilities	2,237	5,438
Asset retirement obligations	246	247
Other	283	232
Total non-current liabilities	9,789	13,288
Total liabilities	26,173	37,273
Net assets		
Shareholders' equity		
Share capital	23,220	23,220
Capital surplus		
Legal capital surplus	5,805	5,805
Other capital surplus	15,562	13,251
Total capital surplus	21,367	19,056
Retained earnings		
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	863	829
Reserve for special depreciation	232	102
General reserve	71,382	71,382
Retained earnings brought forward	27,205	25,173
Total retained earnings	99,683	97,488
Treasury shares	(14,512)	(13,249)
Total shareholders' equity	129,759	126,516
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,383	18,748
Total valuation and translation adjustments	10,383	18,748
Share acquisition rights	224	227
Total net assets	140,367	145,492
Total liabilities and net assets	166,540	182,765

(2) Non-consolidated Statement of Income

(Millions of yen)

	FY3/20 (Apr. 1, 2019 to Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 to Mar. 31, 2021)
Net sales	102,602	99,283
Cost of sales	82,857	77,807
Gross profit	19,745	21,476
Selling, general and administrative expenses	13,804	14,453
Operating profit	5,940	7,022
Non-operating income		
Interest income	277	251
Dividend income	1,043	799
Gain on sale of investment securities	1,028	503
Other	156	396
Total non-operating income	2,505	1,949
Non-operating expenses		
Interest expenses	64	57
Loss on valuation of derivatives	302	-
Other	315	229
Total non-operating expenses	683	286
Ordinary profit	7,763	8,685
Extraordinary income		
Gain on sale of non-current assets	0	0
Insurance claim income	104	13
Total extraordinary income	104	14
Extraordinary losses		
Loss on sale and retirement of non-current assets	62	51
Loss on valuation of investment securities	1,581	-
Impairment losses	0	45
Loss on disaster	30	-
Loss on valuation of shares of subsidiaries and associates	-	5,988
Loss on liquidation of subsidiaries and associates	-	12
Other	-	0
Total extraordinary losses	1,676	6,098
Profit before income taxes	6,191	2,600
Income taxes-current	1,513	2,918
Income taxes-deferred	154	(328)
Total income taxes	1,667	2,589
Profit	4,524	11

(3) Non-consolidated Statement of Changes in Equity

FY3/20 (Apr. 1, 2019 to Mar. 31, 2020)

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings				Total retained earnings
					Reserve for tax purpose reduction entry of non-current assets	Reserve for special depreciation	General reserve	Retained earnings brought forward	
Balance at beginning of period	23,220	5,805	15,565	21,370	897	363	71,382	24,600	97,242
Changes during period									
Reversal of reserve for tax purpose reduction entry of non-current assets					(34)			34	-
Reversal of reserve for special depreciation						(130)		130	-
Dividends of surplus								(2,083)	(2,083)
Profit								4,524	4,524
Purchase of treasury shares									
Disposal of treasury shares			(3)	(3)					
Net changes in items other than shareholders' equity									
Total changes during period	-	-	(3)	(3)	(34)	(130)	-	2,605	2,440
Balance at end of current period	23,220	5,805	15,562	21,367	863	232	71,382	27,205	99,683

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(14,225)	127,608	12,037	12,037	210	139,856
Changes during period						
Reversal of reserve for tax purpose reduction entry of non-current assets		-				-
Reversal of reserve for special depreciation		-				-
Dividends of surplus		(2,083)				(2,083)
Profit		4,524				4,524
Purchase of treasury shares	(297)	(297)				(297)
Disposal of treasury shares	10	6				6
Net changes in items other than shareholders' equity			(1,653)	(1,653)	13	(1,639)
Total changes during period	(287)	2,150	(1,653)	(1,653)	13	510
Balance at end of period	(14,512)	129,759	10,383	10,383	224	140,367

FY3/21 (Apr. 1, 2020 to Mar. 31, 2021)

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings				Total retained earnings
					Reserve for tax purpose reduction entry of non-current assets	Reserve for special depreciation	General reserve	Retained earnings brought forward	
Balance at beginning of period	23,220	5,805	15,562	21,367	863	232	71,382	27,205	99,683
Changes during period									
Reversal of reserve for tax purpose reduction entry of non-current assets					(33)			33	-
Reversal of reserve for special depreciation						(130)		130	-
Dividends of surplus								(2,207)	(2,207)
Profit								11	11
Purchase of treasury shares									
Disposal of treasury shares			(12)	(12)					
Cancellation of treasury shares			(2,298)	(2,298)					
Net changes in items other than shareholders' equity									
Total changes during period	-	-	(2,310)	(2,310)	(33)	(130)	-	(2,032)	(2,195)
Balance at end of period	23,220	5,805	13,251	19,056	829	102	71,382	25,173	97,488

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(14,512)	129,759	10,383	10,383	224	140,367
Changes during period						
Reversal of reserve for tax purpose reduction entry of non-current assets		-				-
Reversal of reserve for special depreciation		-				-
Dividends of surplus		(2,207)				(2,207)
Profit		11				11
Purchase of treasury shares	(1,065)	(1,065)				(1,065)
Disposal of treasury shares	30	18				18
Cancellation of treasury shares	2,298	-				-
Net changes in items other than shareholders' equity			8,364	8,364	3	8,368
Total changes during period	1,263	(3,243)	8,364	8,364	3	5,125
Balance at end of period	(13,249)	126,516	18,748	18,748	227	145,492

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.