



MEMBERSHIP
May 10, 2022

Summary of the Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (FY3/22)

[Japanese GAAP]

Company name: Yodogawa Steel Works, Ltd. Listing: Tokyo Stock Exchange
Stock code: 5451 URL: <https://www.yodoko.co.jp/>
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Scheduled date of Annual General Meeting of Shareholders: June 21, 2022
Scheduled date of payment of dividend: June 22, 2022
Scheduled date of filing of Annual Securities Report: June 21, 2022
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 FY3/22 (April 1, 2021 to March 31, 2022)

(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, 2022	201,655	38.2	14,349	82.1	17,916	83.0	9,789	56.4
Fiscal year ended Mar. 31, 2021	145,963	-	7,880	-	9,791	-	6,257	-

Note: Comprehensive income (millions of yen): Fiscal year ended Mar. 31, 2022: 14,161 (down13.4%)
Fiscal year ended Mar. 31, 2021: 16,352 (-%)

	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, 2022	339.77	338.42	5.9	7.6	7.1
Fiscal year ended Mar. 31, 2021	215.58	214.62	4.0	4.6	5.4

Reference: Equity in earnings of affiliates (millions of yen): Fiscal year ended Mar. 31, 2022: 589
Fiscal year ended Mar. 31, 2021: 404

Note: The Company has adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), from the beginning of the fiscal year ended March 31, 2022, and the figures for the fiscal year ended March 31, 2021 have been adjusted retroactively to conform with this accounting standard. Accordingly, the year-on-year changes for the fiscal year ended March 31, 2021 are not indicated.

(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, 2022	244,671	191,937	69.6	5,907.11
As of Mar. 31, 2021	226,004	180,296	71.9	5,644.23

Reference: Shareholders' equity (millions of yen): As of Mar. 31, 2022: 170,296 As of Mar. 31, 2021: 162,472

Note: The Company has adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), from the beginning of the fiscal year ended March 31, 2022, and the figures for the fiscal year ended March 31, 2021 have been adjusted retroactively to conform with this accounting standard.

(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, 2022	(10,645)	(1,985)	(1,226)	30,961
Fiscal year ended Mar. 31, 2021	17,149	(4,672)	(3,998)	43,116

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, 2021	-	35.00	-	40.00	75.00	2,185	34.8	1.4
Fiscal year ended Mar. 31, 2022	-	35.00	-	67.00	102.00	2,969	30.0	1.8
Fiscal year ending Mar. 31, 2023 (Forecast)	-	-	-	-	-	-	-	-

There is currently no dividend forecast for the fiscal year ending March 31, 2023.

3. Consolidated Forecasts for FY3/23 (April 1, 2022 to March 31, 2023)

No consolidated forecast for the fiscal year ending March 31, 2023 is shown because of the difficulty of determining a reliable forecast.

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

*** Notes**

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

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

- 1) Changes in accounting policies due to revisions in accounting standards, others: Yes
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting-based estimates: None
- 4) Restatements: None

Note: For further details, please refer to “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements, Changes in Accounting Policies” on page 15.

(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, 2022: 34,837,230 shares As of Mar. 31, 2021: 34,837,230 shares

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

As of Mar. 31, 2022: 6,008,176 shares As of Mar. 31, 2021: 6,051,658 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2022: 28,810,962 shares Fiscal year ended Mar. 31, 2021: 29,026,357 shares

Reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for FY3/22 (April 1, 2021 to March 31, 2022)

(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, 2022	127,549	29.1	7,946	13.2	10,644	22.6	7,324	-
Fiscal year ended Mar. 31, 2021	98,788	-	7,022	-	8,685	-	11	-

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2022	251.72	250.73
Fiscal year ended Mar. 31, 2021	0.39	0.39

Note: The Company has adopted “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), from the beginning of the fiscal year ended March 31, 2022, and the figures for the fiscal year ended March 31, 2021 have been adjusted retroactively to conform with this accounting standard. Accordingly, the year-on-year changes for the fiscal year ended March 31, 2021 are not indicated.

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2022	181,246	143,036	78.8	4,905.86
As of Mar. 31, 2021	182,765	145,492	79.5	4,996.50

Reference: Shareholders' equity (millions of yen): As of Mar. 31, 2022: 142,849 As of Mar. 31, 2021: 145,264

Note: The Company has adopted “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), from the beginning of the fiscal year ended March 31, 2022, and the figures for the fiscal year ended March 31, 2021 have been adjusted retroactively to conform with this accounting standard.

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

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

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

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

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

In the steel industry, the business climate is improving in Japan along with upturns in housing starts and orders for machinery. Market conditions were generally sluggish in the fiscal year's second half because of declining automobile production caused by shortages of semiconductors and other reasons.

In overseas steel markets, there was a recovery worldwide during the first half of the fiscal year along with an economic recovery from the downturn caused by the pandemic. Expectations for rising prices of steel products was another reason for the relative strength of overseas steel markets. During the second half, the pace of growth began to slow because of declining economic growth in China, high prices of many products and other reasons.

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

The Yodogawa Steel Group's net sales in the fiscal year increased 55,691 million yen to 201,655 million yen. Operating profit increased 6,469 million yen to 14,349 million yen, ordinary profit increased 8,125 million yen to 17,916 million yen, and profit attributable to owners of parent increased 3,531 million yen to 9,789 million yen.

Total assets at the end of the fiscal year increased 18,666 million yen from one year earlier to 244,671 million yen. This difference attributable mainly to increases in trade receivables and inventories, a decrease in cash flows from operating activities and a decrease in the valuation of investment securities as financial markets were down. Liabilities increased 7,025 million yen to 52,733 million yen. This difference attributable mainly to an increase in trade payables and a decrease in deferred tax liabilities. Net assets increased 11,640 million yen to 191,937 million yen. This difference attributable mainly to increases in retained earnings and foreign currency translation adjustment, and a decrease in valuation difference on available-for-sale securities.

Business segment performance was as follows.

Steel Sheet-related Business

Net sales totaled 192,428 million yen and operating profit was 14,213 million yen.

Roll Business

Net sales totaled 2,689 million yen and operating profit was 8 million yen.

Grating Business

Net sales totaled 3,443 million yen and operating profit was 109 million yen.

Real Estate Business

Net sales totaled 1,263 million yen and operating profit was 857 million yen.

Other Businesses

Net sales totaled 1,829 million yen and operating profit was 445 million yen.

Cash and cash equivalents at the end of the fiscal year decreased 12,154 million yen from the end of the previous fiscal year to 30,961 million yen mainly due to the negative operating cash flows.

Cash flows from operating activities

Net cash used in operating activities was 10,645 million yen (compared with 17,149 million yen provided in the previous fiscal year) mainly due to the difference between operating profit and the increases in trade receivables and inventories.

Cash flows from investing activities

Net cash used in investing activities decreased 2,687 million yen to 1,985 million yen mainly due to the purchase of property, plant and equipment.

Cash flows from financing activities

Net cash used in financing activities decreased 2,771 million yen to 1,226 million yen mainly due to the difference between cash dividends paid and an increase in borrowings.

2) Analysis and review of results of operations

Net sales

The business climate was challenging during the fiscal year because of the rapid increase in all categories of expenses in Japan and other countries. The Yodogawa Steel Group focused on meeting demand that emerged as economies worldwide began recovering from the pandemic downturn and took actions involving selling prices of products that can be reproduced.

Sales volumes recovered in Japan and at Taiwan Subsidiary Sheng Yu Steel Co., Ltd. (SYSCO). In China, the sales volume at subsidiary Yodogawa Shengyu (Hegei) High-Tech Steel Co., Ltd. (YSS) increased as the awareness of this brand increased. The result was an increase in consolidated sales.

Operating profit

In Japan, the business climate was challenging as selling price revisions could not keep up with the rising cost of materials and many other items. Despite these difficulties, earnings increased because of the recovery in the volume of sales, an inventory valuation gain and other reasons.

Although market conditions were challenging for all overseas subsidiaries, the consolidated operating profit was higher than in the previous fiscal year because of a big improvement in the earnings of SYSCO as prices of steel products increased worldwide and an operating profit at YSS.

Ordinary profit

Ordinary profit increased more than operating profit did mainly due to the recording of foreign exchange gains and increases in dividend income and gain on sale of investment securities in non-operating income.

Profit attributable to owners of parent

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

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 2022, 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.

The business climate was challenging during the fiscal year that ended on March 31, 2022 because of the rapid increase in all categories of expenses in Japan and other countries. The Yodogawa Steel Group used the speed and flexibility that is one of its key strengths in order to cut costs, improve prices of its products, establish relationships with new customers and make progress in other ways. As a result, consolidated ordinary profit in the fiscal year surpassed the target for the fiscal year 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

In Japan, there was a recovery in the sales volumes of all product categories, particularly for specific high-demand customers, because of demand in the building construction sector was relatively strong. In addition, there were measures involving price revisions for both specific high-demand customers and general distribution. An inventory valuation gain also contributed to the performance of this segment in Japan, resulting in higher sales and earnings.

Overseas, SYSCO in Taiwan increased earnings because of the growth of sales volumes in Taiwan and of exports as well as improvements in selling prices. YSS, a subsidiary in China, became profitable primarily due to the larger volume of sales of pre-painted and plated steel sheets in China. PCM Processing (Thailand) Ltd. (PPT), our Thai subsidiary, reported a small improvement in earnings although it continued to experience progress and setbacks.

Building Material & Exterior Products

In the building materials category, the sales volume of exterior products was lower than in the previous fiscal year when sales benefited from demand associated with people staying home for safety during the pandemic. In the building exterior materials products category, sales were down because of a change in the method used to sell YODO Roof and other reasons.

As a result, sales and earnings increased in the Steel Sheet-related Business segment.

Roll Business

Sales and earnings increased because sales volume of rolls used in the steel industry remained firm.

Grating Business

Sales and earnings decreased mainly because of a lower number of orders involving government and road projects.

Real Estate Business

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

Other Businesses

Sales and earnings increased due to higher sales in the materials sales business and an increase in the volume of cargo handled in the warehousing and transportation businesses.

(2) Outlook

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

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

The Yodogawa Steel Group as well is likely to continue to operate in a challenging business climate due to the unpredictability and instability of demand and expenses in all regions.

To succeed in this uncertain business climate, all group companies are focusing on speed and agility concerning both sales and production activities to respond to rapidly changing market conditions. To become even more profitable, group companies are also establishing positions in new markets and increasing sales of value-added products.

There is no forecast for the fiscal year ending in March 2023 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, 2022 is to be 67 yen per share. With the interim dividend of 35 yen, this will result in a dividend of 102 yen per share for this fiscal year.

There is currently no dividend forecast for the fiscal year ending March 31, 2023. An announcement will be made promptly once it becomes possible to 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)	
	FY3/21 (as of Mar. 31, 2021)	FY3/22 (as of Mar. 31, 2022)
Assets		
Current assets		
Cash and deposits	42,035	31,872
Notes and accounts receivable-trade	41,229	-
Notes and accounts receivable-trade, and contract assets	-	53,671
Electronically recorded monetary claims-operating	3,005	3,412
Securities	6,821	2,120
Merchandise and finished goods	12,672	22,027
Work in process	4,158	6,801
Raw materials and supplies	9,258	17,499
Other	4,783	7,229
Allowance for doubtful accounts	(147)	(110)
Total current assets	123,818	144,523
Non-current assets		
Property, plant and equipment		
Buildings and structures	60,789	66,010
Accumulated depreciation	(46,857)	(46,954)
Buildings and structures, net	13,931	19,056
Machinery, equipment and vehicles	136,185	144,768
Accumulated depreciation	(124,722)	(130,382)
Machinery, equipment and vehicles, net	11,463	14,386
Land	18,964	19,312
Leased assets	125	173
Accumulated depreciation	(62)	(81)
Leased assets, net	63	92
Construction in progress	7,335	2,439
Other	11,877	12,374
Accumulated depreciation	(11,035)	(11,202)
Other, net	841	1,172
Total property, plant and equipment	52,599	56,459
Intangible assets		
Other	1,752	1,966
Total intangible assets	1,752	1,966
Investments and other assets		
Investment securities	46,865	40,678
Retirement benefit asset	285	441
Deferred tax assets	215	182
Other	468	419
Total investments and other assets	47,834	41,721
Total non-current assets	102,185	100,147
Total assets	226,004	244,671

	(Millions of yen)	
	FY3/21	FY3/22
	(as of Mar. 31, 2021)	(as of Mar. 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	13,744	20,676
Electronically recorded obligations-operating	2,247	2,329
Short-term borrowings	-	1,320
Lease liabilities	40	76
Income taxes payable	2,717	3,590
Contract liabilities	-	169
Provision for bonuses	1,365	1,658
Provision for product warranties	336	671
Other	7,921	7,064
Total current liabilities	28,373	37,557
Non-current liabilities		
Lease liabilities	26	18
Deferred tax liabilities	5,579	4,103
Deferred tax liabilities for land revaluation	856	844
Provision for retirement benefits for directors (and other officers)	52	39
Retirement benefit liability	6,907	6,285
Other	3,911	3,885
Total non-current liabilities	17,333	15,175
Total liabilities	45,707	52,733
Net assets		
Shareholders' equity		
Share capital	23,220	23,220
Capital surplus	18,108	18,272
Retained earnings	110,822	118,475
Treasury shares	(12,091)	(11,992)
Total shareholders' equity	140,060	147,977
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,207	16,174
Deferred gains or losses on hedges	-	(0)
Revaluation reserve for land	1,636	1,609
Foreign currency translation adjustment	1,458	4,433
Remeasurements of defined benefit plans	109	101
Total accumulated other comprehensive income	22,412	22,319
Share acquisition rights	227	187
Non-controlling interests	17,596	21,454
Total net assets	180,296	191,937
Total liabilities and net assets	226,004	244,671

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

(Millions of yen)

	FY3/21 (Apr. 1, 2020 to Mar. 31, 2021)	FY3/22 (Apr. 1, 2021 to Mar. 31, 2022)
Net sales	145,963	201,655
Cost of sales	121,104	168,471
Gross profit	24,858	33,183
Selling, general and administrative expenses	16,978	18,834
Operating profit	7,880	14,349
Non-operating income		
Interest income	262	320
Dividend income	597	1,104
Insurance claim income	100	135
Gain on sale of investment securities	503	797
Foreign exchange gains	152	404
Gain on valuation of derivatives	11	-
Share of profit of entities accounted for using equity method	404	589
Other	244	565
Total non-operating income	2,277	3,918
Non-operating expenses		
Interest expenses	66	67
Commitment fees	21	21
Cost for employees transferred temporarily to overseas subsidiaries	166	174
Other	111	87
Total non-operating expenses	366	351
Ordinary profit	9,791	17,916
Extraordinary income		
Gain on sale of non-current assets	1	148
Insurance claim income	13	-
Total extraordinary income	14	148
Extraordinary losses		
Loss on sale and retirement of non-current assets	67	510
Impairment losses	45	459
Loss on valuation of investment securities	-	1
Loss on liquidation of subsidiaries and associates	12	-
Other	0	-
Total extraordinary losses	125	971
Profit before income taxes	9,680	17,092
Income taxes-current	3,329	4,999
Income taxes-deferred	(325)	(167)
Total income taxes	3,003	4,831
Profit	6,676	12,261
Profit attributable to non-controlling interests	419	2,471
Profit attributable to owners of parent	6,257	9,789

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	FY3/21 (Apr. 1, 2020 to Mar. 31, 2021)	FY3/22 (Apr. 1, 2021 to Mar. 31, 2022)
Profit	6,676	12,261
Other comprehensive income		
Valuation difference on available-for-sale securities	8,803	(3,156)
Deferred gains or losses on hedges	-	(0)
Foreign currency translation adjustment	59	5,142
Remeasurements of defined benefit plans, net of tax	699	(105)
Share of other comprehensive income of entities accounted for using equity method	112	20
Total other comprehensive income	9,675	1,899
Comprehensive income	16,352	14,161
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	15,646	9,722
Comprehensive income attributable to non-controlling interests	706	4,438

(3) Consolidated Statement of Changes in Equity

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
Cumulative effects of changes in accounting policies			(12)		(12)
Restated balance	23,220	20,381	106,750	(13,351)	137,001
Changes during period					
Dividends of surplus			(2,185)		(2,185)
Profit attributable to owners of parent			6,257		6,257
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)	4,071	1,260	3,058
Balance at end of period	23,220	18,108	110,822	(12,091)	140,060

	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
Cumulative effects of changes in accounting policies								(12)
Restated balance	10,476	1,636	1,489	(578)	13,023	224	17,029	167,278
Changes during period								
Dividends of surplus								(2,185)
Profit attributable to owners of parent								6,257
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	180,296

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

(Millions of yen)

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

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

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY3/21 (Apr. 1, 2020 to Mar. 31, 2021)	FY3/22 (Apr. 1, 2021 to Mar. 31, 2022)
Cash flows from operating activities		
Profit before income taxes	9,680	17,092
Depreciation	3,684	4,154
Share of loss (profit) of entities accounted for using equity method	(404)	(589)
Increase (decrease) in retirement benefit liability	338	(874)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(27)	(13)
Increase (decrease) in provision for bonuses	436	234
Increase (decrease) in allowance for doubtful accounts	15	(36)
Interest and dividend income	(859)	(1,424)
Interest expenses	66	67
Insurance claim income	(114)	(135)
Loss (gain) on sale of investment securities	(503)	(797)
Loss (gain) on valuation of investment securities	-	1
Loss (gain) on valuation of derivatives	(11)	-
Loss (gain) on sale and retirement of non-current assets	66	362
Impairment losses	45	459
Decrease (increase) in trade receivables	(5,102)	(12,437)
Decrease (increase) in inventories	5,725	(19,044)
Increase (decrease) in trade payables	3,068	6,786
Increase (decrease) in accrued consumption taxes	815	(1,119)
Other, net	145	(570)
Subtotal	17,064	(7,883)
Proceeds from insurance income	114	135
Interest and dividends received	1,000	1,393
Interest paid	(67)	(67)
Payments associated with disaster loss	(22)	-
Income taxes paid	(938)	(4,222)
Net cash provided by (used in) operating activities	17,149	(10,645)

(Millions of yen)

	FY3/21 (Apr. 1, 2020 to Mar. 31, 2021)	FY3/22 (Apr. 1, 2021 to Mar. 31, 2022)
Cash flows from investing activities		
Investments in time deposits with a maturity of more than three months	(8,132)	(9,294)
Proceeds from time deposits with a maturity of more than three months	9,182	12,834
Proceeds from sale and redemption of securities	-	321
Purchase of property, plant and equipment	(6,720)	(7,939)
Proceeds from sale of property, plant and equipment	0	213
Purchase of intangible assets	(256)	(306)
Purchase of investment securities	(6)	(738)
Proceeds from sale and redemption of investment securities	929	3,615
Loan advances	(2)	-
Proceeds from collection of loans receivable	177	118
Purchase of shares of subsidiaries	-	(808)
Proceeds from liquidation of subsidiaries and associates	154	-
Other, net	1	-
Net cash provided by (used in) investing activities	(4,672)	(1,985)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(600)	1,321
Repayments of lease obligations	(24)	(46)
Proceeds from sale of treasury shares	0	0
Purchase of treasury shares	(1,065)	(2)
Dividends paid	(2,207)	(2,184)
Dividends paid to non-controlling interests	(91)	(315)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(10)	-
Net cash provided by (used in) financing activities	(3,998)	(1,226)
Effect of exchange rate change on cash and cash equivalents	(19)	1,702
Net increase (decrease) in cash and cash equivalents	8,457	(12,154)
Cash and cash equivalents at beginning of period	34,658	43,116
Cash and cash equivalents at end of period	43,116	30,961

(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., YIL, YBMH, ARDUC Co.,Ltd.

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., YIL, YBMH, ARDUC Co.,Ltd.

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.

Changes in Accounting Policies

Application of the Accounting Standard for Revenue Recognition

Yodogawa Steel Works started to apply the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) at the beginning of the fiscal year ended on March 31, 2022. Based on this standard, revenue expected to be received in exchange for the provision of goods and services is recognized when the control of the promised goods and services is transferred to customers. The main change is that of the transactions that were previously recognized as revenue based on the total amount of consideration received from the customer, those that fall under the category of agency transactions are now recognized as revenue on a net basis. In addition, sales incentives, which were previously included in selling, general and administrative expenses, are now treated as a decrease in sales.

This change in accounting policy has been applied retrospectively in principle, and the consolidated financial statements and consolidated financial statements for the previous fiscal year have been adjusted retrospectively. However, Yodogawa Steel Works has applied the following method as stipulated in Paragraph 85 of the Accounting Standard for Revenue Recognition.

- (1) No retroactive adjustment to the comparative information for contracts for which almost all the revenue amounts have been recognized in accordance with the previous treatment prior to the beginning of the previous fiscal year.
- (2) To retrospectively adjust the comparative information for the amount of variable consideration included in contracts for which almost all of the revenue amounts have been recognized in accordance with the previous treatment prior to the beginning of the current fiscal year, using the amount at the time when the uncertainty about the amount of the variable consideration is resolved.
- (3) No retroactive adjustment to the consolidated financial statements for the previous fiscal year for contracts that began and ended during the previous fiscal year.

As a result, net sales decreased by 4,394 million yen, cost of sales decreased by 3,899 million yen, selling, general and administrative expenses decreased by 494 million yen, and operating profit, ordinary profit and profit attributable to owners of parent each decreased by 0 million yen, respectively, compared with the results before the retrospective application. In addition, as the cumulative effect was reflected in net assets at the beginning of the previous fiscal year, the balance of retained earnings at the beginning of the previous fiscal year decreased by 12 million yen.

Due to the application of the Accounting Standard for Revenue Recognition, “Notes and accounts receivable-trade,” which was presented in “Current assets” in the consolidated balance sheet for the previous fiscal year, is included in “Notes and accounts receivable-trade, and contract assets“ from the current fiscal year.

Application of the Accounting Standard for Fair Value Measurement

Yodogawa Steel Works has applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019) and other standards from the beginning of the current fiscal year, and has applied the new accounting policies prescribed in the Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). There is no effect of this application on the consolidated financial statements.

Notes to Consolidated Balance Sheet

Contingent liabilities

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

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

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

Segment Information

1. Overview of reportable segments

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

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

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

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

The calculation method for each reportable segment 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

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

	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	137,098	2,344	3,529	1,239	144,212	1,751	145,963	-	145,963
Inter-segment sales and transfers	-	-	-	431	431	2,229	2,661	(2,661)	-
Total	137,098	2,344	3,529	1,670	144,643	3,980	148,624	(2,661)	145,963
Segment profit (loss)	8,254	(412)	174	871	8,887	197	9,085	Note 2 (1,204)	Note 3 7,880
Segment assets	161,336	4,478	3,362	9,330	178,508	10,486	188,995	Note 4 37,008	226,004
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.

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

(Millions of yen)

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

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

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

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

(Millions of yen)

	Steel Sheet-related Business	Roll Business	Grating Business	Real Estate Business	Others	Elimination or corporate	Total
Impairment losses	-	-	-	-	0	45	45

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

(Millions of yen)

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

Per-share Information

(Yen)

	FY3/21 (Apr. 1, 2020 to Mar. 31, 2021)	FY3/22 (Apr. 1, 2021 to Mar. 31, 2022)
Net assets per share	5,644.23	5,907.11
Net income per share	215.58	339.77
Diluted net income per share	214.62	338.42

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

	FY3/21 (Apr. 1, 2020 to Mar. 31, 2021)	FY3/22 (Apr. 1, 2021 to Mar. 31, 2022)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	6,257	9,789
Amount not available to common shareholders (Millions of yen)	-	-
Profit attributable to common shareholders of parent (Millions of yen)	6,257	9,789
Average number of common shares outstanding during period (Thousands of shares)	29,026	28,810
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)	130	115
[of which share acquisition rights (Thousands of shares)]	[130]	[115]
Summary of potential stock not included in the calculation of diluted net income per share since there was no dilutive effect		-

Note: As explained in “Application of Accounting Standard for Revenue Recognition” in “Change in Accounting Policies,” changes in accounting policies in the fiscal year ended March 2022 have been applied retrospectively. The new revenue recognition standard has been applied to the consolidated financial statements for the fiscal year ended March 2021, resulting in reductions in net assets per share, net income per share and diluted net income per share of 0.45 yen, 0.02 yen and 0.02 yen, respectively.

Subsequent Events

Not applicable.

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheet

	(Millions of yen)	
	FY3/21	FY3/22
	(as of Mar. 31, 2021)	(as of Mar. 31, 2022)
Assets		
Current assets		
Cash and deposits	19,842	5,580
Notes receivable-trade	955	-
Notes and accounts receivable-trade, and contract assets	-	50,932
Electronically recorded monetary claims-operating	1,302	1,113
Accounts receivable-trade	37,804	-
Securities	6,700	2,000
Merchandise and finished goods	9,933	14,487
Work in process	3,010	4,963
Raw materials and supplies	5,400	9,054
Prepaid expenses	162	172
Other	3,696	6,374
Allowance for doubtful accounts	(4)	(5)
Total current assets	88,805	94,671
Non-current assets		
Property, plant and equipment		
Buildings	7,109	9,791
Structures	681	1,125
Machinery and equipment	4,380	4,135
Vehicles	24	9
Tools, furniture and fixtures	359	496
Land	13,806	12,537
Construction in progress	3,843	288
Total property, plant and equipment	30,204	28,384
Intangible assets		
Software	229	202
Other	611	819
Total intangible assets	840	1,022
Investments and other assets		
Investment securities	38,956	32,103
Shares of subsidiaries and associates	21,849	22,919
Long-term loans receivable	1,854	1,926
Other	255	218
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	62,915	57,168
Total non-current assets	93,960	86,574
Total assets	182,765	181,246

	(Millions of yen)	
	FY3/21	FY3/22
	(as of Mar. 31, 2021)	(as of Mar. 31, 2022)
Liabilities		
Current liabilities		
Notes payable-trade	3	4
Electronically recorded obligations-operating	2,247	2,199
Accounts payable-trade	10,646	16,075
Short-term borrowings	1,940	1,640
Accounts payable-other	336	673
Accrued expenses	2,269	2,347
Income taxes payable	2,336	1,773
Contract liabilities	-	42
Advances received	126	105
Deposits received	97	97
Provision for bonuses	849	899
Provision for product warranties	336	671
Other	2,794	844
Total current liabilities	23,984	27,374
Non-current liabilities		
Provision for retirement benefits	6,017	5,061
Long-term guarantee deposits	1,352	1,422
Deferred tax liabilities	5,438	3,916
Asset retirement obligations	247	223
Other	232	211
Total non-current liabilities	13,288	10,835
Total liabilities	37,273	38,209
Net assets		
Shareholders' equity		
Share capital	23,220	23,220
Capital surplus		
Legal capital surplus	5,805	5,805
Other capital surplus	13,251	13,234
Total capital surplus	19,056	19,040
Retained earnings		
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	829	739
Reserve for special depreciation	102	-
General reserve	71,382	71,382
Retained earnings brought forward	25,173	25,789
Total retained earnings	97,488	97,911
Treasury shares	(13,249)	(13,146)
Total shareholders' equity	126,516	127,026
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	18,748	15,823
Total valuation and translation adjustments	18,748	15,823
Share acquisition rights	227	187
Total net assets	145,492	143,036
Total liabilities and net assets	182,765	181,246

(2) Non-consolidated Statement of Income

(Millions of yen)

	FY3/21 (Apr. 1, 2020 to Mar. 31, 2021)	FY3/22 (Apr. 1, 2021 to Mar. 31, 2022)
Net sales	98,788	127,549
Cost of sales	77,807	104,455
Gross profit	20,981	23,094
Selling, general and administrative expenses	13,958	15,148
Operating profit	7,022	7,946
Non-operating income		
Interest income	251	361
Dividend income	799	1,537
Gain on sale of investment securities	503	528
Other	396	602
Total non-operating income	1,949	3,029
Non-operating expenses		
Interest expenses	57	61
Other	229	269
Total non-operating expenses	286	330
Ordinary profit	8,685	10,644
Extraordinary income		
Gain on sale of non-current assets	0	130
Insurance claim income	13	-
Total extraordinary income	14	130
Extraordinary losses		
Loss on sale and retirement of non-current assets	51	487
Loss on valuation of investment securities	-	1
Impairment losses	45	1
Loss on valuation of shares of subsidiaries and associates	5,988	-
Loss on liquidation of subsidiaries and associates	12	-
Other	0	-
Total extraordinary losses	6,098	491
Profit before income taxes	2,600	10,283
Income taxes-current	2,918	3,175
Income taxes-deferred	(328)	(216)
Total income taxes	2,589	2,958
Profit	11	7,324

(3) Non-consolidated Statement of Changes in Equity

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

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

(Millions of yen)

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

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

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.