



February 6, 2024

**Summary of the Consolidated Financial Results for the Third Quarter  
of the Fiscal Year Ending March 31, 2024 (FY3/24)  
(Nine Months Ended December 31, 2023)**

**[Japanese GAAP]**

Company name: Yodogawa Steel Works, Ltd. Listing: Tokyo Stock Exchange  
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 Scheduled date of filing of Quarterly Report: February 13, 2024  
 Scheduled date of payment of dividend: –  
 Preparation of supplementary materials for quarterly financial results: None  
 Holding of quarterly financial results meeting: None

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

**1. Consolidated Financial Results for the Third Quarter (April 1, 2023 to December 31, 2023) of FY3/24**

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Dec. 31, 2023	153,465	(10.5)	8,939	(17.0)	11,948	(18.0)	7,751	(8.6)
Nine months ended Dec. 31, 2022	171,562	17.8	10,771	5.1	14,565	9.2	8,477	10.6

Note: Comprehensive income (millions of yen): Nine months ended Dec. 31, 2023: 16,728 (up 25.4%)  
 Nine months ended Dec. 31, 2022: 13,337 (up 31.1%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2023	268.39	267.65
Nine months ended Dec. 31, 2022	293.84	292.90

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of Dec. 31, 2023	260,679	214,275	72.9
As of Mar. 31, 2023	251,057	201,906	71.6

Reference: Shareholders' equity (millions of yen):  
 As of Dec. 31, 2023: 190,156 As of Mar. 31, 2023: 179,673

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2023	–	40.00	–	71.00	111.00
Fiscal year ending Mar. 31, 2024	–	55.00	–	–	–
Fiscal year ending Mar. 31, 2024 (Forecast)	–	–	–	55.00	110.00

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

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

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	205,000	(7.0)	11,400	(10.0)	14,500	(18.0)	9,100	(14.1)	315.06

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

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

**\* Notes**

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

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

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

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

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

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of issued shares (common shares)

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

As of Dec. 31, 2023:	34,837,230 shares	As of Mar. 31, 2023:	34,837,230 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2023:	5,946,059 shares	As of Mar. 31, 2023:	5,966,020 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2023:	28,880,814 shares	Nine months ended Dec. 31, 2022:	28,851,376 shares
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\* The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

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

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

**Contents of Attachments**

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements	3
2. Quarterly Consolidated Financial Statements and Notes	5
(1) Quarterly Consolidated Balance Sheet	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	7
Quarterly Consolidated Statement of Income	
For the Nine-month Period	7
Quarterly Consolidated Statement of Comprehensive Income	
For the Nine-month Period	8
(3) Notes to Quarterly Consolidated Financial Statements	9
Going-concern Assumption	9
Significant Changes in Shareholders' Equity	9
Notes to Quarterly Consolidated Balance Sheet	9
Segment and Other Information	10

## 1. Qualitative information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

During the first nine months of the fiscal year ending March 31, 2024, there was a broad-based slow economic recovery in Japan as the economic activities began returning to normal due to the progress of the “With Corona” policy, such as reclassifying COVID-19’s category from Class 2 to Class 5, a common infectious disease. Despite this improvement, some weakness was seen in housing and non-housing starts partly due to soaring construction material prices.

Looking at the world economy, in the United States, consumer spending remained strong. While at the same time, in China, the economy is stagnating due to worsening employment conditions and the sluggish real estate market. In addition, uncertainty is increasing due to the prolonged Ukraine crisis.

In Japan, while automobile production increased as semiconductor supply shortages have been resolved and by other factors, housing construction starts and machinery production declined. Under the circumstances, order and production show declining trends in the steel industry.

In overseas steel markets, the business climate is weakening, mainly in Asian markets, due to the impact of the steel supply-demand gap in China and other factors.

In such an environment, the Yodogawa Steel Group’s net sales for the first nine months decreased 18,096 million yen from the same period of the previous fiscal year to 153,465 million yen. Operating profit decreased 1,832 million yen to 8,939 million yen, ordinary profit decreased 2,617 million yen to 11,948 million yen, and profit attributable to owners of parent decreased 726 million yen to 7,751 million yen.

In Japan, sales and earnings decreased year on year mainly due to lower sales of steel sheets resulting from a decline in sales volume.

Overseas, sales decreased year on year mainly due to lower sales at Taiwan subsidiary Sheng Yu Steel Co., Ltd. (SYSCO), but earnings improved.

Business segment performance was as follows.

#### 1) Steel Sheet-related Business

Sales and earnings decreased year on year with net sales of 145,857 million yen and operating profit of 8,896 million yen.

##### Steel Sheets

In Japan, both sales and earnings decreased because of a decline in sales volume of both specific high-demand customers and general distribution as a result of stagnant demand in the building construction sector, despite the rise of selling prices of all types of steel sheets.

As for overseas markets, SYSCO in Taiwan posted a year-on-year decline in sales mainly due to a decrease in sales volume for exports and a drop in selling prices, but a slight increase in earnings mainly due to a recovery in sales volume for the domestic market in Taiwan. Yodogawa Shengyu (Hefei) High-Tech Steel Co., Ltd. (YSS), a subsidiary in China, suffered a downturn in business performance due to factors such as the sluggish real estate market. Earnings of PCM Processing (Thailand) Ltd. (PPT), a Thai subsidiary, increased chiefly because of improved profitability, despite a decrease in sales.

##### Building Materials

Sales of exterior products decreased mainly due to lower sales volume of storage sheds and sales of exterior construction material products decreased mainly due to lower sales volume of YODO Roof.

#### 2) Roll Business

Net sales totaled 2,489 million yen and operating profit was 49 million yen.

Sales increased year on year and earnings improved mainly due to improved selling prices.

**3) Grating Business**

Net sales totaled 2,598 million yen and operating profit was 156 million yen.

Earnings rose primarily owing to improved selling prices.

**4) Real Estate Business**

Net sales totaled 964 million yen and operating profit was 616 million yen.

Both sales and earnings were almost on par with the same period of the previous year.

**5) Other Businesses**

Net sales totaled 1,555 million yen and operating profit was 256 million yen.

Both sales and earnings were almost on par with the same period of the previous year.

**(2) Explanation of Financial Position****Assets**

Current assets increased by 3,521 million yen from the end of the previous fiscal year to 154,389 million yen. This was attributable mainly to increases of 7,196 million yen in cash and deposits and 3,645 million yen in notes and accounts receivable-trade, which were partially offset by decreases of 1,990 million yen in securities, 1,477 million yen in merchandise and finished goods, 526 million yen in work in process, and 3,381 million yen in raw materials and supplies.

Non-current assets increased by 6,100 million yen from the end of the previous fiscal year to 106,289 million yen. This was attributable mainly to an increase of 6,014 million yen in investment securities.

Total assets increased by 9,622 million yen from the end of the previous fiscal year to 260,679 million yen.

**Liabilities**

Current liabilities decreased by 4,834 million yen from the end of the previous fiscal year to 30,257 million yen. This was attributable mainly to decreases of 2,392 million yen in notes and accounts payable-trade and 2,238 million yen in income taxes payable.

Non-current liabilities increased by 2,088 million yen from the end of the previous fiscal year to 16,147 million yen. This was attributable mainly to an increase of 1,896 million yen in deferred tax liabilities included in other non-current liabilities.

Total liabilities decreased by 2,746 million yen from the end of the previous fiscal year to 46,404 million yen.

**Net assets**

Net assets increased by 12,368 million yen from the end of the previous fiscal year to 214,275 million yen. This was attributable mainly to increases of 4,136 million yen in retained earnings, 4,130 million yen valuation difference on available-for-sale securities, 2,193 million yen foreign currency translation adjustment, and 1,891 million yen in non-controlling interests.

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

The Japanese economy is expected to recover moderately during the fiscal year 2023 mainly because of the return of foot traffic following the downgrading of COVID-19 and easing of supply restrictions. However, there are some risk factors such as the recent Noto Peninsula Earthquake and concerns about its impact on the economy. The outlook for the global economy is expected to remain extremely opaque because of the Chinese economy continuing to stall due to the sluggish real estate market, concerns about recession due to monetary tightening in the United States and Europe, the prolonged situation in Ukraine, and new conflicts and turmoil over the Palestinian territories in the Middle East.

In the steel markets in Japan and overseas, while increases in raw material prices used for steelmaking as well as

the cost of resources and energy are coming to a pause, there is an impact of the Chinese steel market on the back of the country's stagnant economy, combined with concerns about rising geopolitical risks. Due to this situation, the steel market, including the supply-demand balance, 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 costs in all regions.

To succeed in this uncertain business climate, all group companies are focusing on speed and agility concerning both sales and production activities to respond to rapidly changing market conditions. At the same time, by steadily implementing the "Yodogawa Steel Group Medium-Term Management Plan 2025," we will work to strengthen our earning power.

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

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

	(Millions of yen)	
	FY3/23 (as of Mar. 31, 2023)	Third quarter of FY3/24 (as of Dec. 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	40,189	47,385
Notes and accounts receivable-trade, and contract assets	49,521	53,166
Electronically recorded monetary claims-operating	4,454	5,083
Securities	4,207	2,217
Merchandise and finished goods	23,285	21,807
Work in process	6,476	5,949
Raw materials and supplies	19,924	16,542
Other	2,961	2,389
Allowance for doubtful accounts	(152)	(152)
Total current assets	150,867	154,389
Non-current assets		
Property, plant and equipment	56,602	56,403
Intangible assets	2,076	2,181
Investments and other assets		
Investment securities	40,193	46,208
Retirement benefit asset	724	865
Other	592	630
Total investments and other assets	41,510	47,704
Total non-current assets	100,189	106,289
Total assets	251,057	260,679
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	17,881	15,489
Electronically recorded obligations-operating	2,987	2,971
Short-term borrowings	1,328	1,019
Income taxes payable	3,159	921
Provision for bonuses	1,259	805
Provision for product warranties	971	1,623
Other	7,503	7,427
Total current liabilities	35,092	30,257
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	32	27
Retirement benefit liability	5,517	5,659
Other	8,508	10,459
Total non-current liabilities	14,058	16,147
Total liabilities	49,150	46,404

	(Millions of yen)	
	FY3/23 (as of Mar. 31, 2023)	Third quarter of FY3/24 (as of Dec. 31, 2023)
Net assets		
Shareholders' equity		
Share capital	23,220	23,220
Capital surplus	18,267	18,278
Retained earnings	126,064	130,200
Treasury shares	(11,895)	(11,851)
Total shareholders' equity	155,657	159,848
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,115	20,246
Revaluation reserve for land	1,529	1,505
Foreign currency translation adjustment	5,958	8,151
Remeasurements of defined benefit plans	412	405
Total accumulated other comprehensive income	24,016	30,308
Share acquisition rights	140	133
Non-controlling interests	22,092	23,984
Total net assets	201,906	214,275
Total liabilities and net assets	251,057	260,679



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

(Millions of yen)

	First nine months of FY3/23 (Apr. 1, 2022 to Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023 to Dec. 31, 2023)
Net sales	171,562	153,465
Cost of sales	145,329	129,358
Gross profit	26,232	24,106
Selling, general and administrative expenses	15,461	15,167
Operating profit	10,771	8,939
Non-operating income		
Interest income	290	413
Dividend income	1,125	999
Foreign exchange gains	687	193
Gain on sale of investment securities	1,245	1,024
Share of profit of entities accounted for using equity method	511	369
Other	193	265
Total non-operating income	4,053	3,265
Non-operating expenses		
Interest expenses	88	87
Cost for employees transferred temporarily to overseas subsidiaries	132	119
Other	38	49
Total non-operating expenses	260	256
Ordinary profit	14,565	11,948
Extraordinary income		
Gain on sale of non-current assets	185	952
Other	0	–
Total extraordinary income	185	952
Extraordinary losses		
Loss on sale and retirement of non-current assets	133	488
Impairment losses	835	0
Total extraordinary losses	968	488
Profit before income taxes	13,782	12,412
Income taxes-current	4,132	3,470
Income taxes-deferred	(12)	137
Total income taxes	4,120	3,607
Profit	9,662	8,804
Profit attributable to non-controlling interests	1,184	1,053
Profit attributable to owners of parent	8,477	7,751

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

	(Millions of yen)	
	First nine months of FY3/23 (Apr. 1, 2022 to Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023 to Dec. 31, 2023)
Profit	9,662	8,804
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,516)	4,108
Foreign currency translation adjustment	5,159	3,743
Deferred gains or losses on hedges	0	-
Remeasurements of defined benefit plans, net of tax	29	10
Share of other comprehensive income of entities accounted for using equity method	0	61
Total other comprehensive income	3,675	7,924
Comprehensive income	13,337	16,728
Comprehensive income attributable to:		
Owners of parent	10,100	14,067
Non-controlling interests	3,237	2,661

### **(3) Notes to Quarterly Consolidated Financial Statements**

#### **Going-concern Assumption**

Not applicable.

#### **Significant Changes in Shareholders' Equity**

Not applicable.

#### **Notes to Quarterly Consolidated Balance Sheet**

##### Contingent liabilities

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

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

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

## Segment and Other Information

### Segment information

#### I. First nine months of FY3/23 (Apr. 1, 2022 to Dec. 31, 2022)

##### 1. Information related to net sales and profit/loss for each reportable segment (Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustment (Note 2)	Amounts shown on the consolidated statement of income (Note 3)
	Steel Sheet- related Business	Roll Business	Grating Business	Real Estate Business	Total				
Net sales									
External sales	164,768	2,059	2,602	925	170,355	1,206	171,562	–	171,562
Inter-segment sales and transfers	–	–	–	318	318	2,068	2,386	(2,386)	–
Total	164,768	2,059	2,602	1,243	170,673	3,275	173,949	(2,386)	171,562
Segment profit (loss)	11,199	(233)	46	604	11,617	203	11,820	(1,049)	10,771

- 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 (1,042) million yen and an elimination for inter-segment transactions of (6) million yen.
3. Segment profit (loss) is adjusted with the operating profit on the quarterly consolidated statement of income.

##### 2. Information related to impairment losses on non-current assets, or goodwill, etc., for each reportable segment

###### Material impairment losses related to non-current assets

In the Others (golf course business) segment, impairment losses on non-current assets were recorded. The amount of the impairment losses was 835 million yen in the first nine months of FY3/23.

#### II. First nine months of FY3/24 (Apr. 1, 2023 to Dec. 31, 2023)

##### Information related to net sales and profit/loss for each reportable segment (Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustment (Note 2)	Amounts shown on the consolidated statement of income (Note 3)
	Steel Sheet- related Business	Roll Business	Grating Business	Real Estate Business	Total				
Net sales									
External sales	145,857	2,489	2,598	964	151,909	1,555	153,465	–	153,465
Inter-segment sales and transfers	–	–	–	309	309	1,681	1,990	(1,990)	–
Total	145,857	2,489	2,598	1,274	152,218	3,237	155,456	(1,990)	153,465
Segment profit	8,896	49	156	616	9,719	256	9,975	(1,035)	8,939

- 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 (1,024) million yen and an elimination for inter-segment transactions of (11) million yen.
3. Segment profit is adjusted with the operating profit on the quarterly consolidated statement of income.

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