



May 10, 2024

Summary of the Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (FY3/24)

[Japanese GAAP]

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Stock code: 5451

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Scheduled date of Annual General Meeting of Shareholders: June 25, 2024

Scheduled date of payment of dividend: June 26, 2024

Scheduled date of filing of Annual Securities Report: June 25, 2024

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 FY3/24 (April 1, 2023 to March 31, 2024)

(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, 2024	203,957	(7.4)	12,017	(5.1)	15,202	(14.0)	4,456	(57.9)
Fiscal year ended Mar. 31, 2023	220,314	9.3	12,665	(11.7)	17,686	(1.3)	10,593	8.2

Note: Comprehensive income (millions of yen): Fiscal year ended Mar. 31, 2024: 16,287 (up 9.1%)
Fiscal year ended Mar. 31, 2023: 14,916 (up 5.3%)

	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, 2024	154.29	153.87	2.4	5.9	5.9
Fiscal year ended Mar. 31, 2023	367.13	365.99	6.1	7.1	5.7

Reference: Equity in earnings of affiliates (millions of yen): Fiscal year ended Mar. 31, 2024: 535
Fiscal year ended Mar. 31, 2023: 542

(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, 2024	265,863	213,832	71.3	6,561.18
As of Mar. 31, 2023	251,057	201,906	71.6	6,223.26

Reference: Shareholders' equity (millions of yen): As of Mar. 31, 2024: 189,580
As of Mar. 31, 2023: 179,673

(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, 2024	21,521	(809)	(5,360)	57,398
Fiscal year ended Mar. 31, 2023	17,336	(3,160)	(5,092)	40,712

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, 2023	—	40.00	—	71.00	111.00	3,236	30.2	1.8
Fiscal year ended Mar. 31, 2024	—	55.00	—	145.00	200.00	5,836	129.6	3.1
Fiscal year ending Mar. 31, 2025 (Forecast)	—	100.00	—	209.00	309.00		75.0	

For further details, please refer to "1. Overview of Results of Operations, (3) Basic Policy for Profit Distribution and Dividends in the Current and Next Fiscal Years" on page 5.

3. Consolidated Forecasts for FY3/25 (April 1, 2024 to March 31, 2025)

(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
First half	103,000	1.7	5,400	(1.3)	7,400	(3.6)	4,600	(11.3)	159.20
Full year	212,000	3.9	11,100	(7.6)	18,400	21.0	11,900	167.0	411.85

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, 2024: 34,837,230 shares As of Mar. 31, 2023: 34,837,230 shares

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

As of Mar. 31, 2024: 5,942,958 shares As of Mar. 31, 2023: 5,966,020 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2024: 28,883,683 shares Fiscal year ended Mar. 31, 2023: 28,855,605 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for FY3/24 (April 1, 2023 to March 31, 2024)

(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, 2024	129,660	(10.8)	9,169	(16.9)	12,303	(27.7)	(2,749)	—
Fiscal year ended Mar. 31, 2023	145,355	14.0	11,036	38.9	17,012	59.8	12,644	72.6

	Net income per share		Diluted net income per share	
	Yen		Yen	
Fiscal year ended Mar. 31, 2024	(94.23)		—	
Fiscal year ended Mar. 31, 2023	433.83		432.50	

(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, 2024	193,288	152,042	78.6	5,205.23
As of Mar. 31, 2023	189,729	152,436	80.3	5,222.49

Reference: Shareholders' equity (millions of yen): As of Mar. 31, 2024: 151,917

As of Mar. 31, 2023: 152,295

2. Non-consolidated Forecasts for FY3/25 (April 1, 2024 to March 31, 2025)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	63,000	(3.5)	4,400	(2.6)	6,900	(3.4)	5,000	(10.1)	171.32
Full year	127,000	(2.1)	8,800	(4.0)	16,300	32.5	11,500	—	394.03

* 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.

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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, 2024, there was a moderate economic recovery in Japan as economic activity began returning to normal due to progress, such as reclassification of COVID-19's category from Class 2 to Class 5. However, the recovery lacked strength due to impact of price hikes and other factors.

Looking at the world economy, in the United States, economy remained solid by steady employment conditions and consumer spending. While at the same time, in China, the economy showed increasing signs of slowdown due to downturn in the real estate market, worsening employment conditions, and other factors, and in Europe, the economy remained stagnant due to weak domestic demand caused by monetary tightening policies.

In Japan, automobile production, which seemed picking up as semiconductor supply shortages eased and by other factors, declined at the end of the fiscal year, and residential construction and machinery orders are weak. Under the circumstances, orders and production remained sluggish in the steel industry.

In overseas steel markets, there were expectations for recovery due to solid economic performance in the United States, however, there were few signs of recovery in the Chinese economy. Therefore, the overall market conditions remained weak.

Under these circumstances, the Yodogawa Steel Group strove to ensure a stable supply of products and to develop differentiated products. In addition, group companies provided customers with thorough explanations of the selling prices of products that can be reproduced.

The Yodogawa Steel Group's net sales in the fiscal year decreased 16,356 million yen to 203,957 million yen. Operating profit decreased 647 million yen to 12,017 million yen, ordinary profit decreased 2,483 million yen to 15,202 million yen, and profit attributable to owners of parent decreased 6,137 million yen to 4,456 million yen.

Total assets at the end of the fiscal year increased 14,806 million yen from the end of the previous fiscal year to 265,863 million yen. This increase is attributable mainly to increases in cash and deposits as a result of an increase in cash flows from operating activities and investment securities resulting from fair market valuation of listed shares held for investment purposes, partly offset by decreases in trade receivables and inventories. Liabilities increased 2,880 million yen to 52,031 million yen. This increase is attributable mainly to increase in provision for product compensation, partly offset by decreases in trade payables. Net assets increased 11,925 million yen to 213,832 million yen. This increase is attributable mainly to increases in retained earnings, valuation difference on available-for-sale securities, and foreign currency translation adjustment.

Business segment performance was as follows.

Steel Sheet-related Business

Net sales totaled 194,031 million yen and operating profit was 11,954 million yen.

Roll Business

Net sales totaled 3,124 million yen and operating profit was 55 million yen.

Grating Business

Net sales totaled 3,431 million yen and operating profit was 207 million yen.

Real Estate Business

Net sales totaled 1,283 million yen and operating profit was 817 million yen.

Other Businesses

Net sales totaled 2,085 million yen and operating profit was 376 million yen.

Cash and cash equivalents at the end of the fiscal year increased 16,685 million yen from the end of the previous fiscal year to 57,398 million yen. This is mainly due to the positive operating cash flows.

Cash flows from operating activities

Net cash provided by operating activities increased 4,185 million yen to 21,521 million yen, mainly due to the difference between operating profit for the fiscal year, a decrease in trade receivables, and decreases in inventories and accounts payable-trade.

Cash flows from investing activities

Net cash used in investing activities decreased 2,350 million yen to 809 million yen, mainly due to difference between expenditure for purchase of property, plant and equipment and sales of investment securities.

Cash flows from financing activities

Net cash used in financing activities increased 267 million yen to 5,360 million yen, mainly due to payments of dividends.

2) Analysis and review of results of operations

Net sales

In Japan, efforts to realize selling prices of products that can be reproduced improved the selling prices, however, sales volume declined partly because of downturn in domestic steel demand, resulting in lower sales. Overseas, our China subsidiary Yodogawa Shengyu (Hefei) High-Tech Steel Co., Ltd. (YSS) saw sluggish growth both in sales volume and unit price due to economic downturn in China, resulting in lower sales. In addition, our Thailand subsidiary PCM PROCESSING (THAILAND) Ltd. (PPT) improved sales prices as a result of efforts to expand sales of high value-added steel sheets, however, resulted in lower sales due to decline in volume.

Operating profit

In Japan, earnings decreased due to decline in sales volume, despite the revisions of selling prices for our steel sheet products. Overseas, on the other hand, our Taiwan subsidiary Sheng Yu Steel Co., Ltd. (SYSCO) saw an increase in earnings due to recovery of sales volume in the domestic market in Taiwan, despite decline in sales volume for export. YSS saw a decrease in earnings due to the prolonged downturn in the real estate market and other factors. PPT saw an increase in earnings due to improved profitability despite decline in sales volume. Consequently, consolidated operating profit decreased.

Ordinary profit

Ordinary profit decreased more than operating profit did, mainly due to a decrease in gain on sale of investment securities in non-operating income year on year.

Profit attributable to owners of parent

Profit decreased more than ordinary profit did, mainly due to provision for product compensation. While profit attributable to owners of parent decreased more than profit did, due to 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 2024, 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.

Our objective target for monitoring progress concerning management policies, strategic goals, and business goals, is provided in the “Yodogawa Steel Group Medium-Term Management Plan 2025.” In the current fiscal year, the Yodogawa Steel Group achieved its initial target of 10 billion yen or more in consolidated operating profit amid a severe business environment with weak demand for steel both in Japan and overseas, however, the profit decreased year on year. Aiming further enhancement of our corporate value, a new target of 13 billion yen or more in consolidated operating profit for the fiscal year ending March 31, 2026 was set on April 25, 2024, after reviewing the Medium-Term Management Plan.

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, 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.

Overseas, SYSCO in Taiwan saw an increase in earnings despite a decrease in sales due to recovery of sales volume in the domestic market in Taiwan, despite decline in sales volume for export. YSS in China saw worse performance due to the prolonged downturn in the real estate market and other factors. PPT in Thailand saw an increase in earnings despite a decrease in sales.

Building Material

In the building materials category, although selling prices of both exterior products and exterior construction material products were revised, overall sales decreased due to decline in sales volume.

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

Roll Business

Sales volume decreased, but sales increased and returned to profitability due to revisions of selling prices for steel.

Grating Business

Sales decreased due to decline in sales volume, but earnings increased due to revisions of selling prices.

Real Estate Business

Both sales and earnings were about the same as one year earlier.

Other Businesses

Both sales and earnings increased due to completion of renewal of Nishiwaki Country Club and other factors.

(2) Outlook

Global economy is expected to recover due to steady economic trend in the United States and declining inflation worldwide. However, uncertainty is expected to remain due to concerns about prolonged situation in Ukraine and Palestine, and prolonged downturn in the real estate market in China.

In Japan, there are expectations for recovery in demand by higher wage levels. However, the trend of rising prices is expected to continue and the Bank of Japan's monetary policy trend needs to be closely monitored. The economy is expected to be significantly affected by the aforementioned global risk factors.

In the steel markets in Japan and other countries, while prices of raw materials used for steelmaking as well as cost of resources and energy are expected to remain at a high level, there are additional geopolitical risks such as the situation in Russia and Ukraine and concerns over the Taiwan emergency. 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 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 next fiscal year is based on this outlook for the economy and steel market.

(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.

Regarding shareholder returns for the three fiscal years ending on March 31, 2024, 2025 and 2026, we will place emphasis on dividend payments, maintaining an annual dividend of at least 200 yen per share considering factors such as our capital investment plan and financial condition, with the target consolidated payout ratio of 75% or more, revising our initial policy.

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, 2024 is to be 145 yen per share. With the interim dividend of 55 yen, this will result in a dividend of 200 yen per share for this fiscal year.

The forecast for the dividend for the next fiscal year is based on the above dividend policy and in consideration of the performance 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)	
	FY3/23 (as of Mar. 31, 2023)	FY3/24 (as of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits	40,189	56,808
Notes and accounts receivable-trade, and contract assets	49,521	45,474
Electronically recorded monetary claims-operating	4,454	4,823
Securities	4,207	4,009
Merchandise and finished goods	23,285	22,751
Work in process	6,476	5,591
Raw materials and supplies	19,924	14,939
Other	2,961	1,898
Allowance for doubtful accounts	(152)	(177)
Total current assets	150,867	156,119
Non-current assets		
Property, plant and equipment		
Buildings and structures	67,510	68,841
Accumulated depreciation	(48,585)	(50,487)
Buildings and structures, net	18,925	18,353
Machinery, equipment and vehicles	147,138	150,727
Accumulated depreciation	(134,183)	(138,850)
Machinery, equipment and vehicles, net	12,955	11,876
Land	19,095	19,235
Leased assets	177	237
Accumulated depreciation	(106)	(138)
Leased assets, net	70	98
Construction in progress	4,457	4,971
Other	12,343	12,619
Accumulated depreciation	(11,246)	(11,215)
Other, net	1,097	1,403
Total property, plant and equipment	56,602	55,940
Intangible assets		
Other	2,076	2,203
Total intangible assets	2,076	2,203
Investments and other assets		
Investment securities	40,193	49,643
Retirement benefit asset	724	1,422
Deferred tax assets	137	86
Other	454	447
Total investments and other assets	41,510	51,600
Total non-current assets	100,189	109,743
Total assets	251,057	265,863

	(Millions of yen)	
	FY3/23 (as of Mar. 31, 2023)	FY3/24 (as of Mar. 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	17,881	13,892
Electronically recorded obligations-operating	2,987	2,986
Short-term borrowings	1,328	544
Lease liabilities	61	60
Income taxes payable	3,159	2,097
Contract liabilities	156	240
Provision for bonuses	1,259	1,117
Provision for product compensation	971	—
Other	7,285	7,174
Total current liabilities	35,092	28,113
Non-current liabilities		
Lease liabilities	10	74
Deferred tax liabilities	3,873	4,445
Deferred tax liabilities for land revaluation	807	807
Provision for retirement benefits for directors (and other officers)	32	28
Retirement benefit liability	5,517	5,315
Provision for product compensation	—	9,457
Other	3,816	3,786
Total non-current liabilities	14,058	23,917
Total liabilities	49,150	52,031
Net assets		
Shareholders' equity		
Share capital	23,220	23,220
Capital surplus	18,267	18,279
Retained earnings	126,064	126,905
Treasury shares	(11,895)	(11,845)
Total shareholders' equity	155,657	156,559
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,115	22,543
Revaluation reserve for land	1,529	1,505
Foreign currency translation adjustment, before tax	5,958	7,881
Remeasurements of defined benefit plans	412	1,089
Total accumulated other comprehensive income	24,016	33,020
Share acquisition rights	140	125
Non-controlling interests	22,092	24,126
Total net assets	201,906	213,832
Total liabilities and net assets	251,057	265,863

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

(Millions of yen)

	FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 to Mar. 31, 2024)
Net sales	220,314	203,957
Cost of sales	187,650	172,188
Gross profit	32,664	31,769
Selling, general and administrative expenses	19,998	19,751
Operating profit	12,665	12,017
Non-operating income		
Interest income	397	564
Dividend income	1,161	1,046
Insurance claim income	65	102
Gain on sale of investment securities	2,408	1,031
Foreign exchange gains	601	54
Share of profit of entities accounted for using equity method	542	535
Other	175	173
Total non-operating income	5,350	3,508
Non-operating expenses		
Interest expenses	118	109
Commitment fees	21	20
Cost for employees transferred temporarily to overseas subsidiaries	160	150
Other	29	43
Total non-operating expenses	329	324
Ordinary profit	17,686	15,202
Extraordinary income		
Gain on sale of non-current assets	187	952
Subsidy income	–	400
Other	0	–
Total extraordinary income	187	1,352
Extraordinary losses		
Loss on sale and retirement of non-current assets	171	507
Impairment losses	835	0
Provision for product compensation	–	7,964
Total extraordinary losses	1,006	8,472
Profit before income taxes	16,867	8,082
Income taxes-current	5,321	4,573
Income taxes-deferred	(348)	(2,363)
Total income taxes	4,973	2,210
Profit	11,893	5,872
Profit attributable to non-controlling interests	1,229	1,415
Profit attributable to owners of parent	10,593	4,456

(Consolidated Statement of Comprehensive Income)

	(Millions of yen)	
	FY3/23	FY3/24
	(Apr. 1, 2022 to Mar. 31, 2023)	(Apr. 1, 2023 to Mar. 31, 2024)
Profit	11,893	5,872
Other comprehensive income		
Valuation difference on available-for-sale securities	(18)	6,364
Deferred gains or losses on hedges	0	—
Foreign currency translation adjustment	2,442	3,326
Remeasurements of defined benefit plans, net of tax	585	567
Share of other comprehensive income of entities accounted for using equity method	13	158
Total other comprehensive income	3,022	10,415
Comprehensive income	14,916	16,287
Comprehensive income attributable to:		
Owners of parent	12,371	13,484
Non-controlling interests	2,544	2,803

(3) Consolidated Statement of Changes in Equity

FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	23,220	18,272	118,475	(11,992)	147,977
Changes during period					
Dividends of surplus			(3,085)		(3,085)
Profit attributable to owners of parent			10,593		10,593
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		(5)		101	96
Reversal of revaluation reserve for land			80		80
Net changes in items other than shareholders' equity					
Total changes during period	–	(5)	7,588	96	7,679
Balance at end of period	23,220	18,267	126,064	(11,895)	155,657

	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	16,174	(0)	1,609	4,433	101	22,319	187	21,454	191,937
Changes during period									
Dividends of surplus									(3,085)
Profit attributable to owners of parent									10,593
Purchase of treasury shares									(5)
Disposal of treasury shares									96
Reversal of revaluation reserve for land									80
Net changes in items other than shareholders' equity	(58)	0	(80)	1,524	311	1,696	(46)	638	2,288
Total changes during period	(58)	0	(80)	1,524	311	1,696	(46)	638	9,968
Balance at end of period	16,115	–	1,529	5,958	412	24,016	140	22,092	201,906

FY3/24 (Apr. 1, 2023 to Mar. 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	23,220	18,267	126,064	(11,895)	155,657
Changes during period					
Dividends of surplus			(3,638)		(3,638)
Profit attributable to owners of parent			4,456		4,456
Purchase of treasury shares				(8)	(8)
Disposal of treasury shares		11		58	69
Reversal of revaluation reserve for land			23		23
Net changes in items other than shareholders' equity					
Total changes during period	—	11	841	50	902
Balance at end of period	23,220	18,279	126,905	(11,845)	156,559

	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	16,115	1,529	5,958	412	24,016	140	22,092	201,906
Changes during period								
Dividends of surplus								(3,638)
Profit attributable to owners of parent								4,456
Purchase of treasury shares								(8)
Disposal of treasury shares								69
Reversal of revaluation reserve for land								23
Net changes in items other than shareholders' equity	6,427	(23)	1,922	677	9,004	(15)	2,033	11,022
Total changes during period	6,427	(23)	1,922	677	9,004	(15)	2,033	11,925
Balance at end of period	22,543	1,505	7,881	1,089	33,020	125	24,126	213,832

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 to Mar. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	16,867	8,082
Depreciation	5,042	4,801
Share of loss (profit) of entities accounted for using equity method	(542)	(535)
Increase (decrease) in retirement benefit liability	(479)	1
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(6)	(3)
Increase (decrease) in provision for bonuses	(435)	(141)
Increase (decrease) in allowance for doubtful accounts	42	24
Interest and dividend income	(1,558)	(1,610)
Interest expenses	118	109
Insurance claim income	(65)	(102)
Loss (gain) on sale of investment securities	(2,408)	(1,031)
Loss (gain) on sale and retirement of non-current assets	(15)	(444)
Subsidy income	-	(400)
Impairment losses	835	0
Decrease (increase) in trade receivables	3,321	3,896
Decrease (increase) in inventories	(2,466)	7,130
Increase (decrease) in trade payables	(2,294)	(4,178)
Increase (decrease) in accrued consumption taxes	1,147	331
Other, net	4,473	9,096
Subtotal	21,575	25,025
Proceeds from insurance income	65	102
Subsidies received	-	400
Interest and dividends received	1,658	1,707
Interest paid	(84)	(132)
Income taxes paid	(5,877)	(5,581)
Net cash provided by (used in) operating activities	17,336	21,521

(Millions of yen)

	FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 to Mar. 31, 2024)
Cash flows from investing activities		
Investments in time deposits with a maturity of more than three months	(9,832)	(10,599)
Proceeds from time deposits with a maturity of more than three months	8,418	10,845
Proceeds from sale and redemption of securities	1,119	207
Purchase of property, plant and equipment	(6,171)	(3,715)
Proceeds from sale of property, plant and equipment	470	1,072
Purchase of intangible assets	(237)	(385)
Purchase of investment securities	(57)	(17)
Proceeds from sale and redemption of investment securities	3,319	1,292
Loan advances	(67)	(0)
Proceeds from collection of loans receivable	—	490
Purchase of shares of subsidiaries	(122)	—
Net cash provided by (used in) investing activities	(3,160)	(809)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	11	(845)
Repayments of lease liabilities	(79)	(65)
Proceeds from sale of treasury shares	0	0
Purchase of treasury shares	(2)	(5)
Dividends paid	(3,116)	(3,675)
Dividends paid to non-controlling interests	(1,906)	(769)
Net cash provided by (used in) financing activities	(5,092)	(5,360)
Effect of exchange rate change on cash and cash equivalents	667	1,334
Net increase (decrease) in cash and cash equivalents	9,750	16,685
Cash and cash equivalents at beginning of period	30,961	40,712
Cash and cash equivalents at end of period	40,712	57,398

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

Affiliates: FUJIDEN INTERNATIONAL CORP., Touei Roof, Kosaka Kizai Co., Ltd.

Profit or loss (in proportion with the shareholding ratio), retained earnings (in proportion with the shareholding ratio), 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 instead of applying the equity method.

3. Fiscal year-end of consolidated subsidiaries

For consolidated subsidiaries, the fiscal year-end of SYSCO, YSS and PPT is December 31. For the preparation of the consolidated financial statements, the financial statements as of December 31 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 Statement of Income

Provision for product compensation

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 were recorded as repair costs until the previous fiscal year. The costs of the future problems involving these sheets were not expensed because it was not possible to determine a reliable forecast of how many problems will occur.

In the current fiscal year, we determined that reasonable estimation of the size of area to be repaired in the future is now possible, as information on the occurrence of defects has been accumulated since the subject products were manufactured approximately 10 years ago. Therefore, repair costs for defects expected to occur in the future were recognized as provision for product compensation under extraordinary losses.

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 is the same as that described in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements."

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

FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)

(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	210,952	2,929	3,500	1,236	218,618	1,695	220,314	—	220,314
Inter-segment sales and transfers	—	—	0	421	421	2,599	3,020	(3,020)	—
Total	210,952	2,929	3,500	1,657	219,040	4,295	223,335	(3,020)	220,314
Segment profit (loss)	13,310	(262)	51	786	13,885	237	14,122	Note 2 (1,457)	Note 3 12,665
Segment assets	198,095	5,560	3,518	10,873	218,048	11,058	229,106	Note 4 21,950	251,057
Other items									
Depreciation	4,384	108	54	176	4,724	228	4,952	89	5,042
Investment in equity-method affiliates	6,247	0	536	5	6,790	—	6,790	—	6,790
Increases in property, plant and equipment and intangible assets	4,060	50	65	339	4,516	1,234	5,751	Note 5 136	5,888

- Notes:
- 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.
 - The adjustment to segment profit (loss) includes unallocated expenses of (1,450) million yen and an elimination for inter-segment transactions of (6) million yen.
 - Segment profit (loss) is adjusted to be consistent with the operating profit on the consolidated statement of income.
 - The adjustment to segment assets includes corporate assets of 22,221 million yen and an elimination for inter-segment transactions of (270) million yen.
 - The adjustment of 136 million yen to increases in property, plant and equipment and intangible assets is capital expenditures mainly for corporate tools, furniture, and fixtures.

FY3/24 (Apr. 1, 2023 to Mar. 31, 2024)

(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	194,031	3,124	3,431	1,283	201,871	2,085	203,957	–	203,957
Inter-segment sales and transfers	–	–	–	412	412	2,263	2,676	(2,676)	–
Total	194,031	3,124	3,431	1,696	202,284	4,349	206,634	(2,676)	203,957
Segment profit (loss)	11,954	55	207	817	13,034	376	13,410	Note 2 (1,392)	Note 3 12,017
Segment assets	193,057	5,339	3,499	11,119	213,016	12,213	225,230	Note 4 40,632	265,863
Other items									
Depreciation	4,152	78	56	185	4,472	232	4,705	96	4,801
Investment in equity-method affiliates	6,818	1	571	5	7,396	–	7,396	–	7,396
Increases in property, plant and equipment and intangible assets	2,506	96	32	411	3,046	214	3,261	Note 5 132	3,393

- 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 (1,365) million yen and an elimination for inter-segment transactions of (26) 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 40,934 million yen and an elimination for inter-segment transactions of (301) million yen.
5. The adjustment of 132 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

FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)

(Millions of yen)

	Steel Sheet- related Business	Roll Business	Grating Business	Real Estate Business	Others	Elimination or corporate	Total
Impairment losses	–	–	–	–	835	–	835

FY3/24 (Apr. 1, 2023 to Mar. 31, 2024)

(Millions of yen)

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

Per-share Information

(Yen)

	FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 to Mar. 31, 2024)
Net assets per share	6,223.26	6,561.18
Net income per share	367.13	154.29
Diluted net income per share	365.99	153.87

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

	FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 to Mar. 31, 2024)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	10,593	4,456
Amount not available to common shareholders (Millions of yen)	—	—
Profit attributable to common shareholders of parent (Millions of yen)	10,593	4,456
Average number of common shares outstanding during period (Thousands of shares)	28,855	28,883
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)	90	77
[of which share acquisition rights (Thousands of shares)]	[90]	[77]
Summary of potential stock not included in the calculation of diluted net income per share since there was no dilutive effect	—	

Subsequent Events**Cancellation of treasury shares**

Yodogawa Steel Works resolved to cancel treasury shares in accordance with Article 178 of the Companies Act at the meeting of the Board of Directors on April 25, 2024.

1. Class of share: Common stock of Yodogawa Steel Works.
 2. Total number of common shares to be cancelled: 3,000,000 shares.
(8.61% of the total number of shares outstanding prior to the cancellation)
 3. Scheduled date of cancellation: May 31, 2024.
- (Reference)

Number of shares outstanding after the cancellation will be 31,837,230.

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheet

	(Millions of yen)	
	FY3/23	FY3/24
	(as of Mar. 31, 2023)	(as of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits	10,405	21,231
Notes and accounts receivable-trade, and contract assets	47,515	43,108
Electronically recorded monetary claims-operating	1,318	1,409
Securities	4,199	3,999
Merchandise and finished goods	18,307	17,911
Work in process	5,397	4,838
Raw materials and supplies	11,803	8,344
Prepaid expenses	167	168
Other	7,761	1,326
Allowance for doubtful accounts	(5)	(4)
Total current assets	106,869	102,335
Non-current assets		
Property, plant and equipment		
Buildings	9,710	9,324
Structures	1,061	996
Machinery and equipment	3,780	3,150
Vehicles	122	88
Tools, furniture and fixtures	507	561
Land	12,298	12,188
Construction in progress	107	799
Total property, plant and equipment	27,588	27,110
Intangible assets		
Software	143	788
Other	995	411
Total intangible assets	1,139	1,199
Investments and other assets		
Investment securities	30,771	39,199
Shares of subsidiaries and associates	23,042	23,042
Other	318	401
Total investments and other assets	54,132	62,642
Total non-current assets	82,859	90,952
Total assets	189,729	193,288

	(Millions of yen)	
	FY3/23 (as of Mar. 31, 2023)	FY3/24 (as of Mar. 31, 2024)
Liabilities		
Current liabilities		
Electronically recorded obligations-operating	2,271	2,076
Accounts payable-trade	13,379	10,246
Short-term borrowings	1,400	1,400
Accounts payable-other	576	455
Accrued expenses	2,366	2,123
Income taxes payable	2,973	1,465
Contract liabilities	0	11
Advances received	103	107
Deposits received	105	184
Provision for bonuses	1,063	919
Provision for product compensation	971	—
Other	1,711	2,082
Total current liabilities	26,924	21,074
Non-current liabilities		
Provision for retirement benefits	4,864	4,987
Long-term guarantee deposits	1,429	1,476
Deferred tax liabilities	3,643	3,821
Asset retirement obligations	224	226
Provision for product compensation	—	9,457
Other	206	202
Total non-current liabilities	10,368	20,171
Total liabilities	37,292	41,245
Net assets		
Shareholders' equity		
Share capital	23,220	23,220
Capital surplus		
Legal capital surplus	5,805	5,805
Other capital surplus	13,229	13,241
Total capital surplus	19,034	19,046
Retained earnings		
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	708	682
General reserve	71,382	71,382
Retained earnings brought forward	35,347	28,950
Total retained earnings	107,439	101,014
Treasury shares	(13,047)	(12,993)
Total shareholders' equity	136,647	130,287
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	15,648	21,629
Total valuation and translation adjustments	15,648	21,629
Share acquisition rights	140	125
Total net assets	152,436	152,042
Total liabilities and net assets	189,729	193,288

(2) Non-consolidated Statement of Income

	(Millions of yen)	
	FY3/23	FY3/24
	(Apr. 1, 2022 to Mar. 31, 2023)	(Apr. 1, 2023 to Mar. 31, 2024)
Net sales	145,355	129,660
Cost of sales	119,039	105,353
Gross profit	26,315	24,307
Selling, general and administrative expenses	15,279	15,137
Operating profit	11,036	9,169
Non-operating income		
Interest income	288	215
Dividend income	3,408	2,012
Gain on sale of investment securities	2,408	1,024
Other	141	144
Total non-operating income	6,246	3,396
Non-operating expenses		
Interest expenses	76	65
Other	194	196
Total non-operating expenses	271	262
Ordinary profit	17,012	12,303
Extraordinary income		
Gain on sale of non-current assets	185	950
Total extraordinary income	185	950
Extraordinary losses		
Loss on sale and retirement of non-current assets	139	436
Provision for product compensation	—	7,964
Loss on support to subsidiaries	—	6,360
Total extraordinary losses	139	14,761
Profit before income taxes	17,058	(1,507)
Income taxes-current	4,629	3,635
Income taxes-deferred	(215)	(2,393)
Total income taxes	4,414	1,241
Profit (loss)	12,644	(2,749)

(3) Non-consolidated Statement of Changes in Equity

FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)

(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	General reserve	Retained earnings brought forward	
Balance at beginning of period	23,220	5,805	13,234	19,040	739	71,382	25,789	97,911
Changes during period								
Reversal of reserve for tax purpose reduction entry of non-current assets					(30)		30	–
Dividends of surplus							(3,116)	(3,116)
Profit							12,644	12,644
Purchase of treasury shares								
Disposal of treasury shares			(5)	(5)				
Net changes in items other than shareholders' equity								
Total changes during period	–	–	(5)	(5)	(30)	–	9,558	9,527
Balance at end of period	23,220	5,805	13,229	19,034	708	71,382	35,347	107,439

	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	(13,146)	127,026	15,823	15,823	187	143,036
Changes during period						
Reversal of reserve for tax purpose reduction entry of non-current assets		–				–
Dividends of surplus		(3,116)				(3,116)
Profit		12,644				12,644
Purchase of treasury shares	(2)	(2)				(2)
Disposal of treasury shares	101	96				96
Net changes in items other than shareholders' equity			(175)	(175)	(46)	(221)
Total changes during period	99	9,621	(175)	(175)	(46)	9,400
Balance at end of period	(13,047)	136,647	15,648	15,648	140	152,436

FY3/24 (Apr. 1, 2023 to Mar. 31, 2024)

(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	General reserve	Retained earnings brought forward	
Balance at beginning of period	23,220	5,805	13,229	19,034	708	71,382	35,347	107,439
Changes during period								
Reversal of reserve for tax purpose reduction entry of non-current assets					(26)		26	–
Dividends of surplus							(3,675)	(3,675)
Profit							(2,749)	(2,749)
Purchase of treasury shares								
Disposal of treasury shares			11	11				
Net changes in items other than shareholders' equity								
Total changes during period	–	–	11	11	(26)	–	(6,397)	(6,424)
Balance at end of period	23,220	5,805	13,241	19,046	682	71,382	28,950	101,014

	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	(13,047)	136,647	15,648	15,648	140	152,436
Changes during period						
Reversal of reserve for tax purpose reduction entry of non-current assets		–				–
Dividends of surplus		(3,675)				(3,675)
Profit		(2,749)				(2,749)
Purchase of treasury shares	(5)	(5)				(5)
Disposal of treasury shares	58	69				69
Net changes in items other than shareholders' equity			5,981	5,981	(15)	5,965
Total changes during period	53	(6,359)	5,981	5,981	(15)	(393)
Balance at end of period	(12,993)	130,287	21,629	21,629	125	152,042

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.