

Yodogawa Steel Group Financial Results Briefing Material for the Fiscal Year Ended March 31, 2024

May 10, 2024

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Overview of Consolidated Results of Operations (YoY Change)

Yodogawa Steel Works, Ltd.

(Billions of yen, rounded down to the nearest 10 million yen)

	FY3/24	FY3/23	Change	Change (%)	Remarks
Net sales	203.95	220.31	(16.35)	(7.4)%	Net sales
(Gross profit)	31.76	32.66	(0.89)		Japan: Decreased due to lower sales volume of steel sheets although selling prices improved
(Selling, general and administrative expenses)	19.75	19.99	(0.24)		Overseas: Decreased because of a lower export sales volume despite higher sales volume at SYSCO in Taiwan
Operating profit	12.01	12.66	(0.64)	(5.1)%	Operating profit
(Non-operating income)	3.50	5.35	(1.84)		Decreased because price revisions were offset by lower sales volume
(Non-operating expenses)	0.32	0.32	(0.00)		Non-operating income
Ordinary profit	15.20	17.68	(2.48)	(14.0)%	Gain on sale of investment securities and other items
(Extraordinary income)	1.35	0.18	1.16		Extraordinary income
(Extraordinary losses)	8.47	1.00	7.46		Gain on sale of non-current assets
Profit before income taxes	8.08	16.86	(8.78)	(52.1)%	Extraordinary losses
(Income taxes)	2.21	4.97	(2.76)		Provision for product warranties
(Profit attributable to non-controlling interests)	1.41	1.29	0.11		
Profit attributable to owners of parent	4.45	10.59	(6.13)	(57.9)%	Comprehensive income
(EPS (Yen/Share))	154.29	367.13	(212.84)		FY3/24: Profit of 5.8 billion yen, remeasurements of defined benefit plans (net of tax) of 6.3 billion yen, foreign currency translation adjustment of 3.3 billion yen, and others
Comprehensive income	16.28	14.91	1.37		

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(Billions of yen, rounded down to the nearest 10 million yen)

Consolidated	Results	Forecasts (Announced in February 2024)	Differences
Net sales	203.95	205.00	(1.04)
Operating profit	12.01	11.40	0.61
Ordinary profit	15.20	14.50	0.70
Profit attributable to owners of parent	4.45	9.10	(4.64)

Remarks

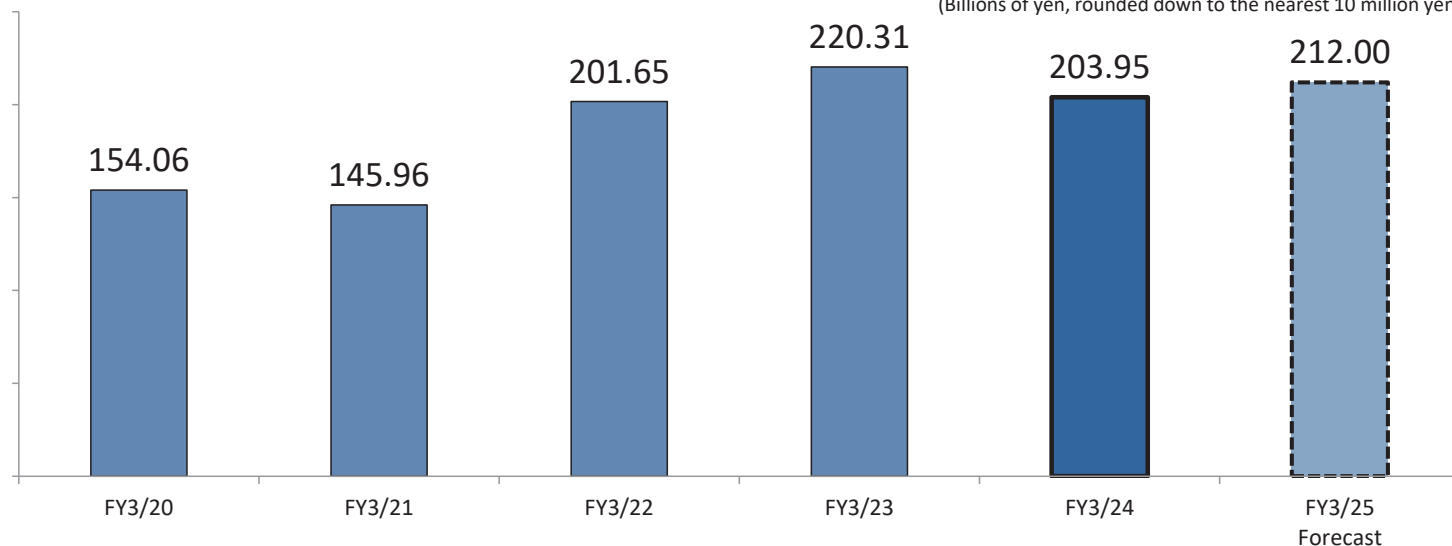
- Operating profit:
Higher than forecast because the forecast used conservative estimates of the cost of energy and other items
- Profit attributable to owners of parent:
The provision for product warranties is recorded in the current fiscal year as it has become possible to make a reasonable calculation. (Yodogawa Steel Works)

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(Billions of yen, rounded down to the nearest 10 million yen)



* Accounting Standard for Revenue Recognition has been applied starting with the beginning of FY3/22. FY3/21 information in this material have been adjusted retroactively to conform with this accounting standard.

Breakdown of the 16.35 billion yen decrease in net sales:

- Yodogawa Steel Works: (15.69) billion yen (145.35→129.66)
Sales volume declined for both specific high-demand customers and general distribution due to flat construction demand. For building material products, the sales volume of roofing materials decreased, and for exterior products, the sales volume of storage sheds decreased.
- Taiwan subsidiary Sheng Yu Steel Co., Ltd. (SYSCO): (0.48) billion yen (53.73→53.24)
Sales volume in Taiwan increased, but export sales volume decreased despite a moderate recovery in demand.
- Chinese subsidiary Yodogawa Shengyu (Hefei) High-Tech Steel Co., Ltd. (YSS): (0.62) billion yen (12.40→11.78)
Sales volume for home appliance and exports decreased, while sales volume for building materials increased
- Thai subsidiary PCM Processing (Thailand) Ltd. (PPT): (0.51) billion yen (5.19→4.67)
Sales volume for AC outdoor units decreased due to inventory adjustment

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(Billions of yen, rounded down to the nearest 10 million yen)



Breakdown of the 0.64 billion yen decrease in operating profit:

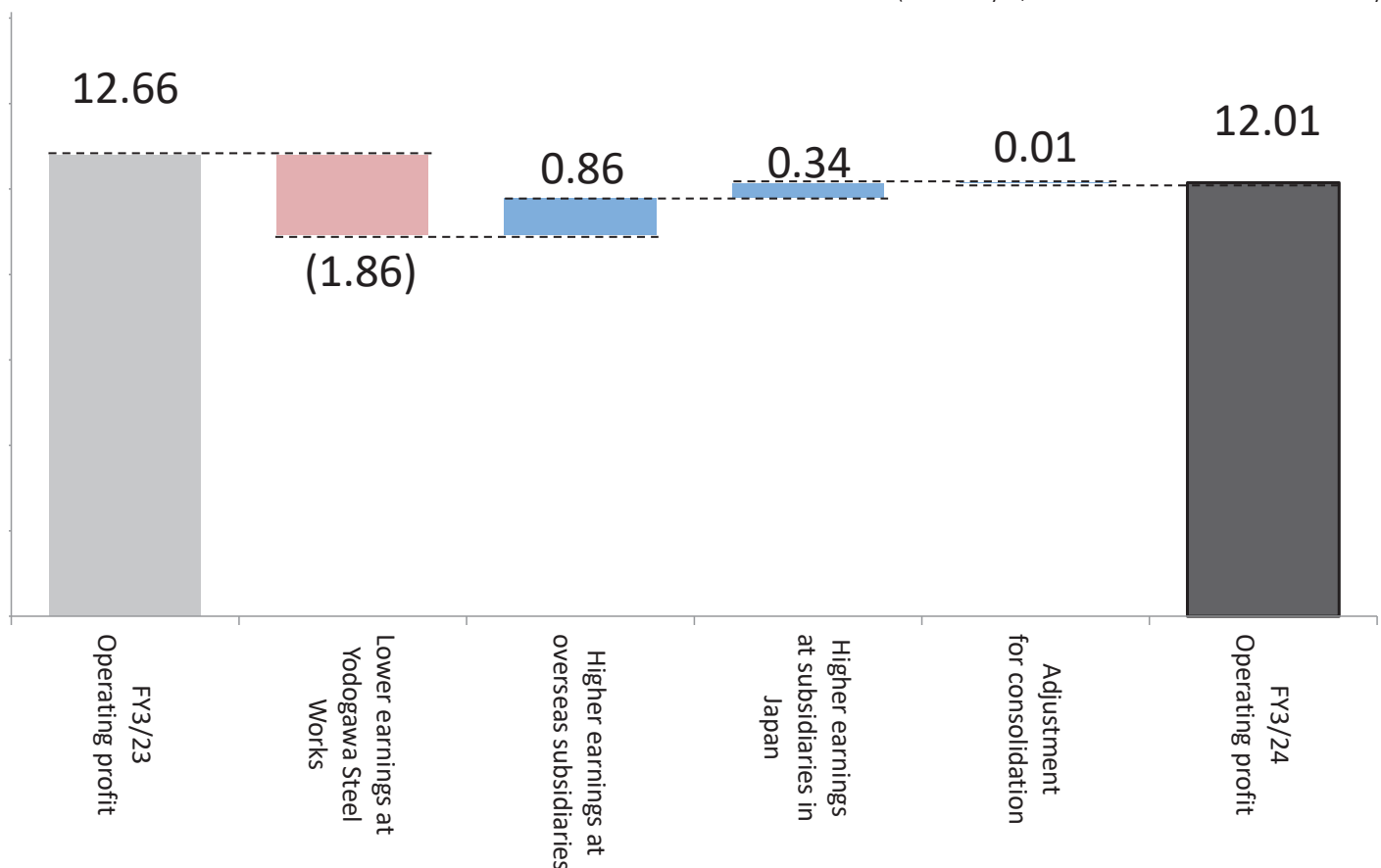
- Yodogawa Steel Works: (1.86) billion yen (11.03→9.16)
Although selling prices improved, earnings were down mainly because of a lower sales volume in the steel sheet business
- SYSCO: +0.93 billion yen (2.29→3.23)
Although sales volume of export sales decreased, earnings increased due to a recovery in sales volume in Taiwan.
- YSS: (0.20) billion yen ((0.54)→(0.74))
Suffered a downturn in business performance due to the prolonged sluggish real estate market in China.
- PPT: +0.12 billion yen (0.30→0.43)
Earnings increased chiefly because of improved profitability, despite a decrease in sales volume.

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(Billions of yen, rounded down to the nearest 10 million yen)

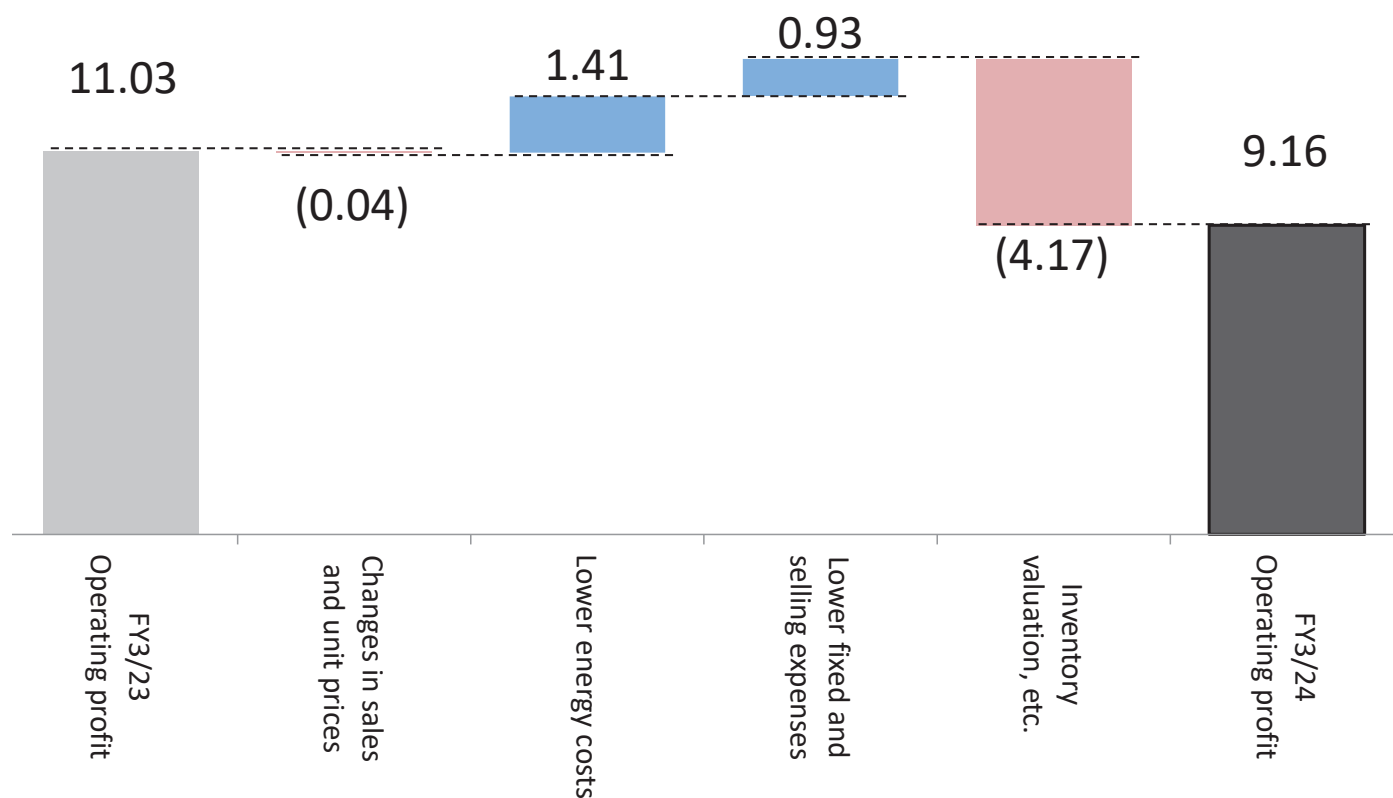


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(Billions of yen, rounded down to the nearest 10 million yen)



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(Billions of yen, rounded down to the nearest 10 million yen)

	Net sales			Segment profit		
	FY3/24	FY3/23	Change (%)	FY3/24	FY3/23	Change (%)
Steel Sheet-related	194.03	210.95	(8.0)%	11.95	13.31	(10.2)%
Roll	3.12	2.92	6.6%	0.05	(0.26)	-
Grating	3.43	3.50	(2.0)%	0.20	0.05	302.5%
Real Estate	1.28	1.23	3.8%	0.81	0.78	4.0%
Total reportable segments	201.87	218.61	(7.7)%	13.00	13.88	(6.1)%
Others	2.08	1.69	23.0%	0.37	0.23	58.5%
Total	203.95	220.31	(7.4)%	13.41	14.12	(5.0)%
Adjustment				(1.39)	(1.45)	
Amounts shown on the consolidated statement of income	203.95	220.31	(7.4)%	12.01	12.66	(5.1)%

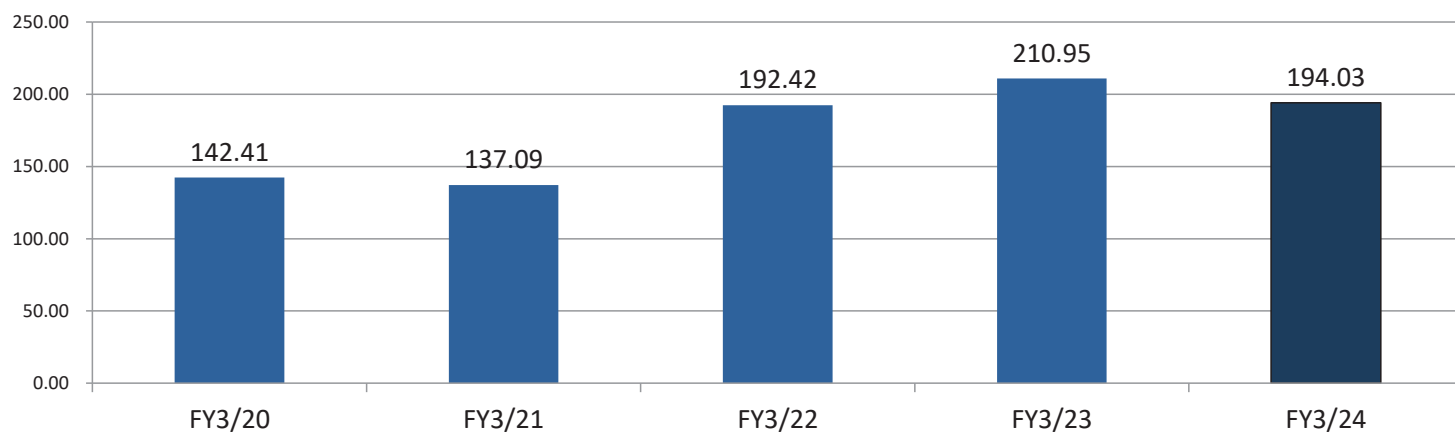
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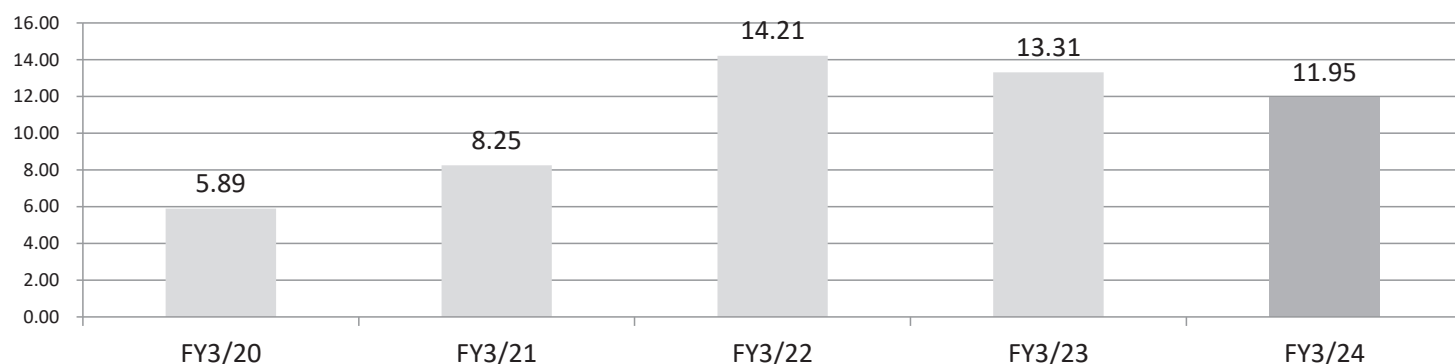
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Segment sales

(Billions of yen, rounded down to the nearest 10 million yen)



Segment profit



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Steel Sheet (Japan)

- For specific high-demand customers

Building materials: The sales volume of galvanized steel sheets decreased because of delays at construction projects due to the shortage of construction workers, high cost of building materials, and imports of inexpensive materials. The sales volume of pre-painted steel sheets decreased because of the low level of housing starts.

Electrical products: The sales volume decreased due to reactionary downturn from stay-at-home demand during the pandemic mainly in the first half of the year and price hikes, despite slight demand recovery in the second half.

- Lower sales for specific high-demand customers although there were activities for raising selling prices and increasing market share.

- For general distribution

The sales volume decreased due to sluggish demand in residential construction projects caused by decline in consumers' willingness to purchase, despite the steady demand by construction of semiconductor-related plants and warehouses in non-residential construction projects.

- In Japan, sales and earnings decreased despite the rise of selling prices of all types of steel sheets.



Steel Sheet (Overseas)

- Overseas

SYSCO (Taiwan): The sales volume increased both in galvanized steel sheets and pre-painted steel sheets due to expanded share by development of new applications and demand, despite the shrinking domestic market in Taiwan.

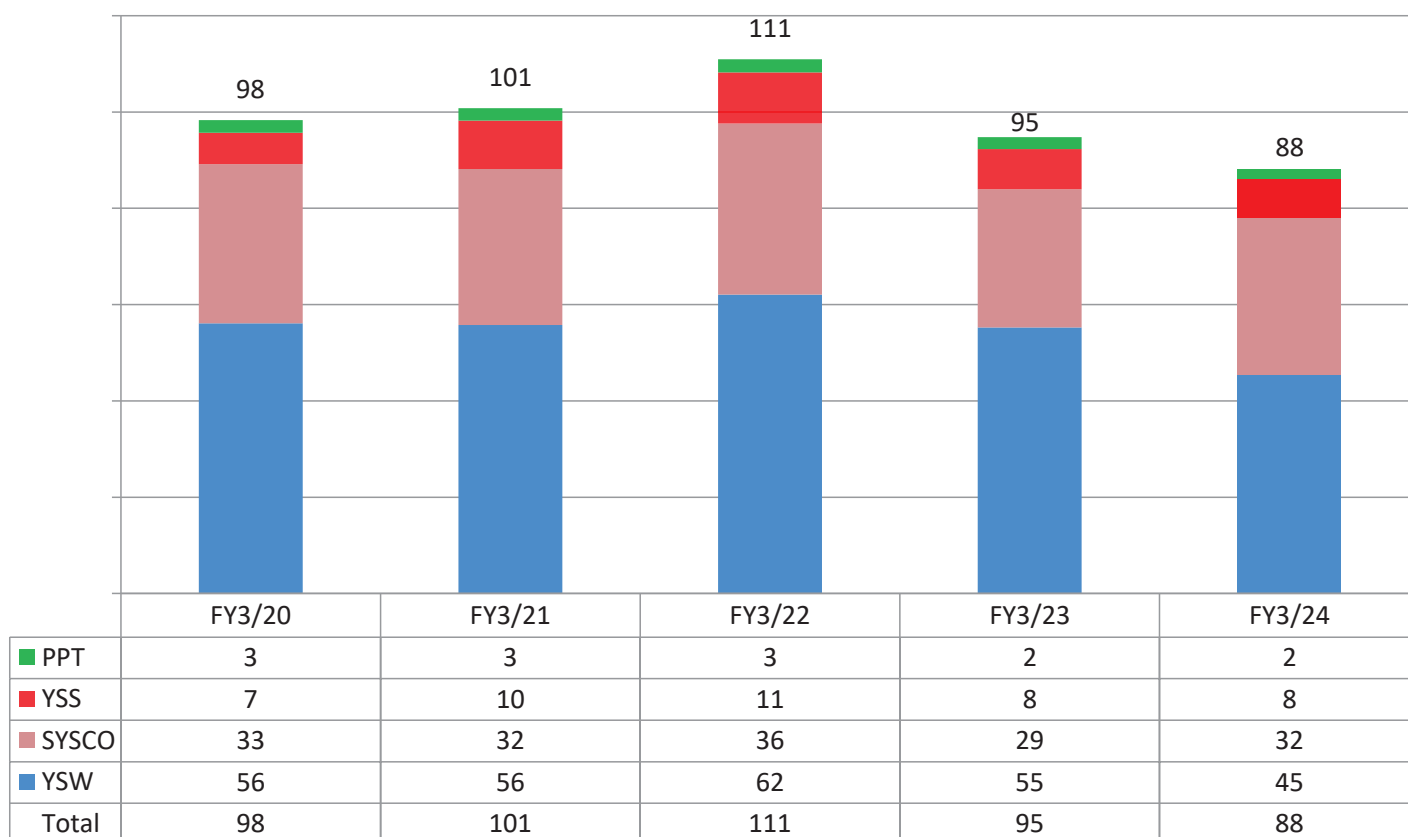
➤ SYSCO sales were lower but earnings increased due to higher sales volume.

YSS (China): Performance was held down by a lower sales volume of galvanized steel sheets, real estate market downturn, and intense price-based competition, although the sales volume of pre-painted steel sheets increased.

PPT (Thailand): Earnings were higher thanks to the effort to maintain appropriate prices, despite a lower sales volume caused by production adjustment mainly for customers in AC market.

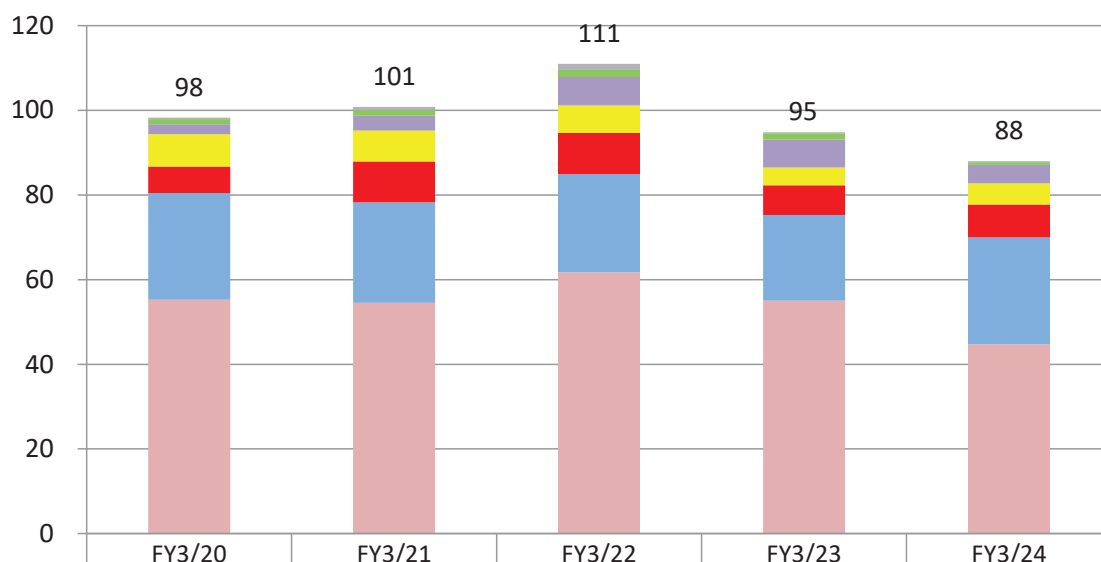
Yodogawa Steel Group Primary Sales Volume of Steel Sheet Products (Full year; before eliminations for consolidation)

(10,000 tons)



Regional Primary Sales Volume (before eliminations for consolidation)

(10,000 tons)



Other	0	1	1	0	0
Oceania	1	1	2	1	1
North/Central/South America	2	4	7	7	4
Other Asia (excl. Middle East)	8	7	7	4	5
China/Hong Kong	6	10	10	7	8
Taiwan	25	24	23	20	25
Japan	55	55	62	55	45
Total	98	101	111	95	88

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Building Material (Exterior construction material products/Construction)

- Sales of exterior construction material products decreased as the sales volume of siding materials was firm but the sales volume of roofing materials declined.
- Construction sales rose because of increased construction projects, including large commercial buildings and university buildings, despite delays in certain construction projects due to price hikes in building materials and labor shortages.

Building Material (Exterior products)

- Sales remained strong for garages and large storage sheds.
- The sales volume of storage sheds declined mainly because consumers are reluctant to make purchases due to inflation.
- Overall sales of exterior products decreased.

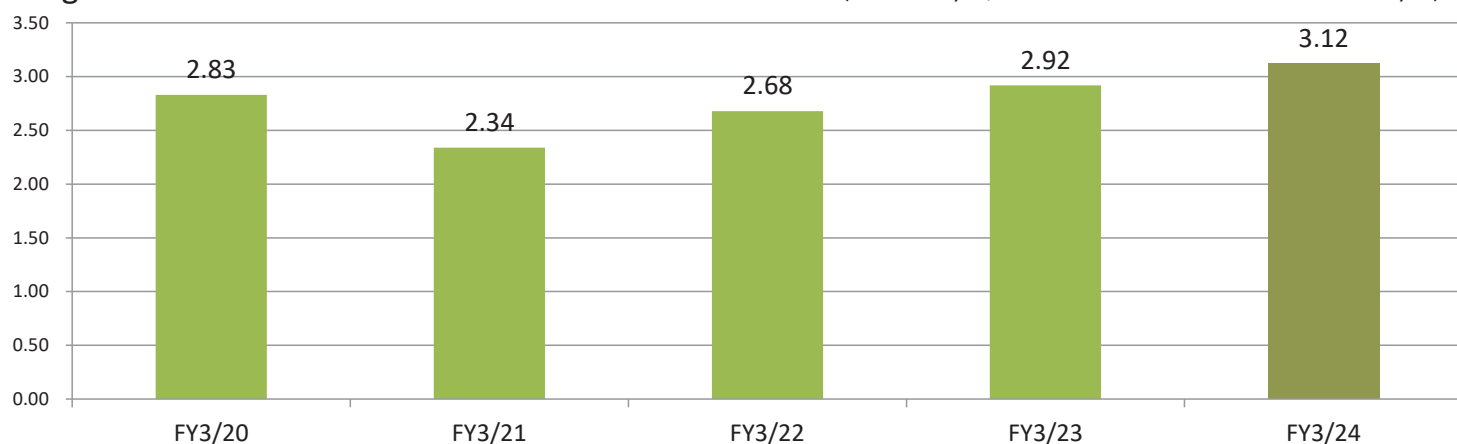
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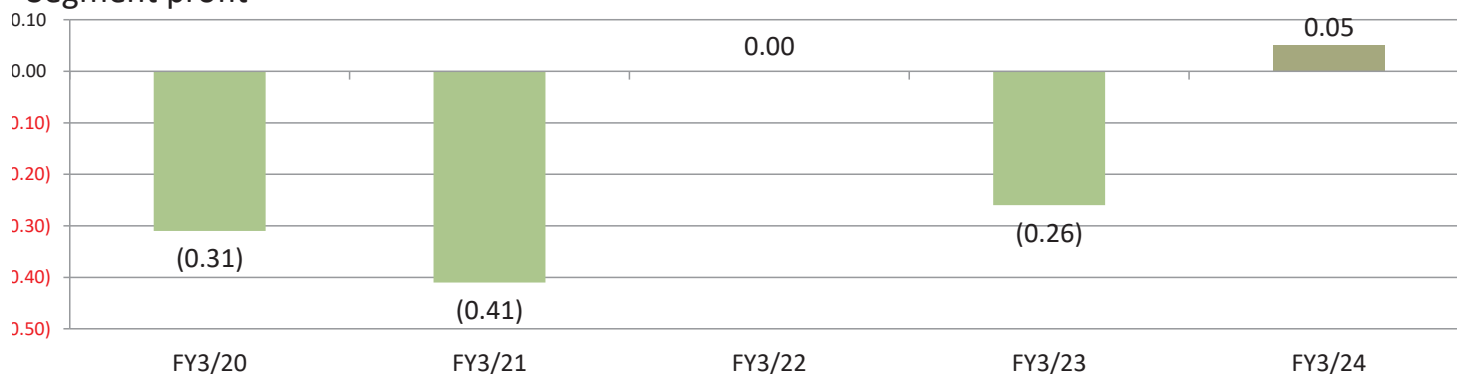
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Segment sales

(Billions of yen, rounded down to the nearest 10 million yen)



Segment profit



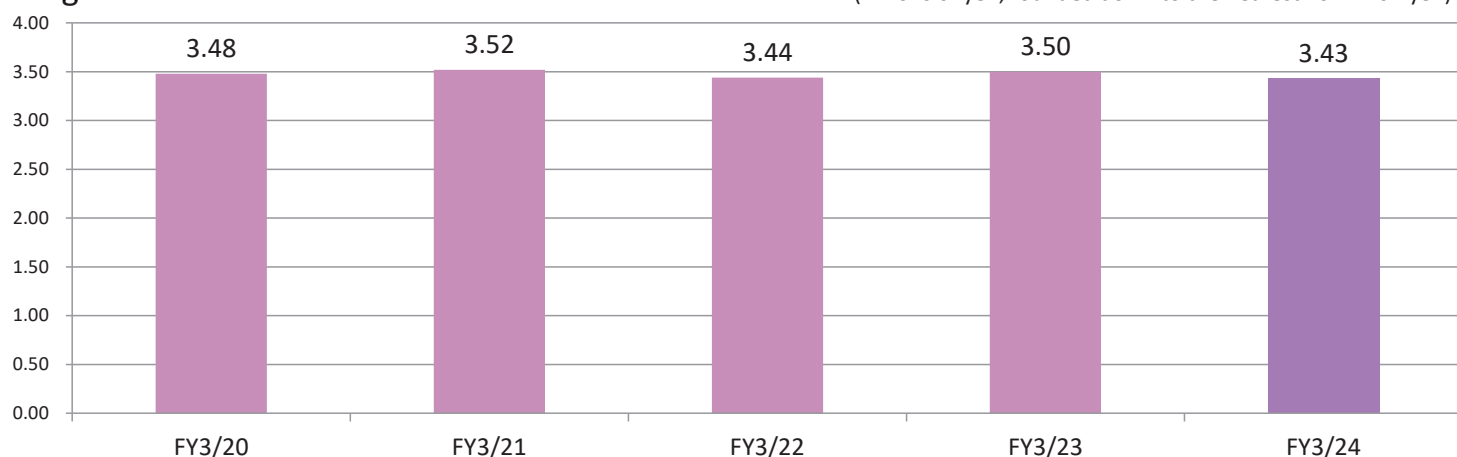
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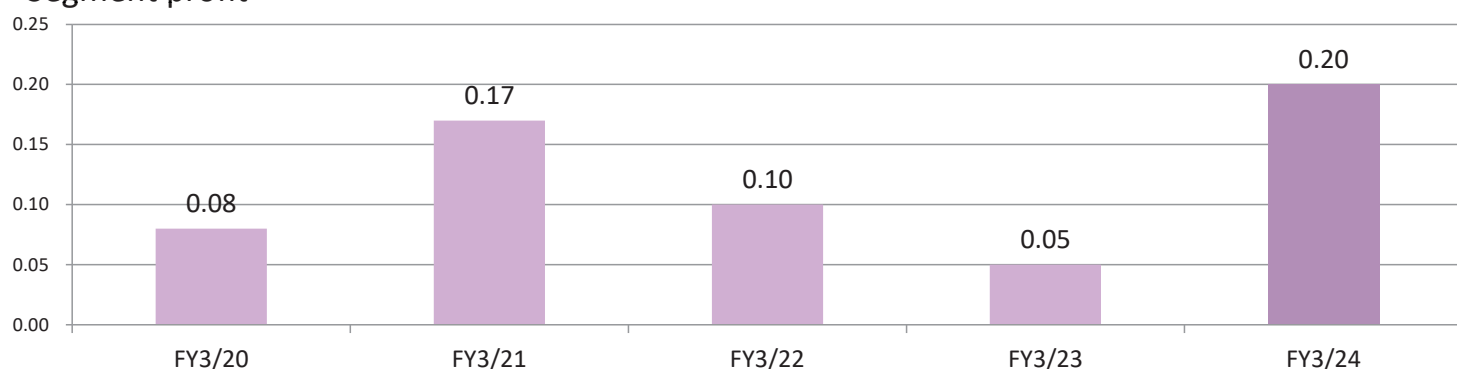
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Segment sales

(Billions of yen, rounded down to the nearest 10 million yen)



Segment profit



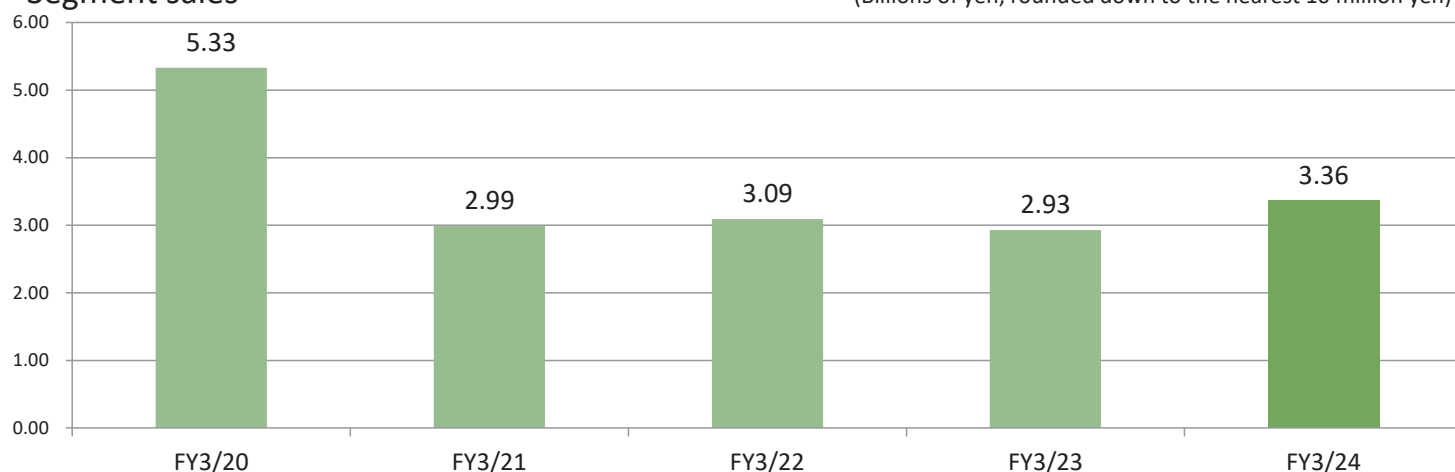
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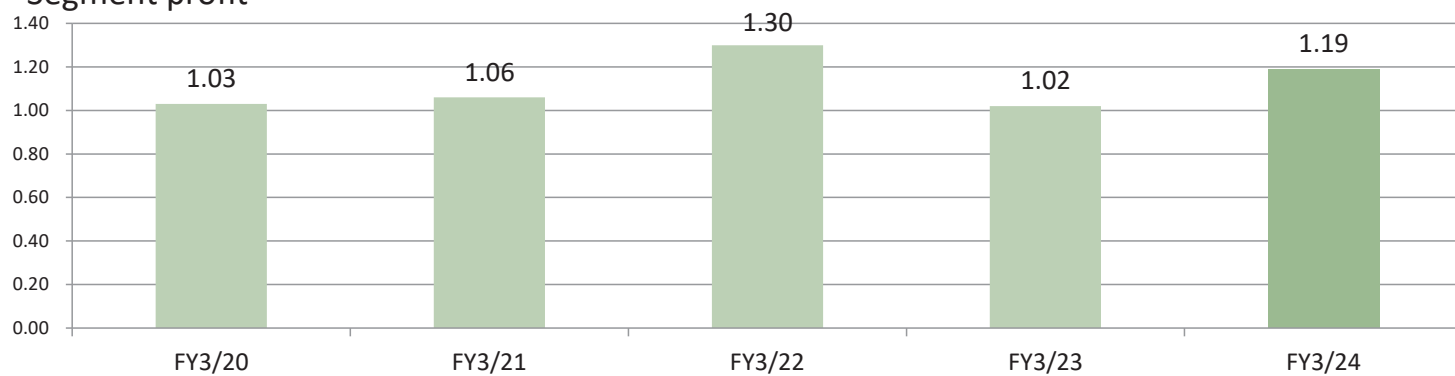
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Segment sales

(Billions of yen, rounded down to the nearest 10 million yen)



Segment profit



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Roll Business

- Despite lower sales volume, sales increased mainly due to improved selling prices to steel industry, thus returning to profitability.

Grating Business

- Earnings rose owing to improved selling prices despite a decline in sales volume.

Real Estate Business and Other Businesses

- Both sales and earnings remained almost at the same level as in the same period of the previous fiscal year.

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(Billions of yen, rounded down to the nearest 10 million yen)

	As of Mar. 31, 2024	As of Mar. 31, 2023	Change		Remarks
				Change (%)	
Total assets	265.86	251.05	14.80	5.9%	Assets (Current) Increase in cash and deposits. (Non-current) Increase in investment securities, etc.
Current assets	156.11	150.86	5.25	3.5%	
Non-current assets	109.74	100.18	9.55	9.5%	
Liabilities	52.03	49.15	2.88	5.9%	Liabilities (Current) Decrease in notes and accounts payable-trade, etc. (Non-current) Provision for product warranties, etc.
Current liabilities	28.11	35.09	(6.97)	(19.9)%	
Non-current liabilities	23.91	14.05	9.85	70.1%	
Net assets	213.83	201.90	11.92	5.9%	Shareholders' equity FY3/24 : Dividends of (3.67) billion yen, etc.
Shareholders' equity	156.55	155.65	0.90	0.6%	
Accumulated other comprehensive income	33.02	24.01	9.00	37.5%	
Non-controlling interests	24.12	22.09	2.03	9.2%	Increase in valuation difference on available-for-sale securities, increase in foreign currency translation adjustment, etc.
BPS (Yen/Share)	6,561.18	6,223.26	337.92		
Shareholders' equity	189.58	179.67	9.90	5.5%	
Equity ratio	71.3%	71.6%	(0.3)pt		

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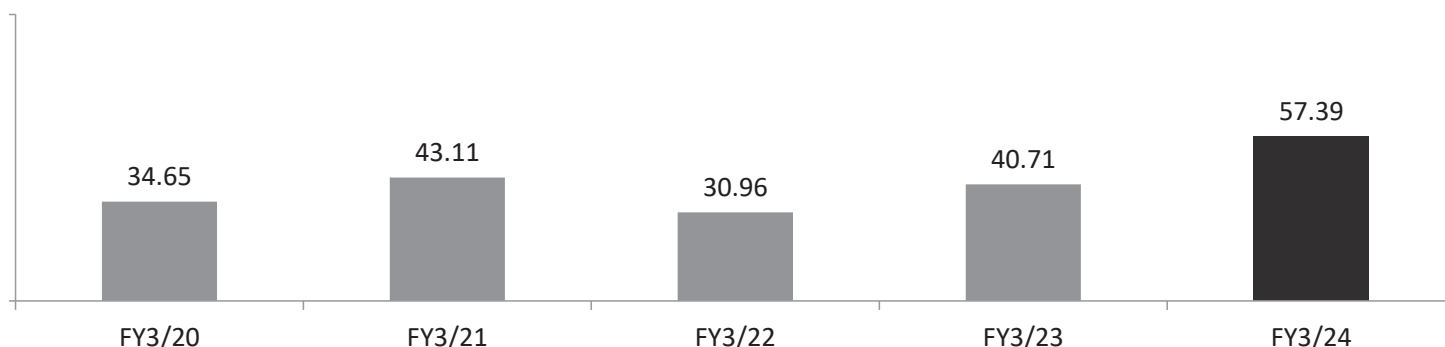
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(Billions of yen, rounded down to the nearest 10 million yen)

	FY3/24	FY3/23	YoY		Remarks (Amounts shown are approximate)
			Change	Change (%)	
Cash flows from operating activities	21.52	17.33	4.18	24.1%	Decrease in inventories, decrease in trade receivables, etc.
Cash flows from investing activities	(0.80)	(3.16)	2.35	-	Decrease in purchase of property, plant and equipment
Cash flows from financing activities	(5.36)	(5.09)	(0.26)	-	Increase in dividends paid
Cash and cash equivalents	57.39	40.71	16.68	41.0%	

(Billions of yen)

Cash and cash equivalents at end of period



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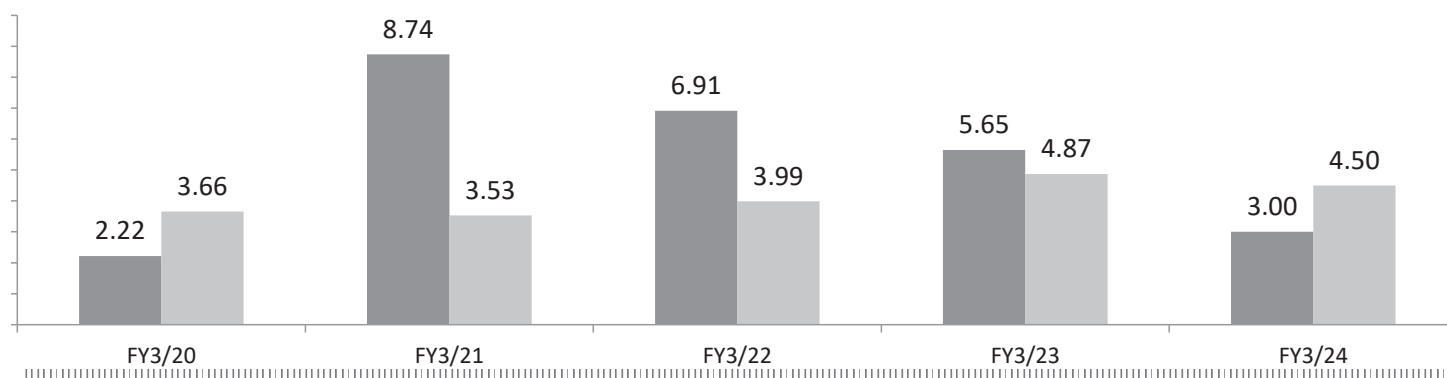


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(Property, plant and equipment including construction in progress) (Billions of yen, rounded down to the nearest 10 million yen)

	FY3/24	FY3/23	YoY	
			Change	Change (%)
Capital expenditures (consolidated)	3.00	5.65	(2.64)	(46.8)%
Depreciation (consolidated)	4.50	4.87	(0.37)	(7.7)%
Capital expenditures (non-consolidated)	1.84	1.72	0.11	6.9%
Depreciation (non-consolidated)	2.18	2.26	(0.08)	(3.6)%

■ Capital expenditures ■ Depreciation



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(Billions of yen, rounded down to the nearest 10 million yen)

	Companies	Projects	Completion date	Total investments (based on book value)
FY3/24	Yodogawa Steel Works	Osaka Plant: No. 5 color coating line Update of inverter	June 2023	0.16
Upcoming schedule	Yodogawa Steel Works	Kure Plant: No.5 plating line Modification of PM pot	Late 2024	0.25
	Yodogawa Steel Works	Ichikawa Plant: No. 4 plating line Update of electric equipment	October 2024	0.19
	Yodogawa Steel Works	Ichikawa Plant: Rolling Mill Update of main machine	November 2025	0.39
	Keiyo Tekko Futo	Update of outdoor crane	January 2025	0.37
	SYSCO	Pyeongnam Plant: Solar power generation equipment	September 2025	1.68

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(Billions of yen, rounded down to the nearest 10 million yen)

		FY3/25 Forecast	FY3/24 Results	YoY	
				Amount	%
Consolidated	Net sales	212.00	203.95	8.04	3.9%
	Operating profit	11.10	12.01	(0.91)	(7.6)%
	Ordinary profit	18.40	15.20	3.19	21.0%
	Profit attributable to owners of parent	11.90	4.45	7.44	167.0%
Non-consolidated	Net sales	127.00	129.66	(2.66)	(2.1)%
	Operating profit	8.80	9.16	(0.36)	(4.0)%
	Ordinary profit	16.30	12.30	3.99	32.5%
	Profit	11.50	(2.74)	14.24	-

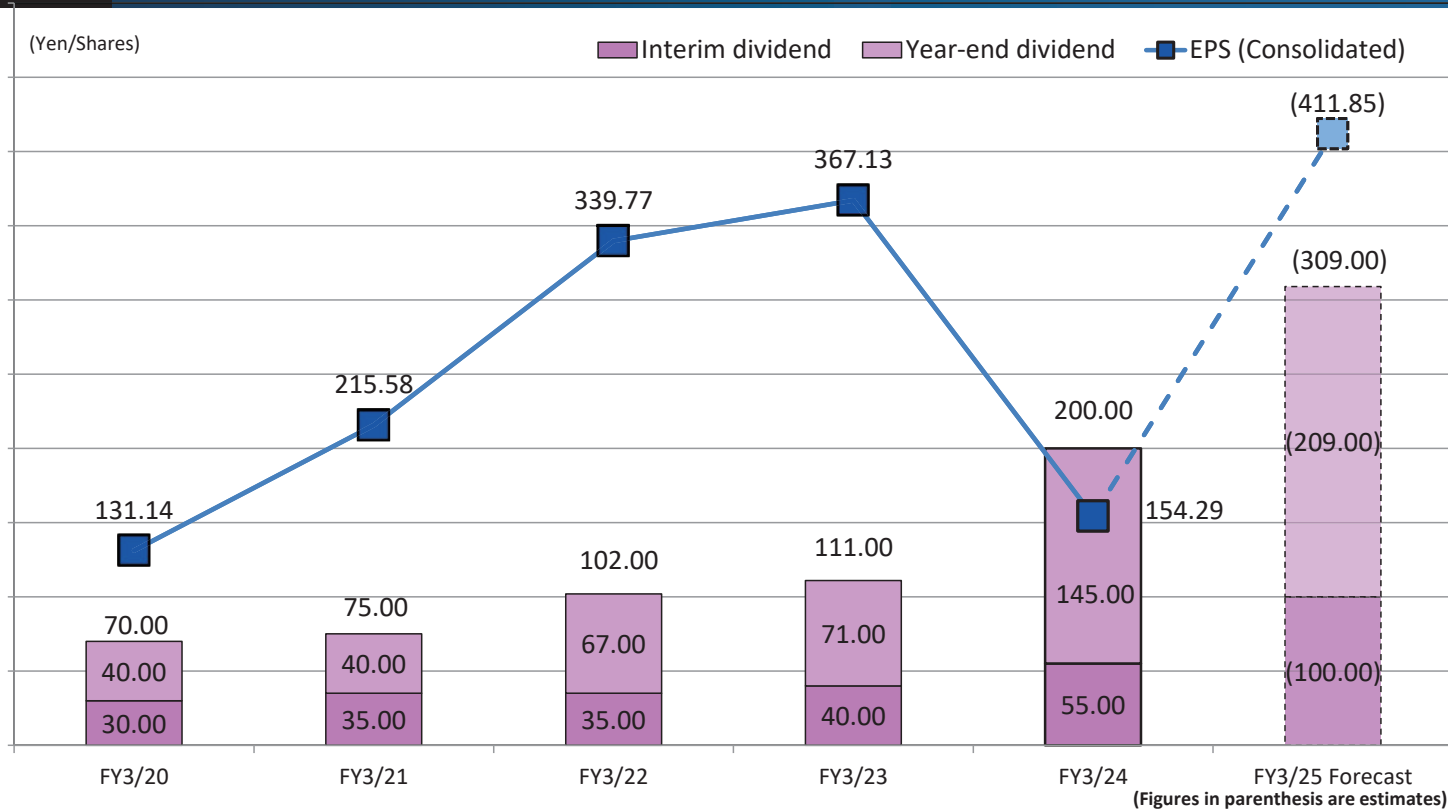
Steel demand is expected to remain unstable due to the prolonged real estate downturn in China and geopolitical risks such as Ukraine and the Middle East situations.

Japan

- A decrease in earnings is expected due to rising costs (raw material prices, logistics costs, labor costs, etc.) in addition to sluggish demand in construction in Japan.

Overseas

- A decrease in earnings is expected due to rising costs, despite expectations for an increase in sales volume by market-specific sales strategies.



- We paid an interim dividend of 55 yen, a dividend of 145 yen at the year's end, making an annual dividend of 200 yen per share.
- For FY3/25, we plan to pay an interim dividend of 100 yen, a dividend of 209 yen at the year's end, making an annual dividend of 309 yen per share.

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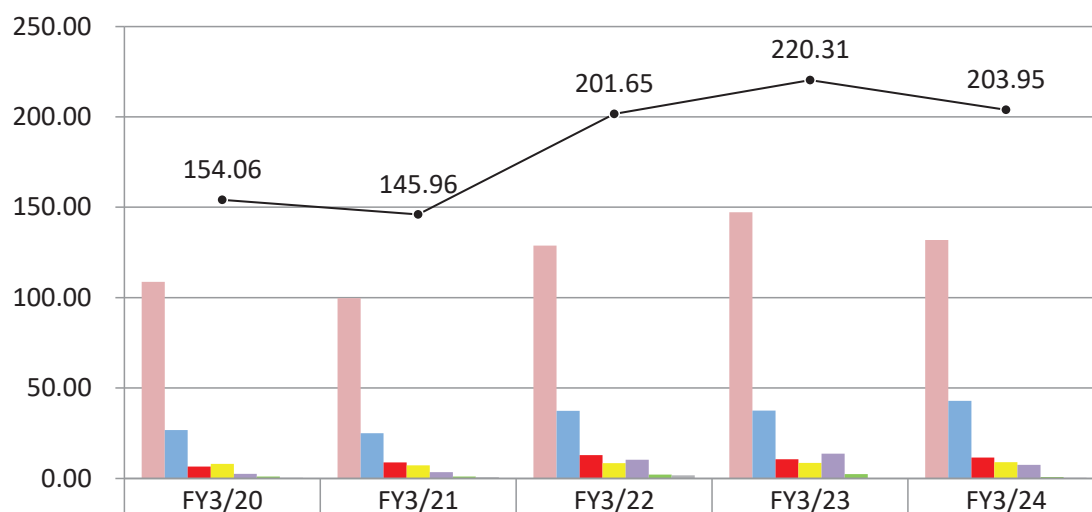


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25 References (1)

Regional Sale

(Billions of yen, rounded down to the nearest 10 million yen)



	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Japan	108.7	99.73	128.74	147.23	131.95
Taiwan	26.81	24.95	37.35	37.56	42.86
China/Hong Kong	6.52	8.88	12.89	10.66	11.51
Other Asia (excluding Middle East)	8.09	7.19	8.44	8.55	8.94
North/Central/South America	2.56	3.47	10.34	13.71	7.53
Oceania	1	1.04	2.16	2.38	0.82
Other	0.366	0.67	1.69	0.19	0.31
—●— Total	154.06	145.96	201.65	220.31	203.95

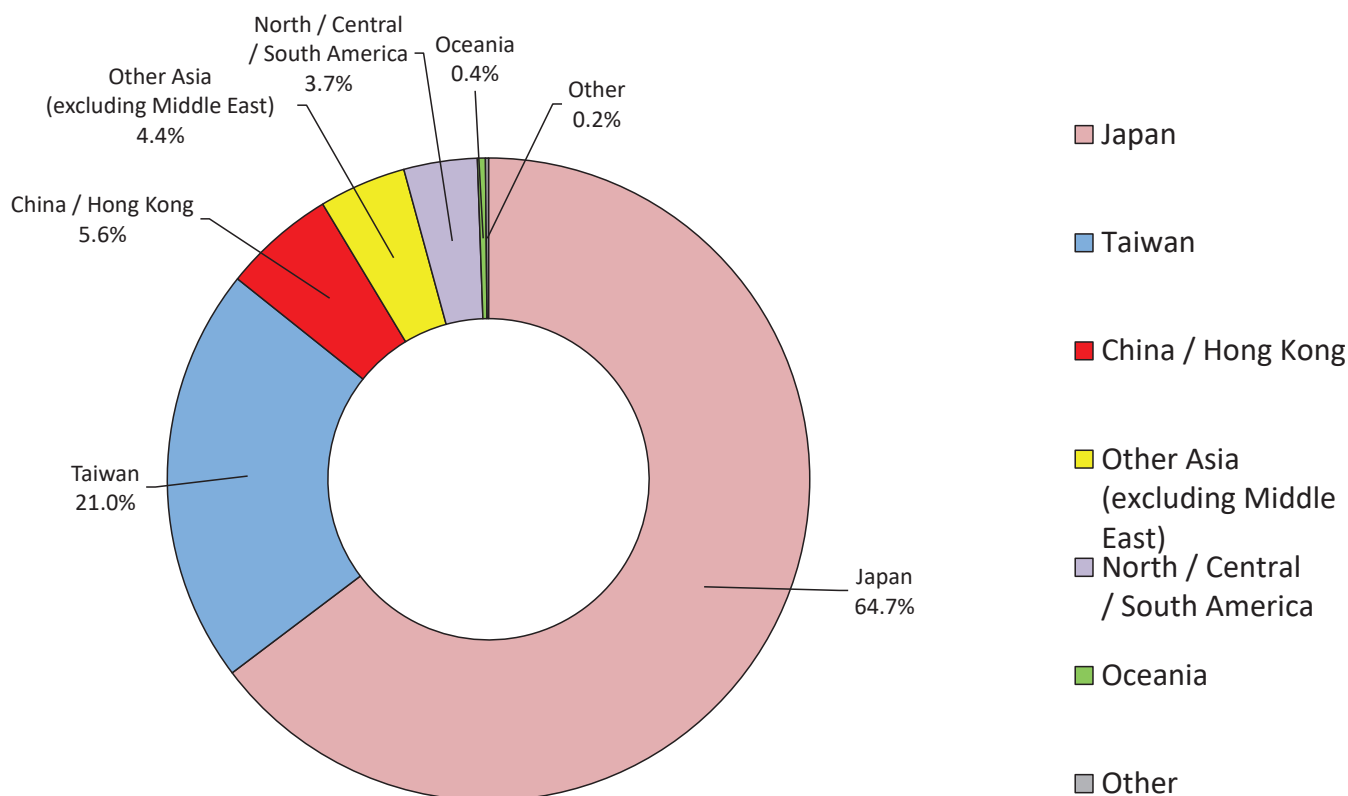
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Regional sales ratio (FY3/24)

(Billions of yen, rounded down to the nearest 10 million yen)



Number of Employees/Personnel Expenses

(Billions of yen, rounded down to the nearest 10 million yen)

