

Yodogawa Steel Group Financial Results Briefing Material for the First Quarter of the Fiscal Year Ending March 31, 2025

August 9, 2024

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1 Overview of Consolidated Results of Operations

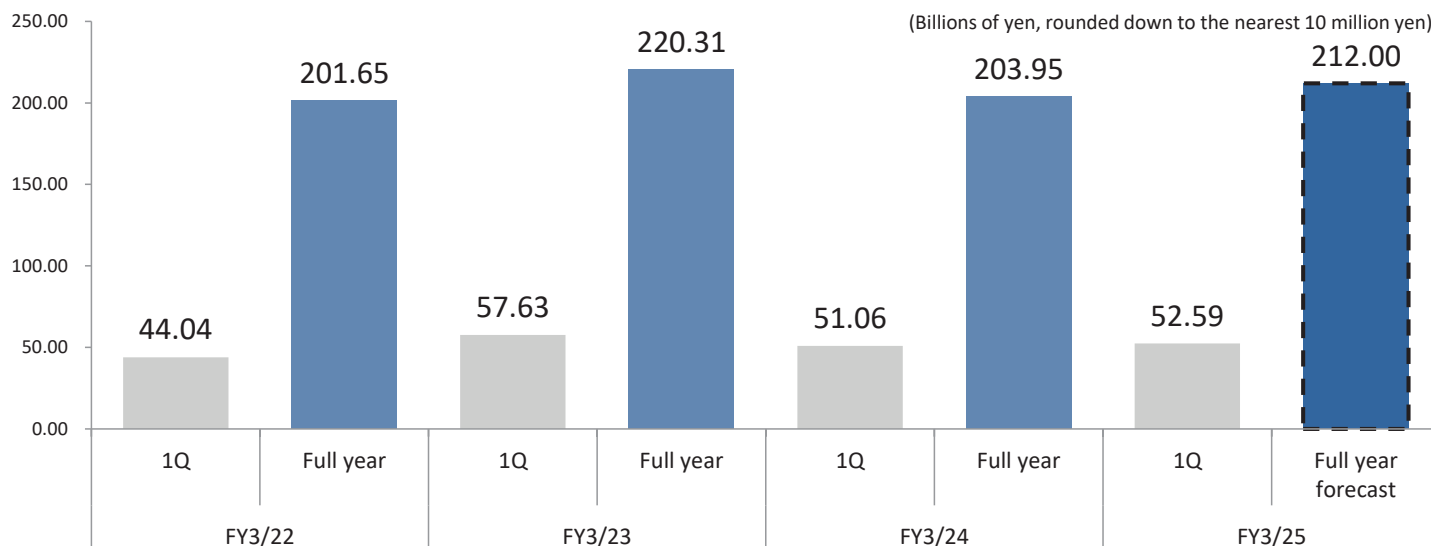
Yodogawa Steel Works, Ltd.

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

	1Q FY3/25	1Q FY3/24	Change	Change (%)	Remarks
Net sales	52.59	51.06	1.53	3.0%	Net sales
(Gross profit)	8.94	8.30	0.64		Japan: Decreased mainly due to lower sales volume of steel sheets products for specific high-demand customers
(Selling, general and administrative expenses)	4.88	5.41	(0.52)		Overseas: Increased primarily due to higher sales volume at SYSCO in Taiwan
Operating profit	4.06	2.89	1.16	40.4%	Operating profit
(Non-operating income)	1.12	0.92	0.19		Warranty costs decreased, mainly due to the provision for product compensation, recorded as extraordinary losses in FY3/24.
(Non-operating expenses)	0.06	0.08	(0.01)		Non-operating income
Ordinary profit	5.12	3.73	1.38	37.1%	Increases in foreign exchange gains, dividend income and other items
(Extraordinary income)	0.00	0.00	0.00		Extraordinary loss
(Extraordinary losses)	0.02	0.41	(0.39)		1Q FY3/24: Loss on retirement of non-current assets of 0.4 billion yen (Removal costs for company housing at Kashiwai), and others
Profit before income taxes	5.10	3.31	1.78	53.9%	
(Income taxes)	1.46	0.94	0.52		
(Profit attributable to non-controlling interests)	0.42	0.35	0.06		
Profit attributable to owners of parent	3.21	2.01	1.19	59.1%	Comprehensive income
(EPS (Yen/Share))	111.10	69.87	41.23		1Q FY3/25: Profit of 3.63 billion yen, valuation difference on available-for-sale securities of 0.76 billion yen, foreign currency translation adjustment of 1.39 billion yen, and others
Comprehensive income	5.79	5.72	0.07		

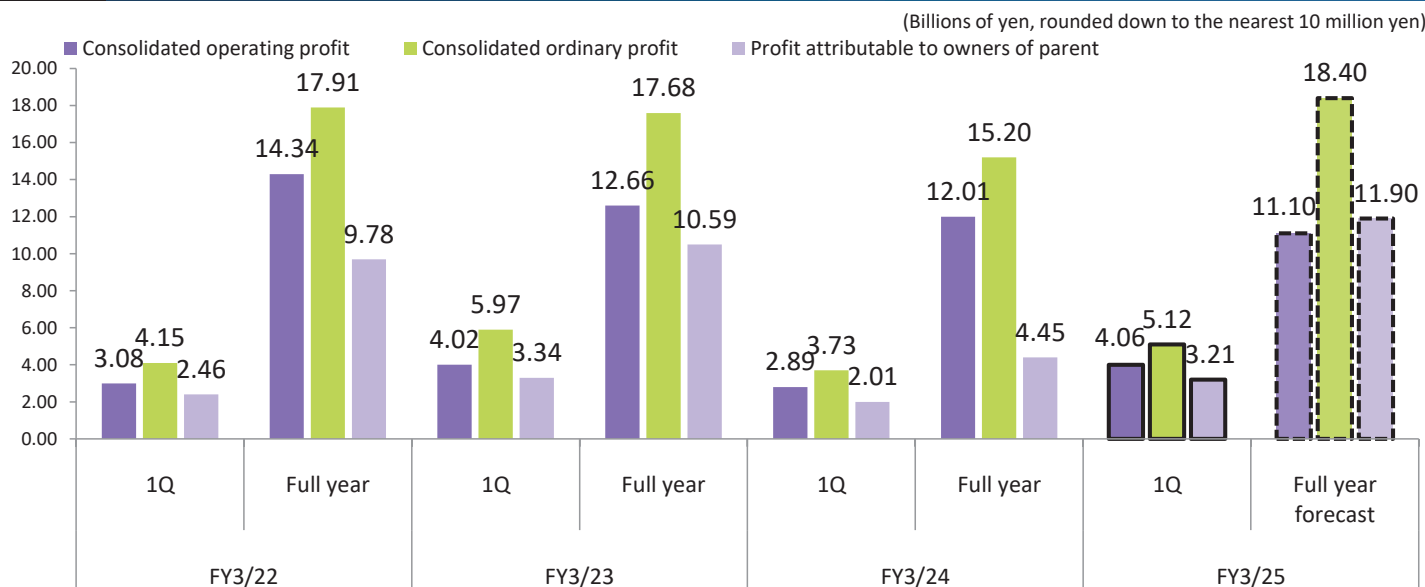
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Breakdown of the 1.53 billion yen increase in net sales:

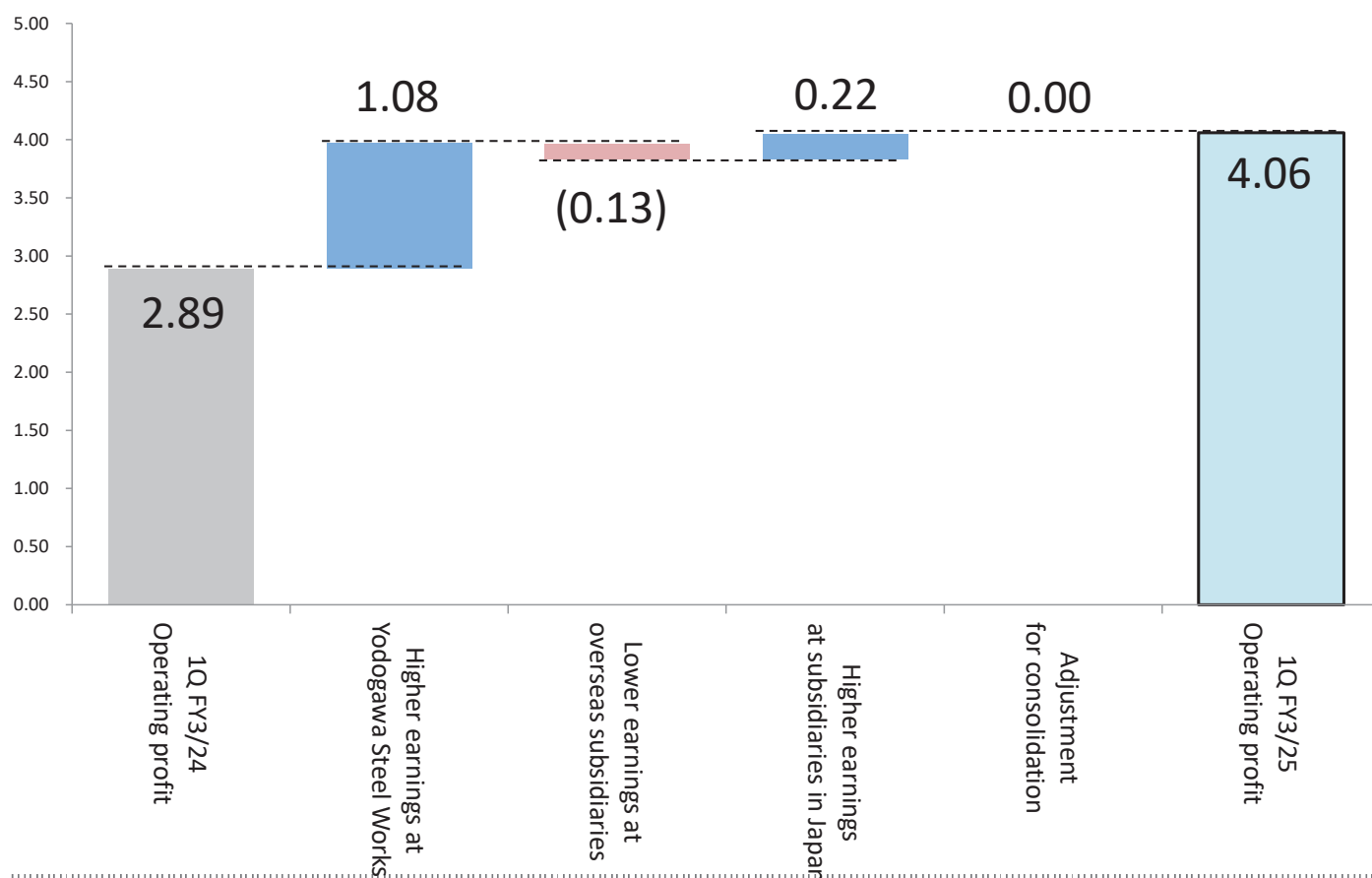
- Yodogawa Steel Works: (0.56) billion yen (34.21→33.65)
For steel sheet products, sales volume declined for specific high-demand customers and the sales volume of general distribution increased.
For building material products, the sales volume of roofing materials increased, and for exterior products, the sales volume remained almost unchanged from 1Q FY3/24.
- Taiwan subsidiary Sheng Yu Steel Co., Ltd. (SYSCO): +3.27 billion yen (11.90→15.18)
Sales volume in Taiwan and export sales volume both increased.
- Chinese subsidiary Yodogawa Shengyu (Hefei) High-Tech Steel Co., Ltd. (YSS): (0.29) billion yen (2.28→1.99)
Sales volume decreased due to prolonged downturn in the real estate market in China.
- Thai subsidiary PCM Processing (Thailand) Ltd. (PPT): (0.34) billion yen (1.40→1.05)
Sales volume decreased due to lower user demand.



Breakdown of the 1.16 billion yen increase in operating profit:

- Yodogawa Steel Works: +1.08 billion yen (2.14→3.22)
Warranty costs decreased, mainly due to the provision for product compensation, recorded as extraordinary losses in FY3/24.
- SYSCO: (0.13) billion yen (0.88→0.75)
Although sales increased because of higher sales volume in Taiwan and of export, earnings decreased due to lower selling prices
- YSS: +0.01 billion yen ((0.20)→(0.18))
Recovery was not achieved due to the prolonged downturn in the real estate market in China.
- PPT: (0.02) billion yen (0.13→0.11)
Earnings decreased because of lower sales volume due to a decline in user demand.

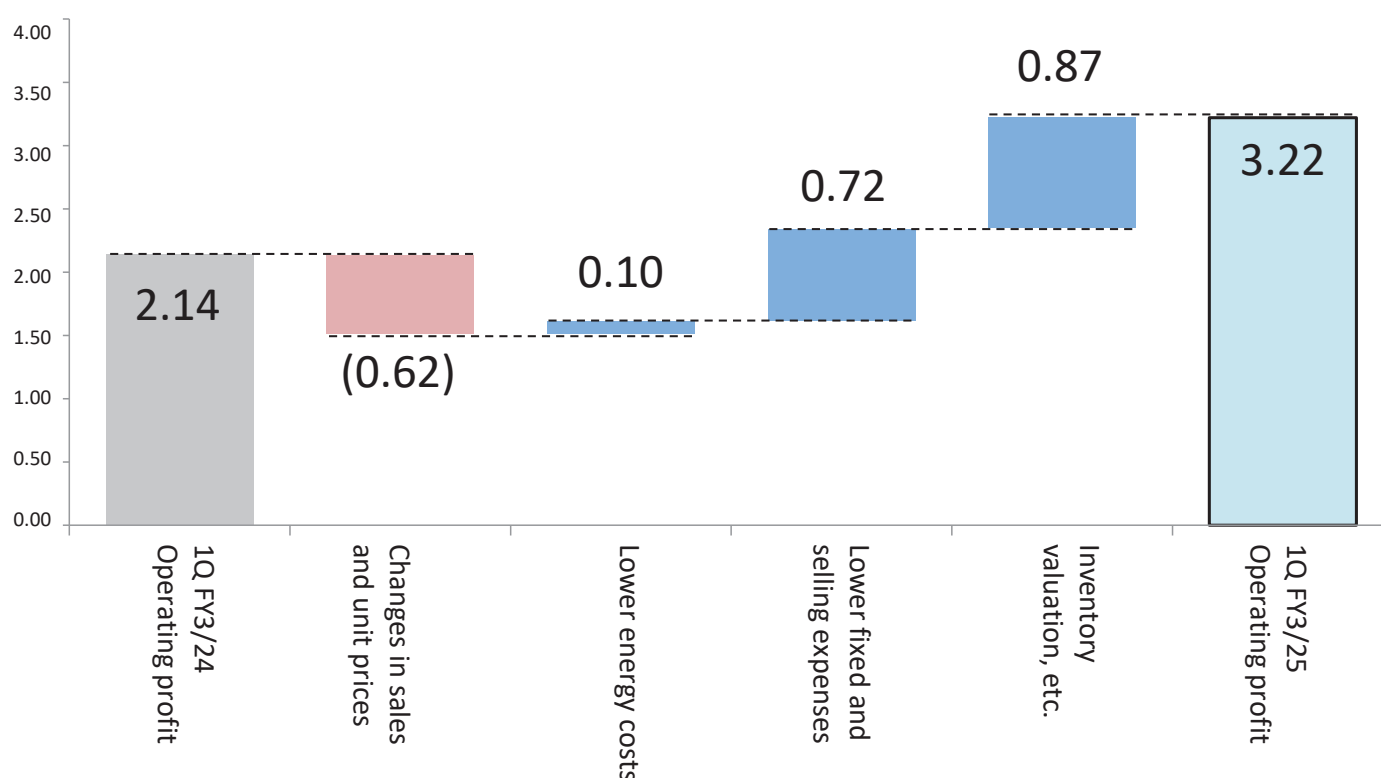
(Billions of yen, rounded down to the nearest 10 million yen)



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	Net sales			Segment profit		
	1Q FY3/25	1Q FY3/24	Change (%)	1Q FY3/25	1Q FY3/24	Change (%)
Steel Sheet-related	50.26	48.47	3.7%	4.04	2.89	39.6%
Roll	0.59	0.88	(32.7)%	0.00	0.05	(83.8)%
Grating	0.85	0.85	(0.5)%	0.04	0.01	202.5%
Real Estate	0.32	0.31	4.6%	0.20	0.19	1.7%
Total reportable segments	52.03	50.52	3.0%	4.30	3.16	36.0%
Others	0.55	0.53	4.3%	0.15	0.06	142.2%
Total	52.59	51.06	3.0%	4.46	3.23	38.1%
Adjustment				(0.40)	(0.33)	
Amounts shown on the consolidated statement of income	52.59	51.06	3.0%	4.06	2.89	40.4%

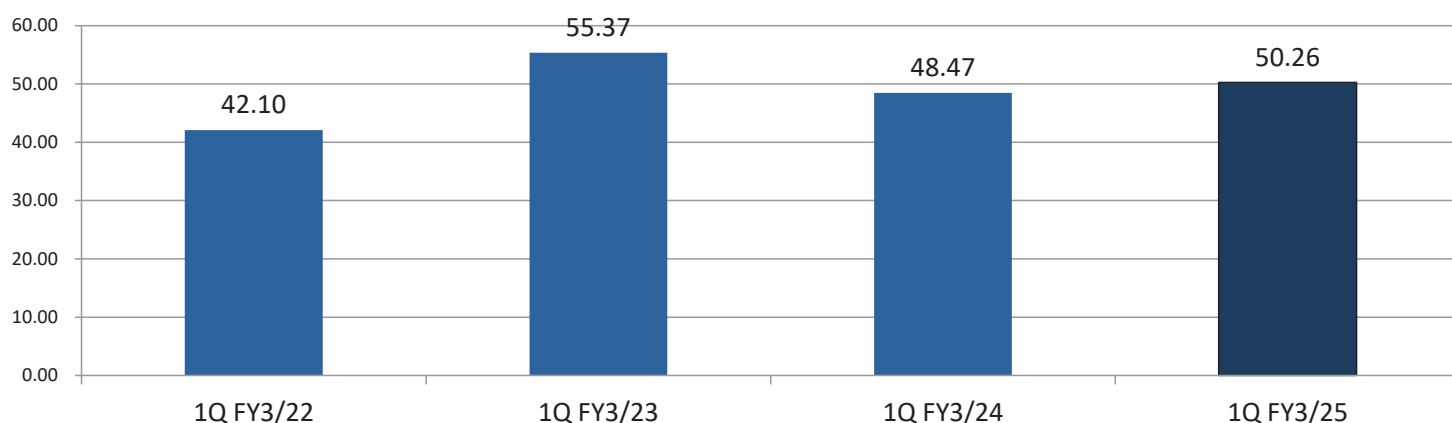
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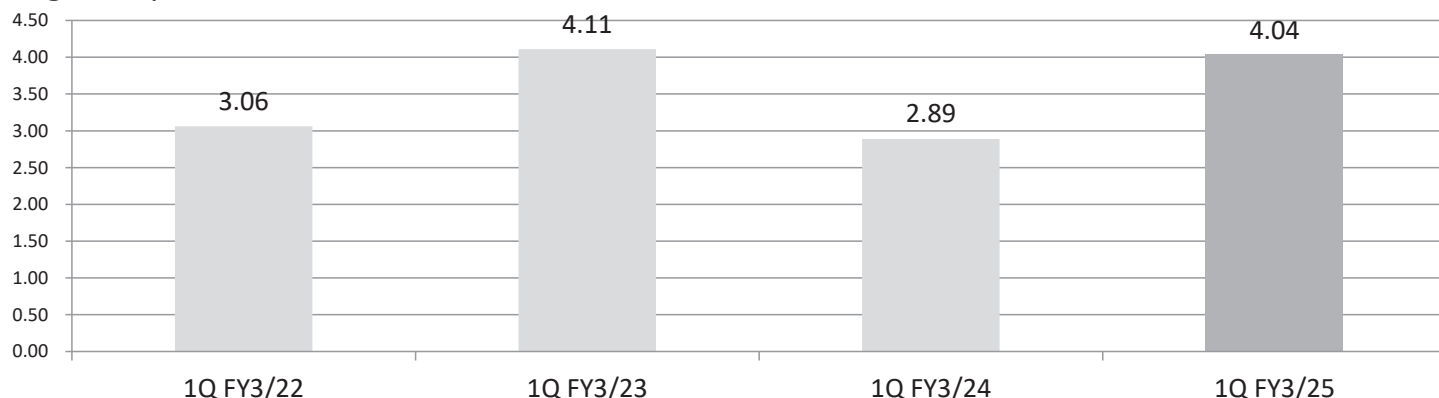
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Segment sales

(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: Sales volume of galvanized steel sheets decreased due to unstoppable inflow of inexpensive imported materials.

Sales volume of pre-painted steel sheets increased due to efforts to create demand.

Electrical products: Sales volume for Japanese consumer electronics decreased, despite current strong demand.

→ Lower sales for specific high-demand customers due to a decrease in the sales volume, despite making efforts to maintain selling prices.

- For general distribution

Higher sales due to an increase in sales volume driven by strong performance in some non-residential construction sectors and expectations for higher steel prices, despite a weak environment with ongoing sluggish shipments in residential construction sectors.

➤ Higher earnings year on year, due to an increase in the sales volume for general distribution.

Steel Sheet (Overseas)

Overseas

SYSCO (Taiwan): For the Taiwanese market, sales volume of galvanized steel sheets recovered, despite a decrease in pre-painted steel sheets.
For export, sales volume of both galvanized and pre-painted steel sheets recovered.

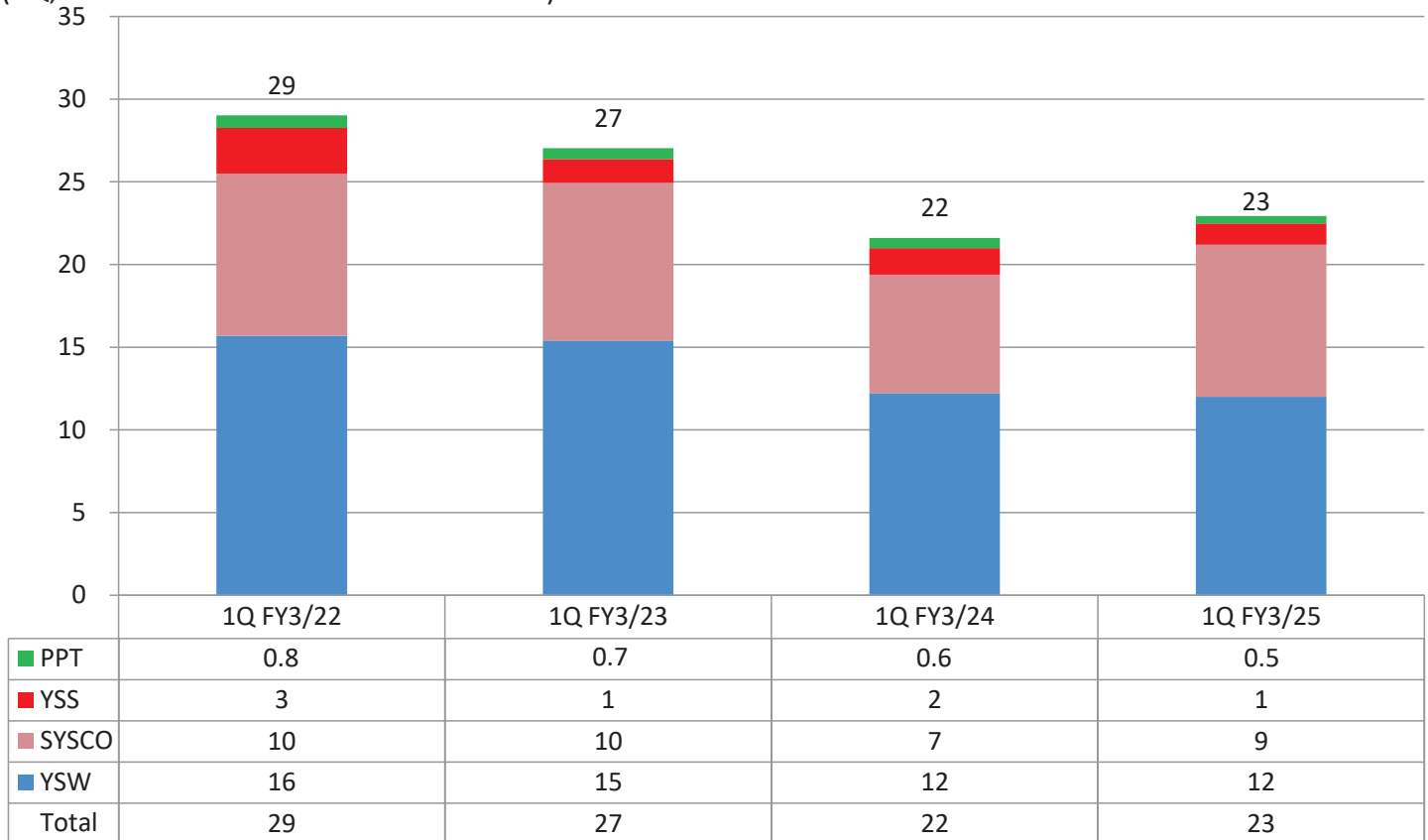
➤ SYSCO sales were higher but earnings decreased due to the weakening steel market in Taiwan.

YSS (China): The prolonged downturn in the real estate market prevented remarkable recovery.

PPT (Thailand): Sales and earnings decreased due to lower sales volume because of lower demand from users

Yodogawa Steel Group Primary Sales Volume of Steel Sheet Products (1Q; before eliminations for consolidation)

(10,000 tons)



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Building Material (Exterior construction material products/Construction)

- Sales of exterior construction material products increased as the sales volume of roofing materials increased.
- Construction sales increased due to large construction projects.

Building Material (Exterior products)

- Sales for garages and large storage sheds remained almost at the same level as in the same period of the previous fiscal year.
- The sales volume of storage sheds increased.
- Overall sales of exterior products remained almost at the same level as in the same period of the previous fiscal year.

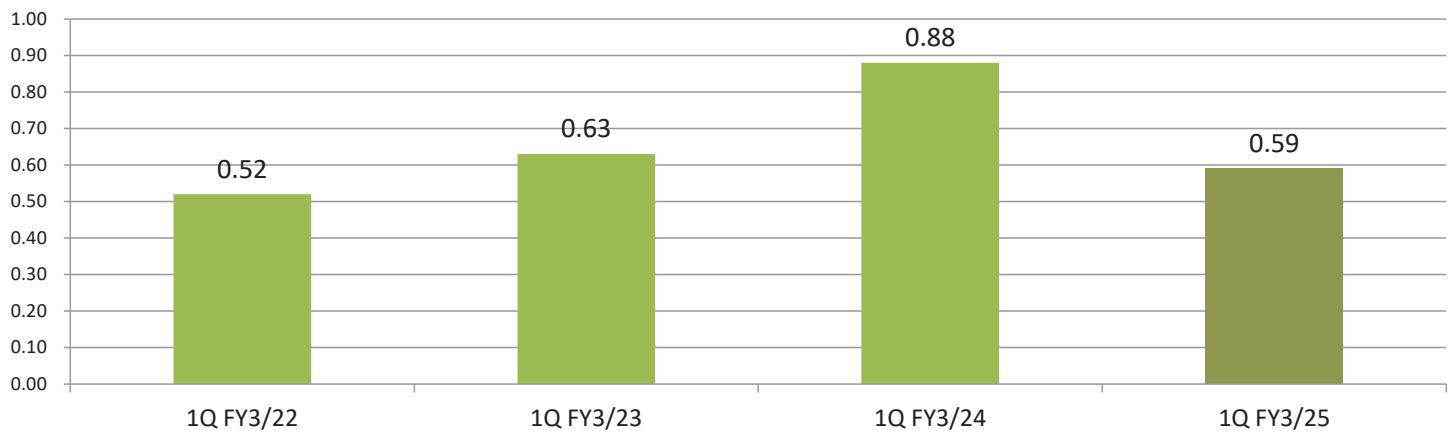
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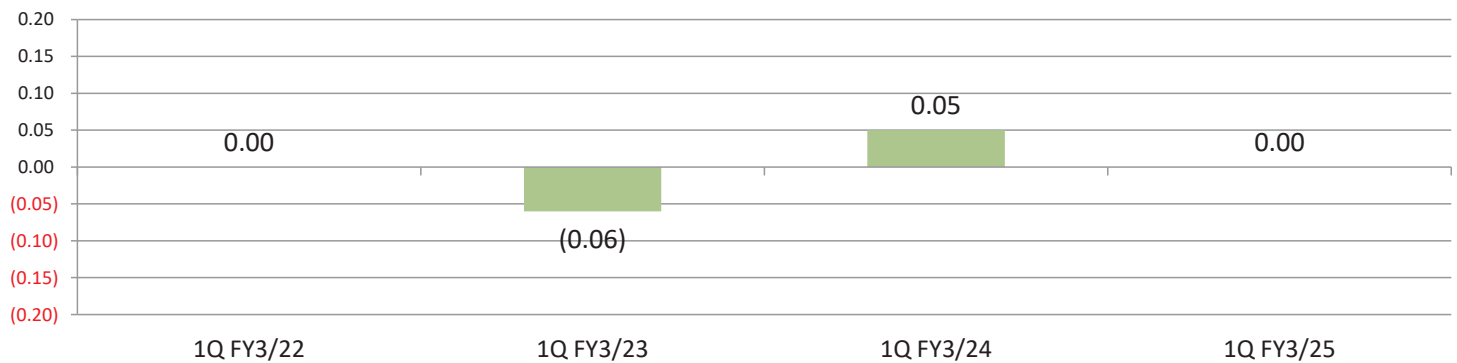
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Segment sales

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



Segment profit



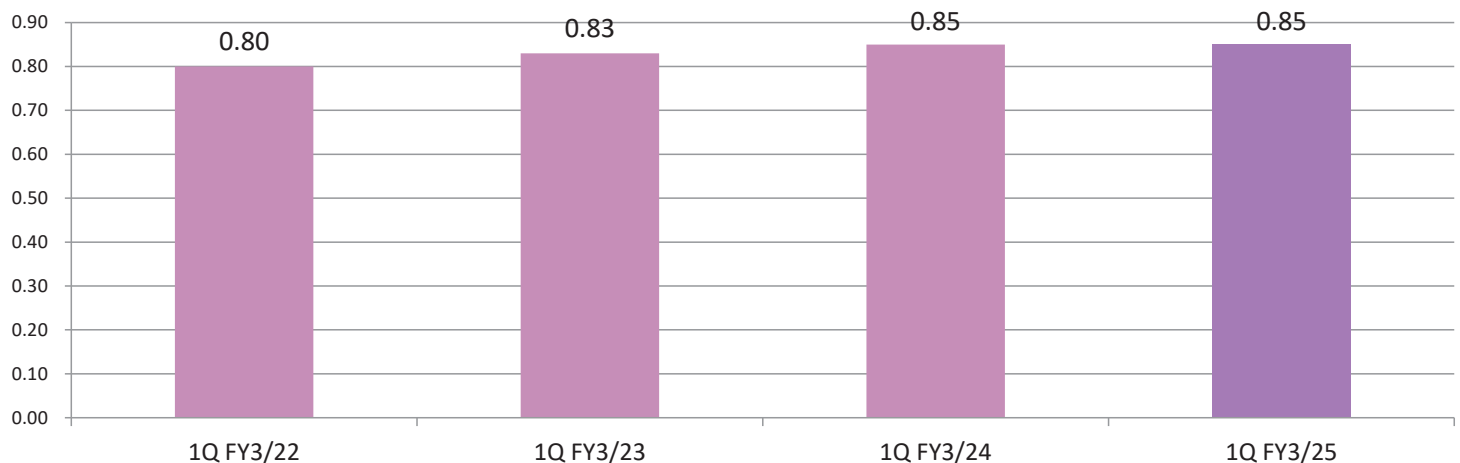
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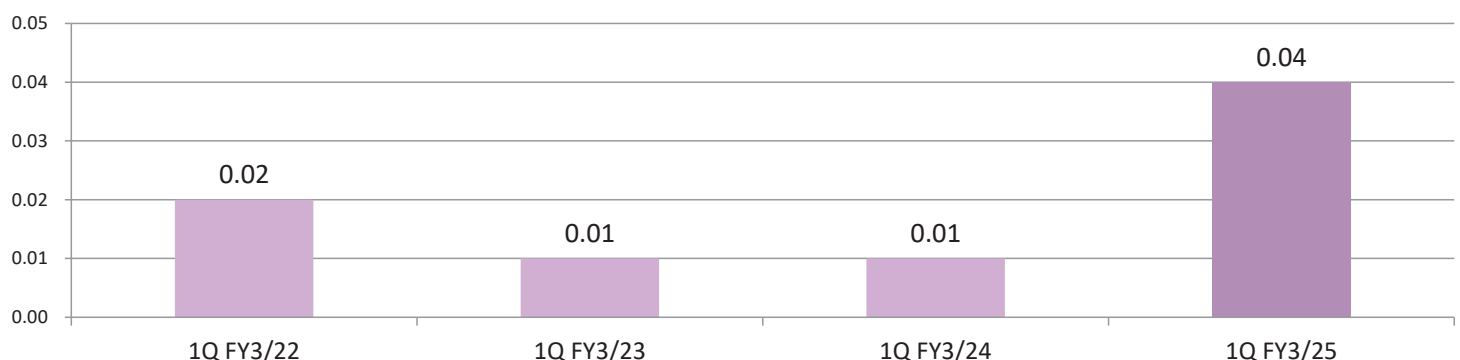
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Segment sales

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



Segment profit



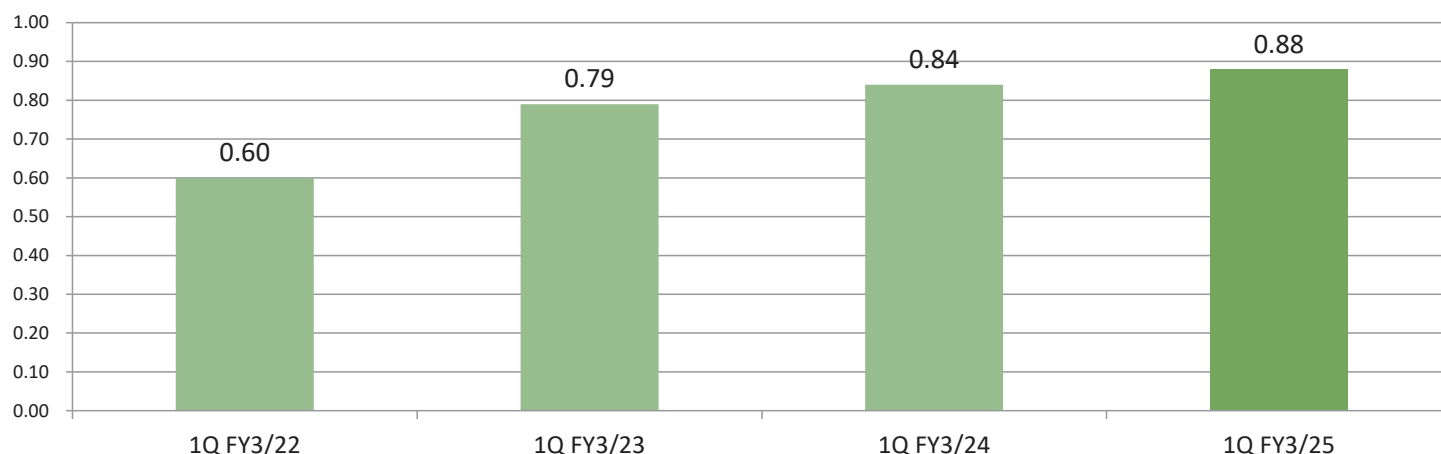
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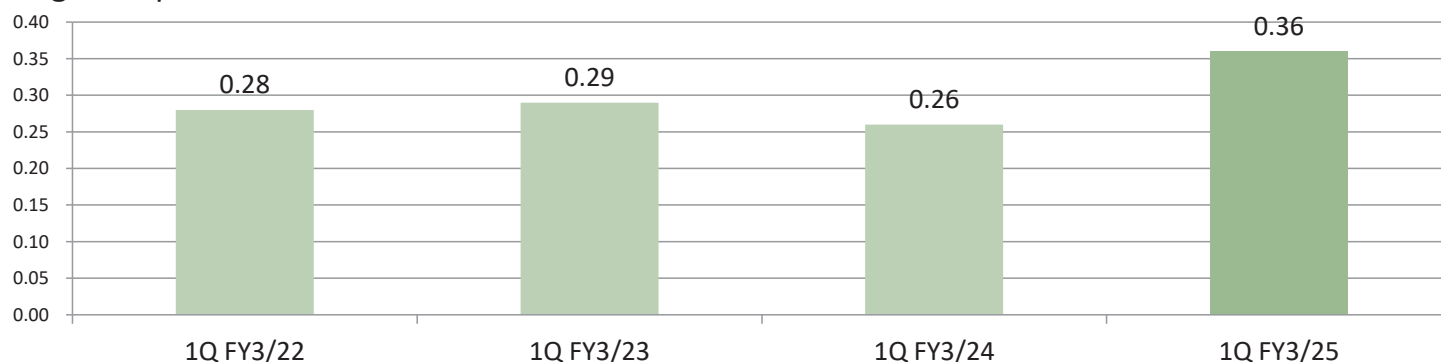
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Segment sales

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



Segment profit



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Roll Business

- Sales and earnings decreased year on year mainly due to a decrease in sales volume in the Japanese market.

Grating Business

- Despite a decrease in sales volume, sales decreased and earnings increased year on year as sales prices improved.

Real Estate Business and Other Businesses

- In the real estate business, both sales and earnings were about the same as one year earlier.
- In the other businesses, sales in the warehousing and transportation businesses recovered from the same period of the previous year.

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

	As of Jun. 30, 2024	As of Mar. 31, 2024	Change	Change (%)	Remarks
Total assets	267.62	265.86	1.76	0.7%	Assets (Current) Increases in notes and accounts receivable-trade, and contract assets, and raw materials and supplies, etc. (Non-current) Increase in investment securities, etc.
Current assets	156.72	156.11	0.60	0.4%	
Non-current assets	110.90	109.74	1.15	1.0%	
Liabilities	52.21	52.03	0.18	0.4%	Liabilities (Current) Increase in notes and accounts payable-trade, etc. (Non-current) Increase in deferred tax liabilities, etc.
Current liabilities	28.21	28.11	0.09	0.3%	
Non-current liabilities	24.00	23.91	0.08	0.4%	
Net assets	215.41	213.83	1.57	0.7%	Shareholders' equity 1Q FY3/25 : Profit attributable to owners of parent of 3.21 billion yen, dividends of (4.18) billion yen, etc.
Shareholders' equity	155.57	156.55	(0.98)	(0.6)%	
Accumulated other comprehensive income	34.61	33.02	1.59	4.8%	
Non-controlling interests	25.09	24.12	0.96	4.0%	Accumulated other comprehensive income Increase in valuation difference on available-for-sale securities, increase in foreign currency translation adjustment, etc.
BPS (Yen/Share)	6,582.34	6,561.18	21.16		
Equity	190.19	189.58	0.61	0.3%	
Equity ratio	71.1%	71.3%	(0.2)pt		

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

1H FY3/25		Current Forecast		Previous Forecast (As of May 10, 2024)	YoY change	
		(As of August 9, 2024)	YoY change (%)		Amount	%
Consolidated	Net sales	106.00	4.7%	103.00	3.00	2.9%
	Operating profit	7.40	35.2%	5.40	2.00	37.0%
	Ordinary profit	8.80	14.7%	7.40	1.40	18.9%
	Profit attributable to owners of parent	5.30	2.2%	4.60	0.70	15.2%
Non-consolidated	Net sales	67.00	2.7%	63.00	4.00	6.3%
	Operating profit	5.90	30.6%	4.40	1.50	34.1%
	Ordinary profit	7.90	10.6%	6.90	1.00	14.5%
	Profit	5.70	2.5%	5.00	0.70	14.0%

- On a consolidated basis, we anticipate an increase in sales overall for the first half of the current fiscal year. This is driven by an increase in the sales volume at SYSCO in Taiwan, despite a decline in China due to a longer-than-expected downturn in building materials demand caused by cancellation and delays of construction projects.
- On a non-consolidated basis, we anticipate an increase in sales due to higher sales volume in general distribution.

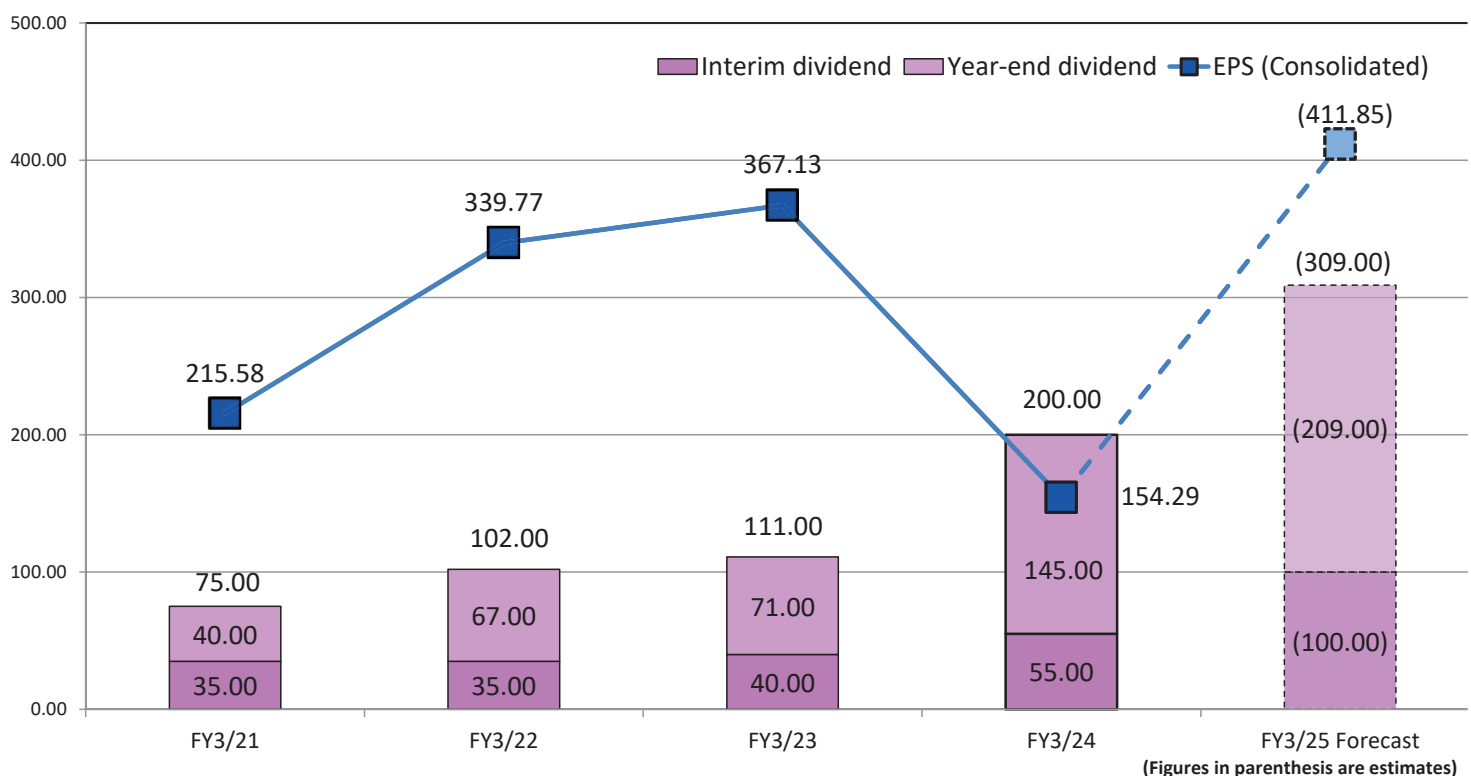
(Billions of yen, rounded down to the nearest 10 million yen)

FY3/25		Current Forecast		Previous Forecast	YoY change	
		(As of August 9, 2024)	YoY change (%)		(As of May 10, 2024)	Amount
Consolidated	Net sales	207.00	1.5%	212.00	(5.00)	(2.4)%
	Operating profit	12.10	0.7%	11.10	1.00	9.0%
	Ordinary profit	19.20	26.3%	18.40	0.80	4.3%
	Profit attributable to owners of parent	11.90	167.0%	11.90	-	-
Non-consolidated	Net sales	128.00	(1.3)%	127.00	1.00	0.8%
	Operating profit	9.50	3.6%	8.80	0.70	8.0%
	Ordinary profit	16.70	35.7%	16.30	0.40	2.5%
	Profit	11.70	-	11.50	0.20	1.7%

- For the full-year performance, the sales volume is anticipated to stagnate due to weakening demand in the second half of the fiscal year, caused primarily by high steel market prices in Japan.

19 Dividends

(Yen/Shares)



- 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.