

**Consolidated Financial Results for the Third Quarter
of the Fiscal Year Ending March 31, 2025 (FY3/25)
(Nine Months Ended December 31, 2024)**

[Japanese GAAP]

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Listing: Tokyo Stock Exchange
 URL: <https://www.yodoko.co.jp/english/>

Scheduled date of payment of dividend: –
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: None

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

1. Consolidated Financial Results for the First Nine Months (April 1, 2024 to December 31, 2024) of FY3/25

(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, 2024	156,742	2.1	11,114	24.3	17,338	45.1	11,303	45.8
Nine months ended Dec. 31, 2023	153,465	(10.5)	8,939	(17.0)	11,948	(18.0)	7,751	(8.6)

Note: Comprehensive income (millions of yen): Nine months ended Dec. 31, 2024: 7,415 (down 55.7%)
 Nine months ended Dec. 31, 2023: 16,728 (up 25.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2024	391.09	390.16
Nine months ended Dec. 31, 2023	268.39	267.65

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Dec. 31, 2024	261,969	213,236	72.2
As of Mar. 31, 2024	265,863	213,832	71.3

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income) (millions of yen):
 As of Dec. 31, 2024: 189,249 As of Mar. 31, 2024: 189,580

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2024	–	55.00	–	145.00	200.00
Fiscal year ending Mar. 31, 2025	–	100.00	–		
Fiscal year ending Mar. 31, 2025 (Forecast)				233.00	333.00

Note: Revisions to the most recently announced dividend forecast: Yes

For further details, please refer to the press release “Notice Concerning Revision to Dividend Forecast” dated today (February 7, 2025).

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
Full year	209,000	2.5	13,100	9.0	20,600	35.5	12,800	187.2	442.83

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

For further details, please refer to “1. Overview of Results of Operations, (3) Consolidated Forecast and Other Forward-looking Statements” on page 4.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: 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, 2024:	31,837,230 shares	As of Mar. 31, 2024:	34,837,230 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2024:	2,921,217 shares	As of Mar. 31, 2024:	5,942,958 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2024:	28,901,524 shares	Nine months ended Dec. 31, 2023:	28,880,814 shares
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* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

* 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, (3) Consolidated Forecast and Other Forward-looking Statements” on page 4.

Contents of Attachments

1. Overview of Results of Operations	2
(1) Results of Operations	2
(2) Financial Position	3
(3) Consolidated Forecast and Other Forward-looking Statements	4
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	7
Quarterly Consolidated Statement of Comprehensive Income	8
(3) Notes to Quarterly Consolidated Financial Statements	9
Going-concern Assumption	9
Significant Changes in Shareholders' Equity	9
Notes to Quarterly Consolidated Statement of Cash Flows	9
Segment and Other Information	10

1. Overview of Results of Operations

(1) Results of Operations

During the first nine months of the fiscal year ending March 31, 2025, the Japanese economy continued to show a lack of strength, with real wages failing to rise and personal consumption remaining sluggish, despite an ongoing gradual recovery.

Looking at the world economy, in the United States, the economy remains solid as inflationary pressure eased and consumer spending started to recover, despite slowdowns in the improvement of employment conditions. In China, signs of improvement were visible in some areas, driven by the government's economic stimulus measures. However, personal consumption lacked momentum, domestic demand remained sluggish, and the situation continued to rely on external demand. In Europe, the economy showed lacks of resilience, as the manufacturing industry continued to stagnate due to the sharp rise in energy prices, including natural gas. Additionally, there were signs of weakness in the service industry, which was driving the economic recovery thus far.

In the steel industry in Japan, orders and production remained sluggish. Residential construction and machinery orders were still weak due to factors such as high material prices and a shortage of human resources. In addition, there were slower automobile production and the inflow of inexpensive imported steel sheets.

In overseas steel markets, steel production in China remained at high levels despite decreasing demand due to the economic slowdown, while increasing demand in emerging countries such as India did not cover the decline in the Chinese market. Market conditions have remained weak and concerns and vigilance are also growing over global trade friction.

In such an environment, the Yodogawa Steel Group's net sales for the first nine months increased 3,277 million yen from the same period of the previous fiscal year to 156,742 million yen. Operating profit increased 2,175 million yen to 11,114 million yen, ordinary profit increased 5,389 million yen to 17,338 million yen, and profit attributable to owners of parent increased 3,551 million yen to 11,303 million yen.

In Japan, sales decreased while earnings increased year on year, mainly because of more sales activities for pre-painted steel sheets and other value-added products.

Overseas, sales increased and earnings decreased year on year, primarily due to higher sales volumes at Sheng Yu Steel Co., Ltd. (SYSCO), a subsidiary in Taiwan, while a weakening steel market in Taiwan.

Business segment performance was as follows.

1) Steel Sheet-related Business

Sales and earnings increased year on year with net sales of 149,455 million yen and operating profit of 11,143 million yen.

Steel Sheets

In Japan, selling prices of all types of steel sheets slightly dropped year on year. Earnings increased despite a decrease in sales mainly because of higher sales volume of pre-painted steel sheets, while sales volume of galvanized steel sheets declined.

Overseas, sales increased and earnings decreased at SYSCO in Taiwan year on year, mainly because of declines in selling prices in the domestic market despite an increase in sales volumes. At Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd. (YSS), a subsidiary in China, the momentum of recovery was sluggish and improvement in business results was modest because of the prolong real-estate recession. At PCM Processing (Thailand) Ltd. (PPT), a subsidiary in Thailand, sales decreased while earnings increased year on year, despite its continued steady performance.

Building Materials

Sales and earnings decreased year on year because sales of exterior products showed little growth due to extreme heat and other factors, while there was progress in sales of YODO Roof, an exterior construction material.

2) Roll Business

Net sales totaled 2,020 million yen and operating loss was 1 million yen.

Sales and earnings decreased year on year mainly due to a decrease in sales volumes in the Japanese and overseas markets.

3) Grating Business

Net sales totaled 2,491 million yen and operating profit was 114 million yen.

Despite an improvement of selling prices, sales volume decreased. As a result, sales and earnings decreased year on year.

4) Real Estate Business

Net sales totaled 1,032 million yen and operating profit was 626 million yen.

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

5) Other Businesses

Net sales totaled 1,742 million yen and operating profit was 416 million yen.

Sales and earnings increased year on year due to a recovery in sales in the warehousing and transportation businesses and other factors.

(2) Financial Position

Assets

Current assets increased by 2,928 million yen from the end of the previous fiscal year to 159,047 million yen. This was attributable mainly to increases of 1,102 million yen in notes and account receivable-trade, and contract assets, 483 million yen in securities, and 828 million yen in work in process.

Non-current assets decreased by 6,821 million yen from the end of the previous fiscal year to 102,922 million yen. This was attributable mainly to a decrease of 7,073 million yen in investment securities.

Total assets decreased by 3,893 million yen from the end of the previous fiscal year to 261,969 million yen.

Liabilities

Current liabilities decreased by 324 million yen from the end of the previous fiscal year to 27,788 million yen. This was attributable mainly to decreases of 544 million yen in electronically recorded obligations-operating and 266 million yen in provision for bonuses, which were partially offset by an increase of 460 million yen in notes and account payable-trade.

Non-current liabilities decreased by 2,972 million yen from the end of the previous fiscal year to 20,944 million yen. This was attributable mainly to a decrease of 1,687 million yen in provision for product compensation.

Total liabilities decreased by 3,297 million yen from the end of the previous fiscal year to 48,733 million yen.

Net assets

Net assets decreased by 595 million yen from the end of the previous fiscal year to 213,236 million yen. This was attributable mainly to an increase of 11,303 million yen in retained earnings owing to the recording of profit attributable to owners of parent, which was partially offset by decreases of 7,080 million yen in retained earnings resulted from the payment of dividends and 4,418 million yen in valuation difference on available-for-sale securities.

(3) Consolidated Forecast and Other Forward-looking Statements

The Japanese economy is expected to maintain its gradual recovery. However, it lacks strength due to concerns such as the slowdown in overseas economies and the downturn in personal consumption caused by high prices. The world economy is expected to remain unstable, as the economic recovery seen in Europe is losing momentum, and geopolitical risks, such as Russia's invasion of Ukraine, are expected to persist for the time being.

In the steel markets in Japan and overseas, while the rise in prices of raw materials used for steelmaking, as well as resource and energy costs, is coming to a pause, the situation remains unstable. There are uncertainty regarding the trade policy of the new United States administration and concerns about global trade friction due to high export levels from China and emerging economies. Therefore, the near-term market outlook, including the supply-demand balance, is considered uncertain.

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)	
	FY3/24 (as of Mar. 31, 2024)	Third quarter of FY3/25 (as of Dec. 31, 2024)
Assets		
Current assets		
Cash and deposits	56,808	56,368
Notes and accounts receivable-trade, and contract assets	45,474	46,577
Electronically recorded monetary claims-operating	4,823	5,274
Securities	4,009	4,493
Merchandise and finished goods	22,751	22,507
Work in process	5,591	6,420
Raw materials and supplies	14,939	15,289
Other	1,898	2,294
Allowance for doubtful accounts	(177)	(178)
Total current assets	156,119	159,047
Non-current assets		
Property, plant and equipment	55,940	55,881
Intangible assets	2,203	2,192
Investments and other assets		
Investment securities	49,643	42,569
Retirement benefit asset	1,422	1,503
Other	534	775
Total investments and other assets	51,600	44,848
Total non-current assets	109,743	102,922
Total assets	265,863	261,969

	(Millions of yen)	
	FY3/24 (as of Mar. 31, 2024)	Third quarter of FY3/25 (as of Dec. 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	13,892	14,353
Electronically recorded obligations-operating	2,986	2,442
Short-term borrowings	544	793
Income taxes payable	2,097	2,136
Provision for bonuses	1,117	850
Other	7,475	7,212
Total current liabilities	28,113	27,788
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	28	16
Retirement benefit liability	5,315	5,251
Provision for product compensation	9,457	7,770
Other	9,114	7,905
Total non-current liabilities	23,917	20,944
Total liabilities	52,031	48,733
Net assets		
Shareholders' equity		
Share capital	23,220	23,220
Capital surplus	18,279	11,406
Retained earnings	126,905	131,179
Treasury shares	(11,845)	(4,900)
Total shareholders' equity	156,559	160,906
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22,543	18,125
Revaluation reserve for land	1,505	1,454
Foreign currency translation adjustment	7,881	7,726
Remeasurements of defined benefit plans	1,089	1,036
Total accumulated other comprehensive income	33,020	28,343
Share acquisition rights	125	101
Non-controlling interests	24,126	23,884
Total net assets	213,832	213,236
Total liabilities and net assets	265,863	261,969

(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 FY3/24 (Apr. 1, 2023 to Dec. 31, 2023)	First nine months of FY3/25 (Apr. 1, 2024 to Dec. 31, 2024)
Net sales	153,465	156,742
Cost of sales	129,358	131,217
Gross profit	24,106	25,525
Selling, general and administrative expenses	15,167	14,410
Operating profit	8,939	11,114
Non-operating income		
Interest income	413	491
Dividend income	999	1,204
Foreign exchange gains	193	96
Gain on sale of investment securities	1,024	4,015
Share of profit of entities accounted for using equity method	369	364
Other	265	258
Total non-operating income	3,265	6,431
Non-operating expenses		
Interest expenses	87	64
Cost for employees transferred temporarily to overseas subsidiaries	119	91
Other	49	52
Total non-operating expenses	256	208
Ordinary profit	11,948	17,338
Extraordinary income		
Gain on sale of non-current assets	952	11
Gain on extinguishment of tie-in shares	—	73
Total extraordinary income	952	84
Extraordinary losses		
Loss on sale and retirement of non-current assets	488	84
Loss on valuation of investment securities	—	44
Impairment losses	0	56
Total extraordinary losses	488	185
Profit before income taxes	12,412	17,237
Income taxes-current	3,470	4,213
Income taxes-deferred	137	623
Total income taxes	3,607	4,836
Profit	8,804	12,400
Profit attributable to non-controlling interests	1,053	1,097
Profit attributable to owners of parent	7,751	11,303

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

	(Millions of yen)	
	First nine months of FY3/24 (Apr. 1, 2023 to Dec. 31, 2023)	First nine months of FY3/25 (Apr. 1, 2024 to Dec. 31, 2024)
Profit	8,804	12,400
Other comprehensive income		
Valuation difference on available-for-sale securities	4,108	(4,449)
Foreign currency translation adjustment	3,743	(504)
Remeasurements of defined benefit plans, net of tax	10	(37)
Share of other comprehensive income of entities accounted for using equity method	61	6
Total other comprehensive income	7,924	(4,985)
Comprehensive income	16,728	7,415
Comprehensive income attributable to:		
Owners of parent	14,067	6,676
Non-controlling interests	2,661	738

(3) Notes to Quarterly Consolidated Financial Statements**Going-concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Notes to Quarterly Consolidated Statement of Cash Flows

A quarterly consolidated statement of cash flows has not been prepared for the first nine months of the current fiscal year. Depreciation (including amortization of intangible assets) for the first nine months of each period is as follows.

	(Millions of yen)	
	First nine months of FY3/24 (Apr. 1, 2023 to Dec. 31, 2023)	First nine months of FY3/25 (Apr. 1, 2024 to Dec. 31, 2024)
Depreciation	3,568	3,400

Segment and Other Information

Segment information

I. 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 quarterly 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.

II. First nine months of FY3/25 (Apr. 1, 2024 to Dec. 31, 2024)

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 quarterly consolidated statement of income (Note 3)
	Steel Sheet- related Business	Roll Business	Grating Business	Real Estate Business	Total				
Net sales									
External sales	149,455	2,020	2,491	1,032	154,999	1,742	156,742	–	156,742
Inter-segment sales and transfers	–	–	–	313	313	1,752	2,066	(2,066)	–
Total	149,455	2,020	2,491	1,346	155,313	3,495	158,809	(2,066)	156,742
Segment profit (loss)	11,143	(1)	114	626	11,883	416	12,299	(1,185)	11,114

- 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 (1,187) million yen and an elimination for inter-segment transactions of 2 million yen.
 3. Segment profit (loss) 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.