

# Financial Results for the Fiscal Year ended March 31, 2021

(Japan GAAP)

May 12, 2021

Company name: **HANWA Co.,Ltd.**

Listed stock exchange: Tokyo

Stock exchange code: 8078

(URL <http://www.hanwa.co.jp>)

Representative: Hironari Furukawa President

Enquiries: Yoichi Nakagawa Director, Senior Managing Executive Officer Phone +81-3-3544-2000

Scheduled date of Shareholders' Meeting: Jun 23, 2021

Scheduled date of issue of audited financial statements: Jun 24, 2021

Scheduled date of payout of dividend: Jun 24, 2021

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the Fiscal Year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

### (1) Consolidated operating results (Percentage indicate a change from the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the Company	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal Year ended March 31, 2021	1,745,501	(8.5)	29,232	7.0	28,821	—	19,617	—
ended March 31, 2020	1,907,493	(8.1)	27,330	(5.4)	(12,598)	—	(13,674)	—

Note: Comprehensive income For the Fiscal Year ended March 31, 2021 27,311 million yen — %  
For the Fiscal Year ended March 31, 2020 (29,972) million yen — %

	Net income per share	Net income per share(diluted)	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	(yen)	(yen)	(%)	(%)	(%)
Fiscal Year ended March 31, 2021	482.74	—	11.1	3.6	1.7
ended March 31, 2020	(336.51)	—	(7.8)	(1.5)	1.4

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
As of March 31, 2021	824,590	191,857	22.9	4,656.17
As of March 31, 2020	798,442	166,097	20.5	4,027.01

Note: Shareholders' equity As of March 31, 2021 189,214 million yen  
As of March 31, 2020 163,648 million yen

### (3) Consolidated cash flows situation

	Cash flows from Operating activities	Cash flows from Investing activities	Cash flows from Financing activities	Cash and cash equivalents at end of year
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal Year ended March 31, 2021	19,004	(4,190)	(34,223)	50,892
ended March 31, 2020	74,261	(24,159)	(42,314)	67,243

## 2. Cash dividends

	Cash dividends per share					Total amount of dividend (Annual) (Millions of yen)	Dividend payout ratio (Consolidated) (%)	Dividend on shareholders' equity (Consolidated) (%)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual			
Year ended March 31, 2020	—	75.00	—	25.00	100.00	4,063	—	2.3
Year ended March 31, 2021	—	30.00	—	30.00	60.00	2,438	12.4	1.4
Year ending March 31, 2022 (estimated)	—	30.00	—	30.00	60.00		10.8	

## 3. Forecast of consolidated financial results for fiscal year ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(Percentage indicate a change from the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the Company		Net income per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(yen)
Annual	1,930,000	—	36,000	23.2	32,500	12.8	22,600	15.2	556.14

From the beginning of the fiscal year ending March 31, 2022, the Company applies the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan Statement No. 29). As a result, the figures in the above forecast of consolidated business results constitute the figures after application of said accounting standard. For this reason, rates of increase/decrease YoY are not shown for net sales.

## Financial Results for the Fiscal Year ended March 31, 2021

## 《Consolidated Balance Sheets》

(Amounts less than one million yen are rounded down)

	<i>Millions of yen</i>	
	March 31, 2020	March 31, 2021
<b>Assets</b>		
<b>Current assets;</b>		
Cash and deposits	67,256	50,907
Trade notes and accounts receivable	341,559	356,059
Electronically recorded monetary claims	21,281	27,895
Securities	1,167	—
Inventories	127,460	127,378
Others	69,949	69,532
Allowance for doubtful receivables	(1,046)	(1,679)
<b>Total current assets</b>	<b>627,629</b>	<b>630,093</b>
<b>Fixed assets;</b>		
<b>Property and equipment;</b>		
Buildings and structures	26,252	24,818
Land	34,165	34,457
Machinery, equipment and vehicles	8,624	8,389
Others	6,119	6,141
<b>Total property and equipment</b>	<b>75,162</b>	<b>73,806</b>
<b>Intangible assets</b>	<b>6,331</b>	<b>7,893</b>
<b>Investments and other assets;</b>		
Investment securities	56,892	72,472
Long-term loans receivable	19,141	17,929
Deferred tax asset	600	805
Others	13,754	22,044
Allowance for doubtful receivables	(1,070)	(454)
<b>Total investments and other assets</b>	<b>89,318</b>	<b>112,796</b>
<b>Total fixed assets</b>	<b>170,812</b>	<b>194,497</b>
<b>Total assets</b>	<b>798,442</b>	<b>824,590</b>
<b>Liabilities;</b>		
<b>Current liabilities;</b>		
Trade notes and accounts payable	202,671	213,436
Electronically record obligations	19,146	21,772
Short-term loans payable	67,177	65,859
Current portion of bonds payable	10,021	10,013
Income taxes payable	2,466	6,985
Accrued bonuses	2,774	3,281
Provision for product warranties	481	324
Others	59,913	67,549
<b>Total current liabilities</b>	<b>364,653</b>	<b>389,222</b>
<b>Long-term liabilities;</b>		
Bonds payable	40,013	30,000
Long-term loans payable	212,372	193,999
Deferred tax liabilities	1,308	5,611
Deferred tax liabilities by land revaluation	1,562	1,524
Retirement benefits liabilities	6,162	5,326
Others	6,271	7,048
<b>Total long-term liabilities</b>	<b>267,691</b>	<b>243,510</b>
<b>Total liabilities</b>	<b>632,344</b>	<b>632,733</b>
<b>Net assets;</b>		
<b>Shareholders' equity;</b>		
Common stock	45,651	45,651
Retained earnings	119,475	137,825
Treasury stock	(3,728)	(3,729)
<b>Total shareholders' equity</b>	<b>161,398</b>	<b>179,747</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized holding gains on securities	6,042	15,193
Deferred hedge profit and loss	745	372
Land revaluation difference	3,277	3,191
Foreign currency translation adjustments	(2,434)	(4,906)
Remeasurements of defined benefit plans	(5,380)	(4,384)
<b>Total accumulated other comprehensive income</b>	<b>2,250</b>	<b>9,467</b>
<b>Minority interests</b>	<b>2,448</b>	<b>2,642</b>
<b>Total net assets</b>	<b>166,097</b>	<b>191,857</b>
<b>Total liabilities and net assets</b>	<b>798,442</b>	<b>824,590</b>

## Financial Results for the Fiscal Year ended March 31, 2021

## 《Consolidated Statements of Income and Comprehensive Income》

(Amounts less than one million yen are rounded down)

Millions of yen

	Year ended March 31, 2020	Year ended March 31, 2021
<b>Net sales</b>	1,907,493	1,745,501
Cost of sales	1,827,666	1,665,576
<b>Gross profit</b>	<b>79,826</b>	<b>79,925</b>
Selling, general and administrative expenses	52,496	50,692
<b>Operating income</b>	<b>27,330</b>	<b>29,232</b>
<b>Other income;</b>		
Interest income	2,142	1,850
Dividend income	1,868	1,644
Equity in earnings of affiliates	—	858
Others	1,316	1,501
Total other income	5,327	5,855
<b>Other expenses;</b>		
Interest expenses	5,494	3,764
Equity in losses of affiliates	35,439	—
Foreign exchange loss	2,515	1,053
Others	1,805	1,449
Total other expenses	45,255	6,267
<b>Ordinary income</b>	<b>(12,598)</b>	<b>28,821</b>
<b>Extraordinary income</b>		
Gain on sale of property and equipment	229	584
Gain on sale of investment securities	976	126
Total extraordinary income	1,206	711
<b>Extraordinary loss;</b>		
Loss on retirement of property and equipment	—	116
Loss on impairment of property and equipment	1,003	—
Loss on devaluation of investments securities	6,589	387
Provision of allowance for doubtful accounts of affiliates	615	188
Provision for product warranties	394	—
Total extraordinary loss	8,603	692
<b>Income before income taxes and minority interest</b>	<b>(19,995)</b>	<b>28,839</b>
Income, inhabitant & business tax – current	5,962	9,012
Income tax expense–deferred	(406)	(33)
Total income taxes	5,555	8,978
<b>Net income</b>	<b>(25,550)</b>	<b>19,860</b>
Net income attributable to		
Net income attributable to owners of the Company	(13,674)	19,617
Net income(loss) attributable to non–controlling interests	(11,876)	242
<b>Other Comprehensive Income</b>		
Net unrealized holding gains on securities	(4,755)	9,146
Deferred hedge profit and loss	684	(373)
Foreign currency translation adjustments	287	(2,211)
Remeasurements of defined benefit plans	92	1,011
Share of other comprehensive income of associates accounted for using equity method	(730)	(121)
Total other comprehensive Income	(4,421)	7,451
<b>Comprehensive Income</b>	<b>(29,972)</b>	<b>27,311</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(17,974)	27,188
Comprehensive income(loss) attributable to non–controlling interests	(11,997)	122

## Financial Results for the Fiscal Year ended March 31, 2021

## 《Consolidated Statements of Changes in Net Assets》

(Amounts less than one million yen are rounded down)

	<i>Millions of yen</i>					<i>Millions of yen</i>						Minority interests	Total net assets
	Shareholders' equity					Accumulated other comprehensive income							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gains on securities	Deferred hedge profit and loss	Land revaluation difference	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total valuation and translation adjustments		
<b>Balance at March 31, 2019</b>	45,651	—	139,036	(3,737)	180,949	10,800	61	3,343	(1,435)	(5,473)	7,295	14,214	202,459
Increase (decrease) during the term:													
Cash dividends paid			(6,095)		(6,095)								(6,095)
Change of scope of consolidated subsidiaries			(906)		(906)								(906)
Change of scope of equity method			1,141		1,141								1,141
Reversal of land revaluation difference			66		66								66
Net income attributable to owners of the parent			(13,674)		(13,674)								(13,674)
Purchase of treasury stocks				(0)	(0)								(0)
Capital increase from purchase of stock of consolidated subsidiaries				0	0								0
Capital increase from sales of stock of consolidated subsidiaries			(91)		(91)								(91)
Others			0	9	9								9
Net increase (decrease) during the term, except for items under shareholders' equity						(4,758)	684	(66)	(998)	93	(5,045)	(11,765)	(16,811)
<b>Total increase (decrease)</b>	—	—	(19,560)	9	(19,551)	(4,758)	684	(66)	(998)	93	(5,045)	(11,765)	(36,362)
<b>Balance at March 31, 2020</b>	45,651	—	119,475	(3,728)	161,398	6,042	745	3,277	(2,434)	(5,380)	2,250	2,448	166,097

	<i>Millions of yen</i>					<i>Millions of yen</i>						Minority interests	Total net assets
	Shareholders' equity					Accumulated other comprehensive income							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gains on securities	Deferred hedge profit and loss	Land revaluation difference	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total valuation and translation adjustments		
<b>Balance at March 31, 2020</b>	45,651	—	119,475	(3,728)	161,398	6,042	745	3,277	(2,434)	(5,380)	2,250	2,448	166,097
Increase (decrease) during the term:													
Cash dividends paid			(2,235)		(2,235)								(2,235)
Change of scope of consolidated subsidiaries			88		88								88
Change of scope of equity method			911		911								911
Reversal of land revaluation difference			85		85								85
Net income attributable to owners of the parent			19,617		19,617								19,617
Purchase of treasury stocks				(0)	(0)								(0)
Deposition of treasury stocks				—	—								—
Capital increase from purchase of stock of consolidated subsidiaries			(117)		(117)								(117)
Others			—	—	—								0
Net increase (decrease) during the term, except for items under shareholders' equity						9,151	(373)	(85)	(2,472)	996	7,216	193	7,410
<b>Total increase (decrease)</b>	—	—	18,350	(0)	18,349	9,151	(373)	(85)	(2,472)	996	7,216	193	25,759
<b>Balance at March 31, 2021</b>	45,651	—	137,825	(3,729)	179,747	15,193	372	3,191	(4,906)	(4,384)	9,467	2,642	191,857

## Financial Results for the Fiscal Year ended March 31, 2021

## 《Consolidated Statements of Cash Flows》

(Amounts less than one million yen are rounded down)

*Millions of yen*

	Year ended March 31, 2020	Year ended March 31, 2021
<b>Cash flows from operating activities;</b>		
Income before income taxes	(19,995)	28,839
Depreciation and amortization	5,245	5,479
Loss on impairment of property and equipment	1,003	—
Amortization of goodwill	514	468
Increase(decrease) in allowance for doubtful receivables	(358)	(167)
Interest and dividend income	(4,010)	(3,494)
Interest expense	5,494	3,764
Equity in earnings of affiliated companies (gain)	35,439	(858)
Gain on sale of property and equipment	(229)	(584)
Gain on sale of investment securities of unconsolidated subsidiaries	(976)	(126)
Loss on retirement of property and equipment	—	116
Loss on devaluation of investments securities	6,589	387
Provision of allowance for doubtful accounts of affiliates	615	188
Provision for product warranties	394	—
(Increase)decrease in trade receivables	95,209	(21,603)
(Increase)decrease in inventories	21,897	282
Increase(decrease) in trade notes and accounts payable	(69,814)	13,576
Increase(decrease) in retirement benefits	321	583
Other, net	4,630	(2,961)
<b>Sub total</b>	<b>81,969</b>	<b>23,890</b>
Interest and dividends received	4,931	3,567
Interest paid	(5,594)	(3,797)
Income taxes paid	(7,044)	(4,656)
<b>Net cash provided by (used in) operating activities</b>	<b>74,261</b>	<b>19,004</b>
<b>Cash flows from investing activities;</b>		
Payment for time deposits	(679)	(14)
Proceeds from refund of time deposits	1,598	73
Payment for purchase of property and equipment	(7,500)	(6,332)
Proceeds from sale of property and equipment	575	1,318
Payment for acquisition of investment securities	(10,614)	(2,788)
Proceeds from sale and redemption of investment securities	1,546	1,228
(Increase)decrease in short – term loans receivable, net	(3,516)	1,171
Increase in long – term loans receivable	(7,091)	(4,701)
Collection of long-term loans receivable	5,188	7,715
Other, net	(3,665)	(1,860)
<b>Net cash provided by (used in) investing activities</b>	<b>(24,159)</b>	<b>(4,190)</b>
<b>Cash flows from financing activities;</b>		
Increase(decrease) in short-term loans, net	(23,470)	(10,497)
Proceeds from long-term debt	30,854	12,098
Repayments of long-term debt	(32,958)	(22,802)
Payment for redemption of bonds	(10,021)	(10,021)
Payment for cash dividends	(6,092)	(2,242)
Cash dividends paid to minority interest in consolidated subsidiaries	(143)	(134)
Purchase of investments in subsidiaries resulting in no change in scope of consolidation	(187)	(134)
Other, net	(295)	(490)
<b>Net cash provided by (used in) financing activities</b>	<b>(42,314)</b>	<b>(34,223)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(1,389)</b>	<b>2,402</b>
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>6,398</b>	<b>(17,006)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>58,384</b>	<b>67,243</b>
<b>Increase in cash and cash equivalents from newly consolidated subsidiaries</b>	<b>2,460</b>	<b>632</b>
<b>Increase in cash and cash equivalents resulting from mergers with unconsolidated subsidiaries</b>	<b>—</b>	<b>22</b>
<b>Cash and cash equivalents at end of period</b>	<b>67,243</b>	<b>50,892</b>

## Financial Results for the Fiscal Year ended March 31, 2021

## 《Segment information》

Segment information by business category for the fiscal year 2019 and 2020, is as follows:

(Amounts less than one million yen are rounded down)

## Fiscal Year ended March 31, 2020

Millions of yen

	Reportable segment							Other	Total	Adjustment	Consolidated
	Steel	Primary Metal	Metal Recycling	Foods	Energy & Living Materials	Overseas sales subsidiaries	Sub-total				
Net sales											
Customers	994,269	255,660	77,609	100,615	201,763	195,325	1,825,244	82,248	1,907,493	—	1,907,493
Inter-segment	11,134	4,195	1,209	1,139	8,693	45,686	72,057	2,755	74,812	(74,812)	—
Total	1,005,403	259,855	78,818	101,754	210,457	241,011	1,897,301	85,004	1,982,305	(74,812)	1,907,493
Segment income(loss)	14,628	(30,506)	2,302	(144)	4,177	466	(9,076)	1,400	(7,676)	(4,921)	(12,598)
Segment assets	410,634	171,092	22,312	44,840	40,338	62,163	751,381	30,254	781,635	16,807	798,442
Other											
Depreciation	4,074	16	330	111	168	103	4,804	353	5,157	87	5,245
Depreciation of Goodwill	363	—	68	—	82	—	514	—	514	—	514
Interest income	226	1,584	3	27	27	246	2,116	13	2,129	12	2,142
Interest expenses	2,996	4,231	368	618	257	1,451	9,922	181	10,104	(4,609)	5,494
Equity in earnings (losses) of affiliates	(731)	(34,913)	31	—	26	(53)	(35,640)	200	(35,439)	—	(35,439)
Investment in affiliates	5,086	—	157	—	541	1,534	7,320	1,295	8,616	—	8,616
Property, plant and equipment and Intangible assets increase	9,037	80	591	137	318	105	10,270	893	11,164	432	11,597

## Fiscal Year ended March 31, 2021

Millions of yen

	Reportable segment							Other	Total	Adjustment	Consolidated
	Steel	Primary Metal	Metal Recycling	Foods	Energy & Living Materials	Overseas sales subsidiaries	Sub-total				
Net sales											
Customers	901,199	230,880	77,699	99,697	176,043	175,160	1,660,680	84,821	1,745,501	—	1,745,501
Inter-segment	11,990	2,898	1,874	748	7,002	29,682	54,196	3,038	57,234	(57,234)	—
Total	913,189	233,778	79,573	100,445	183,045	204,843	1,714,876	87,860	1,802,736	(57,234)	1,745,501
Segment income(loss)	18,911	3,804	766	2,141	5,548	1,715	32,887	1,455	34,343	(5,522)	28,821
Segment assets	400,623	148,276	28,464	41,584	43,034	90,584	752,568	33,187	785,756	38,834	824,590
Other											
Depreciation	4,126	15	347	88	205	217	5,001	379	5,380	98	5,479
Depreciation of Goodwill	390	—	22	—	54	—	468	—	468	—	468
Interest income	268	1,001	0	1	24	497	1,795	3	1,798	51	1,850
Interest expenses	2,543	1,607	272	417	195	388	5,424	169	5,593	(1,829)	3,764
Equity in earnings (losses) of affiliates	547	(32)	25	—	44	63	648	209	858	—	858
Investment in affiliates	5,834	—	211	—	585	1,864	8,496	1,505	10,002	—	10,002
Property, plant and equipment and Intangible assets increase	6,022	85	249	133	293	167	6,952	638	7,590	192	7,782

## Notes:

1. "Other" comprises businesses that are not included in reportable segments, such as lumber section and machinery section.
2. Adjustments are as follows:
  - (1) Adjustments for segment income include intersegment elimination and Group costs that have not been distributed to reportable segments. These group costs consist mainly of expenses of administrative departments.
  - (2) Adjustments for segment assets include Group assets that have not been distributed to reportable segments. These group assets consist mainly of cash and cash equivalents, investment securities and assets of administrative departments.
  - (3) Adjustments for depreciation include mainly depreciation and amortization expenses of group assets.
  - (4) Adjustments for interest income and interest expenses include intersegment elimination, revenue and expense that have not been distributed to reportable segments.
  - (5) Adjustments for property, plant and equipment and intangible assets increase are increases in Group assets.
3. Segment income or loss is adjusted between ordinary income on the consolidated statements of income and comprehensive income.
4. Since the 1st Quarter of the fiscal year, Company reviewed the name of segment in order to express more appropriately the business, and changed the reportable segments from "Petroleum & chemicals" to "Energy & Living Materials".  
The change was only name change, and segment information had no effect from the change.  
Segment information of the previous fiscal year has been recomposed by the new classification method.

# Highlights of Consolidated Financial Results for the FY2020

(Japan GAAP)

HANWA Co., Ltd.

## Outline of Financial Results for the FY2020

During the fiscal year under review, the COVID-19 pandemic impacted the business results of Hanwa Co., Ltd. As measures to restrain the pandemic suppressed business activity, demand for steel and related products declined. Transaction volume fell as a result, particularly in the first half of the fiscal year. Prices for petroleum products persisted at a low ebb. As a result, net sales declined 8% from the previous fiscal year (YoY) to 1,745.5 billion yen. In earnings terms, operating income appreciated 7% YoY to 29.2 billion yen, buoyed by increases in the Steel, Foods and Energy & Living Materials segments. Other favorable developments included equity in losses of affiliates in the previous fiscal year turned profitable in the period under review and a decrease in interest expenses, resulting in ordinary income of 28.8 billion yen and net income attributable to owners of parent of 19.6 billion yen.

The Company distributed an interim dividend of 30 yen per share and expects to distribute a year-end dividend of 30 yen per share.

Operating Results	FY2019	FY2020	Year-on-year		Main Factors
			Change	rate	
<b>Net sales</b>	<b>1,907.4</b>	<b>1,745.5</b>	<b>(161.9)</b>	<b>-8%</b>	(Net sales) Demand for steel and related products retreated, with transaction volume falling particularly in the first half of the fiscal year. Prices for petroleum products persisted at a low ebb as compared with the previous fiscal year. Net sales declined 8% YoY to 1,745.5 billion yen.  (SG&A expenses) Travel expenses and entertaining expenses declined amid the curtailment of sales activities. SG&A expenses decreased by 1.8 billion yen YoY. However, personnel expenses rose by 1.2 billion yen YoY (including 0.2 billion yen at newly consolidated subsidiaries).  (Non-operating income/expenses) Non-operating income grew by 0.5 billion yen YoY while non-operating expenses dropped by 38.9 billion yen YoY. The main impacts on ordinary income were as follows. Interest expenses: decrease of 1.7 billion yen(YoY) Foreign exchange loss: decrease of 1.4 billion yen(YoY) Equity in earnings (losses) of affiliates: losses of 35.4 billion yen in FY2019 earnings of 0.8 billion yen in FY2020  (Extraordinary gain/loss) Gain on sales of fixed assets Approx. 0.5 billion yen: Mainly sales of property by consolidated subsidiaries
<b>Gross profit</b>	<b>79.8</b>	<b>79.9</b>	<b>0.0</b>	<b>0%</b>	
SG&A expenses	52.4	50.6	(1.8)	-3%	
<b>Operating income</b>	<b>27.3</b>	<b>29.2</b>	<b>1.9</b>	<b>7%</b>	
Non-operating income	5.3	5.8	0.5	10%	
Non-operating expenses	45.2	6.2	(38.9)	-86%	
<b>Ordinary income</b>	<b>(12.5)</b>	<b>28.8</b>	<b>41.4</b>	<b>—</b>	
Extraordinary gain	1.2	0.7	(0.4)	-41%	
Extraordinary loss	8.6	0.6	(7.9)	-92%	
<b>Income before income taxes and others</b>	<b>(19.9)</b>	<b>28.8</b>	<b>48.8</b>	<b>—</b>	
Income taxes	5.5	8.9	3.4	62%	
<b>Net income</b>	<b>(25.5)</b>	<b>19.8</b>	<b>45.4</b>	<b>—</b>	
Owners of the Company(loss)	(13.6)	19.6	33.2	—	
Non-controlling interests(loss)	(11.8)	0.2	12.1	—	
<b>EPS (yen)</b>	<b>(336.51)</b>	<b>482.74</b>	<b>819.25</b>	<b>—</b>	
<b>Comprehensive income</b>	<b>(29.9)</b>	<b>27.3</b>	<b>57.2</b>	<b>—</b>	

Segment Information	Net sales			Segment income			Main Factors
	FY2019	FY2020	rate	FY2019	FY2020	rate	
Steel	1,005.4	913.1	-9%	14.6	18.9	29%	(Steel business) Although demand for steel declined, reducing transaction volume, earnings margins rose as steel prices held to a rising trend. Selling expenses also fell. These factors pushed segment income upward despite declining net sales. (Primary metals business) A decline in activity among steel and non-ferrous-metal manufacturers in the first half of the fiscal year engendered a weakening of transaction volume. At the same time, a transient loss on Samancor was not realized, resulting in a decline in interest expenses. Segment income rose despite a fall in net sales. (Metal recycling business) Net sales grew amid rising prices for copper and e-scrap. However, the Company incurred a loss on valuation of derivatives transaction balance, used to hedge price-fluctuation risks in inventories amid rising prices for base metals. Segment income decreased while net sales grew. (Foods business) Although product prices trended at lower levels than in the previous fiscal year, the profitability of the Company's US sales subsidiary improved, while the number of domestic consolidated subsidiaries increased and valuation losses on inventories declined. Segment income rose despite a fall in net sales. (Energy & Living Materials business) Petroleum product prices followed a rising trend, while a widening price spread between the Japanese and overseas markets secured a solid earnings margin. In addition, sales of palm kernel shells (PKS) and handling of daily goods broadened. All of these trends supported an increase in segment income. (Overseas sales subsidiaries) With prices for Indonesian steel on a rising trend, earnings margins expanded. Profitability of transactions in non-ferrous metals in Thailand improved, contributing to increased segment income.
Primary Metal	259.8	233.7	-10%	(30.5)	3.8	—	
Metal Recycling	78.8	79.5	1%	2.3	0.7	-67%	
Foods	101.7	100.4	-1%	(0.1)	2.1	—	
* Energy & Living Materials	210.4	183.0	-13%	4.1	5.5	33%	
Overseas sales subsidiaries	241.0	204.8	-15%	0.4	1.7	268%	
Total for reportable segments	1,897.3	1,714.8	-10%	(9.0)	32.8	—	
Other	85.0	87.8	3%	1.4	1.4	4%	
<b>Total</b>	<b>1,982.3</b>	<b>1,802.7</b>	<b>-9%</b>	<b>(7.6)</b>	<b>34.3</b>	<b>—</b>	
Adjustment	(74.8)	(57.2)	-23%	(4.9)	(5.5)	12%	
<b>Consolidated</b>	<b>1,907.4</b>	<b>1,745.5</b>	<b>-8%</b>	<b>(12.5)</b>	<b>28.8</b>	<b>—</b>	

\* Since the 1st Quarter of the fiscal year, Company changed the reportable segments from "Petroleum & chemicals" to "Energy & Living Materials".

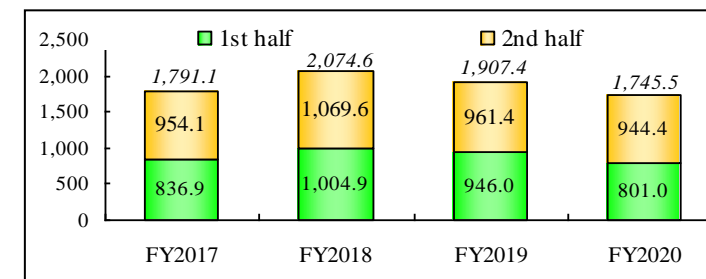
Topics	Details
Apr.	Acquire 100% of the shares of TATSUTA CO., LTD. which is a steel material distributor in Osaka.
Oct.	Acquire 100% of the shares of TEKKEN Industry CO., LTD. which is a steel fabricator in Fukui.
Mar.	Japanlife Co., Ltd., a consolidated subsidiary of the Company, acquired 100% shares of BiC Co., Ltd..

(Unit: billion yen, rounded down to 0.1 billions yen)

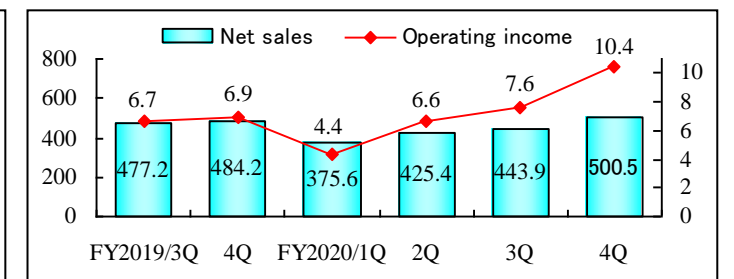
Financial Position	Mar. 2020	Mar. 2021	Comparison with Mar. 2020		Main Factors
			Change	rate	
<b>Total assets</b>	<b>798.4</b>	<b>824.5</b>	<b>26.1</b>	<b>3%</b>	(Total Assets) Trade receivables and investment securities increased, raising total assets 3% from the end of the previous fiscal year. Trade notes and accounts receivables 356 billion yen (4% from the end of the previous period). Investment securities 72.4 billion yen (27% from the end of the previous period). (Liabilities) Factors such as an increase in trade payables contributed to an increase in total liabilities of 0.1% from the end of the previous fiscal year. Interest-bearing debt declined 9%, while net debt-equity ratio was 133% (*105%). (Net assets) Total net assets increased 16% from the end of the previous fiscal year, as the Company accumulated retained earnings from net income attributable to owners of parent and valuation difference on available-for-sale securities rose. Shareholders' equity ratio was 22.9% (*26.0%), which is 2.4 percentage points higher than at the end of the previous fiscal year. *Reflecting equity credit attributes of the subordinated loan
(Current assets)	627.6	630.0	2.4	0%	
(Fixed assets)	170.8	194.4	23.6	14%	
<b>Total liabilities</b>	<b>632.3</b>	<b>632.7</b>	<b>0.3</b>	<b>0%</b>	
(Interest-bearing debt)	331.1	301.6	(29.4)	-9%	
(Net interest-bearing debt)	263.8	250.7	(13.1)	-5%	
Net DER	161%/127%	133%/105%	-28pt	—	
<b>Total net assets</b>	<b>166.0</b>	<b>191.8</b>	<b>25.7</b>	<b>16%</b>	
(Equity capital) (Valuation & translation adjustments)	161.3 2.2	179.7 9.4	18.3 7.2	11% 321%	
(Minority interests)	2.4	2.6	0.1	8%	
BPS (yen)	4,027.01	4,656.17	629.16	16%	
Shareholders' equity	163.6	189.2	25.5	16%	
Shareholders' equity ratio	20.5/23.6%	22.9/26.0%	2.4pt	12%	

Cash Flow	FY2019	FY2018	Year-on-year		Main Factors
			Change	rate	
Cash flows from operating activities	74.2	19.0	(55.2)	-74%	(Operating cash flows) Due to increase in net sales and trade payables. (Investment cash flows) Due to purchase of tangible fixed assets and investment securities. (Financial cash flows) Due to repayment of debt and redemption of corporate bonds.
Cash flows from investing activities	(24.1)	(4.1)	19.9	-83%	
Cash flows from financing activities	(42.3)	(34.2)	8.0	-19%	
Cash and cash equivalents at end of period	67.2	50.8	(16.3)	-24%	

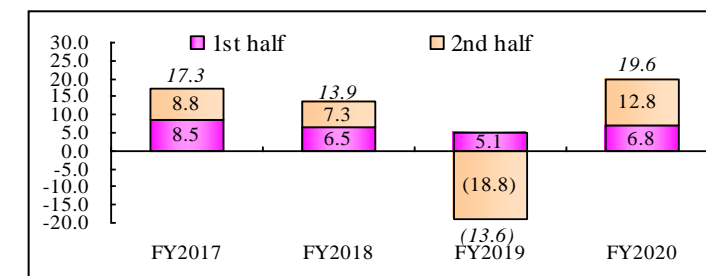
【Changes in Net Sales】



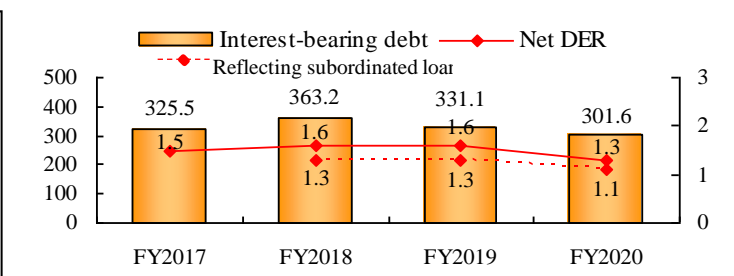
【Quarterly Operating Results】



【Changes in Net Income】



【Changes in Interest-bearing Debt】



Forecast (Annual)	FY2020	FY2021 (estimated)		Cash Dividends	FY2019	FY2020	FY2021 (estimated)
		change	change				
Net sales	1,745.5	1,930.0	—	Interim (yen)	75.00	30.00	30.00
Operating income	29.2	36.0	23%	Year-end (yen)	25.00	30.00	30.00
Ordinary income	28.8	32.5	13%	Annual (yen)	100.00	60.00	60.00
Net income attributable to owners of parent	19.6	22.6	15%	Dividend payout ratio	—	12%	11%

\* From the beginning of the fiscal year ending March 31, 2022, the Company applies the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan Statement No. 29). As a result, the figures in the above forecast of consolidated business results constitute the figures after application of said accounting standard. For this reason, rates of increase/decrease YoY are not shown for net sales.