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## Consolidated Financial Results for the Fiscal Year 2022 (April 1, 2022 to March 31, 2023)

April 28, 2023

Company name	: Godo Steel, Ltd.
Stock exchange listing	: Tokyo Stock Exchange
Code number	: 5410
URL	: <a href="https://www.godo-steel.co.jp/">https://www.godo-steel.co.jp/</a>
Representative	: Hiroyuki Uchida, President and Representative Director
Contact	: Keiichiro Kato, Executive Officer and General Manager of Accounting Department
Phone	: +81-6-6343-7600
Scheduled date of holding annual shareholders' meeting	: June 23, 2023
Scheduled date of filing securities report	: June 23, 2023
Scheduled date of commencing dividend payments	: June 8, 2023
Availability of supplementary briefing material on annual financial results	: No
Schedule of annual financial results briefing session	: Yes (for securities analysts)

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Fiscal Year 2022 (April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2022	235,387	15.3	13,907	—	15,867	—	12,508	—
FY 2021	204,201	33.7	(2,697)	—	(1,252)	—	(1,112)	—

(Note) Comprehensive income: FY 2022: ¥14,065 million [—%]  
FY 2021: ¥(978) million [—%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Return on assets	Return on sales
	Yen	Yen	%	%	%
FY 2022	855.19	—	11.9	6.7	5.9
FY 2021	(76.06)	—	(1.1)	(0.6)	(1.3)

(Reference) Equity in earnings of affiliates: FY 2022: ¥1,306 million  
FY 2021: ¥719 million

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY 2022	253,552	112,370	44.2	7,654.63
FY 2021	223,377	99,049	44.2	6,744.80

(Reference) Equity: FY 2022: ¥111,960 million  
FY 2021: ¥98,658 million

**(3) Consolidated Statements of Cash Flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
	Million yen	Million yen	Million yen	Million yen
FY 2022	6,708	(4,864)	3,495	21,947
FY 2021	(2,131)	(5,250)	9,536	16,605

**2. Dividends**

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY 2021	—	0.00	—	0.00	0.00	0.00	—	—
FY 2022	—	50.00	—	150.00	200.00	2,925	23.4	2.8
FY 2023 (Forecast)	—	90.00	—	90.00	180.00		31.0	

**3. Consolidated Financial Results Forecast for the FY 2023 (April 1, 2023 to March 31, 2024)**

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	120,000	3.0	5,000	32.6	6,000	29.6	4,000	15.8	273.48
FY 2023	240,000	2.0	10,000	(28.1)	12,000	(24.4)	8,500	(32.0)	581.14

**Notes:**

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: No
  - 2) Changes in accounting policies other than 1) above: Yes
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- (3) Total number of issued shares (common shares)
  - 1) Total number of issued shares at the end of the period (including treasury shares):
    - FY 2022: 17,145,211 shares
    - FY 2021: 17,145,211 shares
  - 2) Total number of treasury shares at the end of the period:
    - FY 2022: 2,518,682 shares
    - FY 2021: 2,517,826 shares
  - 3) Average number of shares during the period:
    - FY 2022: 14,627,016 shares
    - FY 2021: 14,627,741 shares

(Reference) Summary of Non-consolidated Results

Non-consolidated Results for the FY 2022 (April 1, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2022	114,529	12.7	8,279	—	9,101	—	6,463	—
FY 2021	101,583	41.2	(1,475)	—	(177)	—	66	(98.3)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY 2022	441.89	—
FY 2021	4.54	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY 2022	174,776	83,805	48.0	5,729.72
FY 2021	159,402	77,101	48.4	5,271.05

(Reference) Equity: FY 2022: ¥83,805 million  
FY 2021: ¥77,101 million

(Reason for differences between non-consolidated results for the FY 2021 and those for the FY 2022)

There are differences between non-consolidated results for the FY 2021 and those for the FY 2022 because given that the surge of steel scrap price, which had been continuing since FY 2020, entered a correction phase during FY 2022, the Company's ongoing efforts to improve the selling price finally paid off.

\* These financial results are outside the scope of audit by a certified public accountant or an audit corporation.

\* Explanation of the proper use of financial results forecast and other notes

(Explanation of the proper use of future forecast information)

The future-related statements set forth in this document contain forecasts based on assumptions, prospects, as well as plans for future events as of the date of publication of this document.

Actual results may differ significantly from these forecasts due to a wide range of factors.

# Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Million yen)

	FY 2021 (As of March 31, 2022)	FY 2022 (As of March 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	16,605	21,947
Notes and accounts receivable - trade	44,346	56,543
Inventories	45,485	56,483
Other	2,452	797
Total current assets	108,888	135,771
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,729	12,500
Machinery, equipment and vehicles, net	19,015	19,315
Land	53,099	53,051
Leased assets, net	205	269
Construction in progress	982	1,144
Other, net	1,230	1,284
Total property, plant and equipment	87,262	87,566
Intangible assets		
Goodwill	3,239	2,777
Other	944	1,431
Total intangible assets	4,184	4,208
Investments and other assets		
Investment securities	18,305	20,746
Long-term loans receivable	25	21
Deferred tax assets	1,505	1,715
Retirement benefit asset	2,684	2,736
Other	586	850
Allowance for doubtful accounts	(65)	(64)
Total investments and other assets	23,042	26,005
Total non-current assets	114,488	117,780
Total assets	223,377	253,552

(Million yen)

	FY 2021 (As of March 31, 2022)	FY 2022 (As of March 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	30,026	35,758
Short-term borrowings	41,627	45,102
Current portion of bonds payable	120	120
Lease liabilities	82	96
Income taxes payable	318	3,451
Provision for bonuses	1,564	2,441
Provision for environmental measures	20	—
Other	7,360	9,955
Total current liabilities	81,122	96,926
Non-current liabilities		
Bonds payable	210	90
Long-term borrowings	29,690	30,672
Lease liabilities	136	192
Deferred tax liabilities	26	52
Deferred tax liabilities for land revaluation	6,809	6,809
Provision for retirement benefits for directors (and other officers)	153	213
Retirement benefit liability	5,513	5,551
Other	665	673
Total non-current liabilities	43,205	44,255
Total liabilities	124,327	141,181
<b>Net assets</b>		
Shareholders' equity		
Share capital	34,896	34,896
Capital surplus	12,430	12,430
Retained earnings	48,750	60,527
Treasury shares	(4,716)	(4,718)
Total shareholders' equity	91,360	103,136
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,470	3,829
Deferred gains or losses on hedges	3	(3)
Revaluation reserve for land	4,502	4,502
Foreign currency translation adjustment	36	102
Remeasurements of defined benefit plans	285	392
Total accumulated other comprehensive income	7,297	8,824
Non-controlling interests	390	409
Total net assets	99,049	112,370
<b>Total liabilities and net assets</b>	<b>223,377</b>	<b>253,552</b>

## (2) Consolidated Statements of Income

(Million yen)

	FY 2021 (From April 1, 2021 to March 31, 2022)	FY 2022 (From April 1, 2022 to March 31, 2023)
Net sales	204,201	235,387
Cost of sales	186,751	200,787
Gross profit	17,450	34,599
Selling, general and administrative expenses	20,147	20,692
Operating profit (loss)	(2,697)	13,907
Non-operating income		
Interest income	1	4
Dividend income	356	361
Rental income	696	683
Share of profit of entities accounted for using equity method	719	1,306
Other	279	281
Total non-operating income	2,053	2,637
Non-operating expenses		
Interest expenses	346	415
Rental expenses on non-current assets	104	102
Other	157	159
Total non-operating expenses	608	677
Ordinary profit (loss)	(1,252)	15,867
Extraordinary income		
Gain on sale of non-current assets	187	—
Gain on sale of investment securities	10	67
Total extraordinary income	197	67
Extraordinary losses		
Loss on sale of non-current assets	—	69
Loss on retirement of non-current assets	530	537
Loss on sale of investment securities	135	64
Total extraordinary losses	665	671
Profit (loss) before income taxes	(1,721)	15,263
Income taxes - current	337	3,504
Income taxes - deferred	(995)	(779)
Total income taxes	(657)	2,724
Profit (loss)	(1,063)	12,538
Profit attributable to non-controlling interests	49	29
Profit (loss) attributable to owners of parent	(1,112)	12,508