

* NOTE

(1) Changes in the State of Material Subsidiaries during the Period: None

Newly included: – (Name) Excluded: – (Name)

(2) Changes in Accounting Principles, Changes in Accounting Estimates, and Retrospective Restatements

(a) Changes in accounting principles accompanying the amendment of accounting standards: None

(b) Changes other than those in (a) above: None

(c) Changes in accounting estimates: None

(d) Retrospective restatements: None

(3) Number of Shares Issued (Common shares)

(a) Number of shares issued at the end of the period (including treasury shares)

Fiscal 2020 24,077,510 shares Fiscal 2019 24,077,510 shares

(b) Number of treasury shares at the end of the period

Fiscal 2020 781,625 shares Fiscal 2019 583,315 shares

(c) Average number of shares issued during the period

Fiscal 2020 23,434,264 shares Fiscal 2019 23,494,830 shares

(For reference) Non-Consolidated Results

Non-Consolidated Operating Results and Financial Position of the Fiscal 2020 (April 1, 2020 - March 31, 2021)

(1) Non-Consolidated Operating Results (Percentage figures are changes from the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal 2020	124,313	(11.6)	(4,270)	–	(1,672)	–	(402)	–
Fiscal 2019	140,646	(6.7)	(1,241)	–	369	(93.4)	(5,580)	–

	Profit per share	Profit per share after full dilution
	Yen	Yen
Fiscal 2020	(17.16)	–
Fiscal 2019	(237.50)	–

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal 2020	202,575	71,613	35.4	3,073.60
Fiscal 2019	196,671	68,464	34.8	2,913.68

(For reference) Shareholders' equity: Fiscal 2020 ¥71,613 million Fiscal 2019 ¥68,464 million

2. Non-Consolidated Financial Forecasts for Fiscal 2021 (April 1, 2021 - March 31, 2022)

(Percentage figures are changes from the same period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	161,000	29.5	200	–	1,700	–	1,200	–	51.50

* These Consolidated Basic Results are not included in the scope of audits by certified public accountants or audit corporations.

* Explanation of the Appropriate Use of Performance Forecasts and Other Related Items

(Caution concerning future descriptions etc.)

All future descriptions in this disclosure has been compiled based on information currently available. For assumed conditions underlying the earnings forecast, please refer to "1. Overview of Operating Results" on page 2. These descriptions may differ from actual results and effects on earnings is not limited to this.

(Obtaining supplementary documents of financial results)

Supplementary documents will be posted on the Company's website.

Index of Attached Documents

1. Overview of Operating Results	2
(1) Overview of Operating Results for the Fiscal Year under Review	2
(2) Overview of Financial Position for the Fiscal Year under Review	4
(3) Future Outlook.....	5
(4) Basic Profit Allocation Policy, and Dividends for the Current and New Fiscal Year	5
2. Basic Policy for the Selection of Accounting Standards	5
3. Consolidated Financial Statements and Important Notes	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	8
Consolidated Statements of Income.....	8
Consolidated Statements of Comprehensive Income	9
(3) Consolidated Statements of Changes in Net Assets	10
(4) Consolidated Cash Flow Statements	12
(5) Notes Regarding the Consolidated Financial Statements.....	14
(Note related to going-concern assumption)	14
(Segment information).....	14
(Information per share)	17
(Important events after the reporting period)	17
(Additional Information)	17

Note: This document has been translated from the original Japanese version for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese version, the original shall prevail.
The original disclosure in Japanese was released on May 11, 2021 at 13:30 (GMT+9).
The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

1. Overview of Operating Results

(1) Overview of Operating Results for the Fiscal Year under Review

Operating Results for the Consolidated Fiscal Year under Review

During the consolidated fiscal year under review, the global economy suffered a severe downturn caused by restrictions on economic and other activities imposed in countries around the world in response to the COVID-19 pandemic. Although there were signs of recovery in the second half of the fiscal year, the United States, Europe, Southeast Asia, and other regions did not see a recovery to the level before the pandemic and continued to face difficult conditions. The Japanese economy saw improvements in exports and industrial production, mainly reflecting a restart of domestic and overseas economic activities and the effects of various policies. The economy, however, did not achieve a full-scale recovery from the downturn due to COVID-19 and was sluggish overall.

Under these circumstances, the Group took preventive measures against COVID-19 and focused on ensuring a stable supply to customers. The Group has established a company-wide management reform committee and has been implementing emergency measures to bolster its earnings strength. They include modification of its production systems to promptly respond to a sharp decrease in demand and reduction of fixed costs primarily through reductions in the amount of compensation and salaries, as well as receiving employment adjustment subsidy for suspension of operations. In addition, the Group has implemented the development, sale, etc. of its original products in the Steel Business and worked to optimize its production system in the Automotive & Industrial Machinery Components Business, in accordance with the medium-term business plan, the Growth & Change 2021. Also, efforts have also been made to strengthen the sustainable ESG management base. For example, the Company was selected as one of the 2021 Certified Health & Productivity Management Outstanding Organizations as a result of initiatives to improve employees' health and vitality.

The financial results for the fiscal year under review include consolidated net sales of ¥225,121 million (down 14.5% year on year), an operating loss of ¥2,943 million (compared to operating profit of ¥2,851 million in the previous fiscal year), and an ordinary loss of ¥575 million yen (compared to ordinary profit of ¥3,597 million in the previous fiscal year). This partly reflects a significant decline in demand in the Automotive & Industrial Machinery Components Business and a surge in the price of steel scrap in the second half, which occurred in the tough business environment. Profit attributable to owners of parent was ¥578 million (compared to loss attributable to owners of parent of ¥4,497 million in the previous fiscal year) due in part to the posting of a gain on sales of investment securities.

Performance by Segment

(Steel Business)

In the steel industry, demand for steel materials of manufacturing companies fell substantially and the production of crude steel dropped sharply. However, signs of recovery were seen in the second half of the fiscal year. The electric furnace industry continued to face a challenging situation as the price of steel scrap, the main raw material of steel, rose sharply in the second half of the fiscal year, reflecting a sharp increase in demand for steel in China, which had recovered from the COVID-19 pandemic.

Given these circumstances, the Group focused on exports and sales to the construction industry. As a result, the sales amount rose year on year and the Group's net sales increased to ¥75,657 million (up 3.1% year on year). Although the Group implemented cost reductions through emergency measures to raise earnings, operating profit fell to ¥1,293 million (down 68.8% year on year) because improvement in selling prices did not catch up with the steep rise in steel scrap prices.

(Automotive & Industrial Machinery Components Business)

In the automotive industry, production decreased worldwide primarily due to sluggish demand and the suspension of factory operations in Japan and overseas in the first half of the fiscal year, although there were signs of recovery in the second half. The construction machinery industry was on a recovery trend as economic activity resumed in China and other regions, and the production of hydraulic shovels remained strong. On the other hand, mining machinery recovered towards the end of the fiscal year but not sufficiently to make up for the poor performance in the first half of the fiscal year.

Given these conditions, the Group cut costs through emergency measures to raise earnings and considered structural reform plans for achieving greater profitability of its businesses that will enable sustainable growth. However, due to a significant fall in sales volume in the first half of the fiscal year, net sales decreased to ¥136,113 million (down 21.8% year on year), and the operating loss stood at ¥221 million (compared to operating profit of ¥1,657 million in the previous fiscal year).

(Power Business)

A challenging business environment continued in the power business due to suppression of coal fueled power generation backed by global warming issues and intensifying price competition. Given these circumstances, the Group worked on the stable supply of electricity in line with its business plan. However, net sales stood at ¥7,583 million (down 18.7% year on year) and operating profit fell to ¥165 million (down 80.6% year on year).

(Others)

The Group operated civil engineering and construction business, real estate leasing including Topy-rec Plaza (Minami-suna, Koto-ku, Tokyo) and a sports club, OSSO, and manufactured and sold synthetic mica and crawler robots. Net sales came to ¥5,767 million (down 12.1% year on year) and the operating loss was ¥185 million (compared to operating profit of ¥893 million in the previous fiscal year) due to a fall in sales from sports club operations and sales of mica in cosmetics, which were caused by COVID-19.

(2) Overview of Financial Position for the Fiscal Year under Review

Asset, liabilities and net assets

Total assets at the end of the consolidated fiscal year under review increased by ¥10,012 million from the end of the previous consolidated fiscal year, to ¥264,672 million. This was mainly due to increases of ¥6,345 million and ¥4,482 million in notes and accounts receivable - trade and investment securities, respectively.

Liabilities were ¥156,286 million, an increase of ¥5,428 million compared with the end of the previous consolidated fiscal year. This was mainly due to an increase of ¥8,486 million in short-term borrowings and a decrease of ¥3,693 million in long-term borrowings.

Net assets were ¥108,385 million, an increase of ¥4,584 million from the end of the previous consolidated fiscal year. Major factors included an increase in valuation difference on available-for-sale securities of ¥4,002 million. As a result, net assets per share stood at ¥4,611.46 and the net worth ratio was 40.6%.

Cash flows

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the consolidated fiscal year under review stood at ¥23,319 million. This was due to the allocation of increased funds from operating and financing activities mainly to the purchase of property, plant and equipment in investment activities.

(Cash flows from operating activities)

Funds achieved by operating activities were ¥5,730 million, a decrease of ¥10,475 million from the previous consolidated fiscal year. This mainly reflected depreciation of ¥12,515 million and an increase in trade receivables of ¥6,498 million.

(Cash flows from investment activities)

Funds used in investment activities stood at ¥8,931, a decrease of ¥7,117 million from the previous consolidated fiscal year. This mainly reflected the purchase of property, plant and equipment of ¥11,495 million and gain on sales of investment securities of ¥2,725 million.

(Cash flows from financing activities)

Funds achieved by financing activities were ¥3,668 million (¥6,461 million was used in the previous consolidated fiscal year). This mainly reflected a net increase in borrowings of ¥4,833 million.

(Reference) Cash flow-related indicators

	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
Equity ratio (%)	46.6	43.9	39.2	40.3	40.6
Equity ratio based on market value (%)	31.1	29.3	18.3	12.7	12.3
The ratio of interest-bearing debt to operating cash flow (years)	5.5	5.7	6.8	4.7	14.1
Interest coverage ratio (times)	12.0	17.3	16.0	25.9	11.1

Equity ratio: Shareholders' equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

The ratio of interest-bearing debt to operating cash flow: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest payments

(Note 1) All amounts are on a consolidated basis.

(Note 2) Total market value for shares is calculated on the basis of the number of outstanding shares, excluding treasury shares.

(Note 3) Cash flows are cash flows from operating activities.

(Note 4) Interest-bearing debt is all the debt with interest on the consolidated balance sheet.

(3) Future Outlook

While the global economy is expected to begin to improve significantly from the downturn in economic activities, the Group's operating environment is likely to remain uncertain due to concerns including the impact of the U.S.-China conflict and the semiconductor shortage on automotive production and the globally tight supply of marine container transportation services, in addition to restrictions and voluntary restraints on social and economic activities reflecting the resurgence of COVID-19 infections.

In this environment, the Group will work to form selling prices that are appropriate for costs, including raw material and transportation costs. The Group will also tackle structural reforms through further cost improvement, optimization of the Group's production systems, and other initiatives, enhancement of strategic products, and other measures, aiming to increase earning power and make other achievements in accordance with the medium-term business plan, the Growth & Change 2021.

The consolidated forecasts for fiscal 2021 include consolidated net sales of ¥235,000 million, operating profit of ¥3,500 million, ordinary profit of ¥4,000 million, and profit attributable to owners of parent of ¥3,000 million.

(4) Basic Profit Allocation Policy, and Dividends for the Current and New Fiscal Year

The Company's basic policy for profit distribution is to return profits to its shareholders based on the consolidated business results, while at the same time increasing retained earnings for the development of future business and the strengthening of corporate structure. The Company will allocate retained earnings to investment in new business and the development of new technologies and products that will contribute to long-term, stable business development, thereby enabling it to strengthen its corporate structure and global competitiveness. In terms of the index of profit return based on consolidated business earnings, it will aim for an approximate range of 30% to 35%, a consolidated payout ratio that will be determined after carefully studying the possibility of continuing to pay dividends consistently.

The Company plans to pay ¥20 per share as the year-end dividend for the fiscal year under review. Because the Company was unable to pay the interim dividend, the annual dividend for the fiscal year under review will be ¥20 per share.

The Company plans to pay the annual dividend of ¥40 for the next fiscal year.

2. Basic Policy for the Selection of Accounting Standards

The Group adopts the Japanese accounting standards, taking into account the possibility of comparing terms of consolidated financial statements and performances between the companies.

It will work to adopt the International Financial Reporting Standards as appropriate, considering the situation in both Japan and other countries.

3. Consolidated Financial Statements and Important Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	23,811	24,477
Notes and accounts receivable - trade	44,764	51,109
Merchandise and finished goods	20,708	20,926
Work in process	5,529	4,902
Raw materials and supplies	14,018	14,574
Other	6,271	6,427
Allowance for doubtful accounts	(28)	(58)
Total current assets	115,074	122,360
Non-current assets		
Property, plant and equipment		
Buildings and structures	92,392	93,281
Accumulated depreciation	(62,551)	(64,517)
Buildings and structures, net	29,841	28,763
Machinery, equipment and vehicles	209,235	213,046
Accumulated depreciation	(162,259)	(168,097)
Machinery, equipment and vehicles, net	46,976	44,949
Land	15,256	15,279
Leased assets	5,141	2,584
Accumulated depreciation	(3,625)	(1,461)
Leased assets, net	1,515	1,122
Construction in progress	4,778	6,051
Other	43,460	44,073
Accumulated depreciation	(41,383)	(42,148)
Other, net	2,076	1,924
Total property, plant and equipment	100,445	98,091
Intangible assets		
Other	4,637	3,890
Total intangible assets	4,637	3,890
Investments and other assets		
Investment securities	24,774	29,257
Long-term loans receivable	479	206
Deferred tax assets	1,360	1,634
Retirement benefit asset	295	386
Other	7,642	8,892
Allowance for doubtful accounts	(50)	(47)
Total investments and other assets	34,500	40,329
Total non-current assets	139,584	142,311
Total assets	254,659	264,672

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,562	27,009
Electronically recorded obligations - operating	12,687	13,215
Short-term borrowings	15,495	23,982
Current portion of bonds payable	5,500	5,300
Lease obligations	433	232
Income taxes payable	502	923
Other	14,872	13,539
Total current liabilities	74,053	84,201
Non-current liabilities		
Bonds payable	27,300	27,000
Long-term borrowings	28,486	24,793
Lease obligations	572	367
Deferred tax liabilities	4,649	5,736
Provision for corporate officers' retirement benefits	175	211
Provision for share awards for directors (and other officers)	39	36
Provision for retirement benefits for directors (and other officers)	46	60
Reserve for repairs	290	398
Retirement benefit liability	12,285	10,782
Asset retirement obligations	355	358
Other	2,602	2,339
Total non-current liabilities	76,805	72,084
Total liabilities	150,858	156,286
Net assets		
Shareholders' equity		
Share capital	20,983	20,983
Capital surplus	18,606	18,606
Retained earnings	61,444	62,023
Treasury shares	(1,711)	(1,943)
Total shareholders' equity	99,323	99,669
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,440	9,443
Deferred gains or losses on hedges	(5)	12
Foreign currency translation adjustment	(1,401)	(2,266)
Remeasurements of defined benefit plans	(625)	568
Total accumulated other comprehensive income	3,409	7,758
Non-controlling interests	1,068	957
Total net assets	103,800	108,385
Total liabilities and net assets	254,659	264,672

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	263,305	225,121
Cost of sales	227,245	198,318
Gross profit	36,059	26,803
Selling, general and administrative expenses	33,208	29,746
Operating profit (loss)	2,851	(2,943)
Non-operating income		
Interest income	93	135
Dividend income	695	659
Share of profit of entities accounted for using equity method	1,727	1,315
Subsidies for employment adjustment	—	562
Other	448	739
Total non-operating income	2,964	3,413
Non-operating expenses		
Interest expenses	609	520
Foreign exchange losses	422	—
Insurance expenses	116	117
Other	1,070	408
Total non-operating expenses	2,218	1,045
Ordinary profit (loss)	3,597	(575)
Extraordinary income		
Gain on sale of non-current assets	453	57
Gain on sale of investment securities	17	1,594
Total extraordinary income	471	1,651
Extraordinary losses		
Loss on sale of non-current assets	50	4
Loss on retirement of non-current assets	256	215
Loss on valuation of investment securities	1,860	—
Other	159	—
Total extraordinary losses	2,327	220
Profit before income taxes	1,741	856
Income taxes - current	1,475	1,396
Income taxes - deferred	4,706	(1,127)
Total income taxes	6,181	268
Profit (loss)	(4,440)	587
Profit (loss) attributable to non-controlling interests	56	8
Profit (loss) attributable to owners of parent	(4,497)	578

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit (loss)	(4,440)	587
Other comprehensive income		
Valuation difference on available-for-sale securities	(785)	3,972
Deferred gains or losses on hedges	0	17
Foreign currency translation adjustment	(227)	(986)
Remeasurements of defined benefit plans, net of tax	(261)	1,196
Share of other comprehensive income of entities accounted for using equity method	(183)	97
Total other comprehensive income	(1,457)	4,297
Comprehensive income	(5,898)	4,885
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(5,978)	4,928
Comprehensive income attributable to non- controlling interests	80	(42)

(3) Consolidated Statements of Changes in Net Assets

Previous consolidated fiscal year (April 1, 2019 - March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,983	18,606	68,532	(1,708)	106,413
Changes during period					
Dividends of surplus			(2,590)		(2,590)
Profit (loss) attributable to owners of parent			(4,497)		(4,497)
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		(0)		0	0
Net changes in items other than shareholders' equity					
Total changes during period	—	(0)	(7,088)	(2)	(7,090)
Balance at end of period	20,983	18,606	61,444	(1,711)	99,323

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,284	(5)	(1,023)	(365)	4,890	1,057	112,362
Changes during period							
Dividends of surplus							(2,590)
Profit (loss) attributable to owners of parent							(4,497)
Purchase of treasury shares							(3)
Disposal of treasury shares							0
Net changes in items other than shareholders' equity	(843)	0	(377)	(260)	(1,481)	10	(1,470)
Total changes during period	(843)	0	(377)	(260)	(1,481)	10	(8,561)
Balance at end of period	5,440	(5)	(1,401)	(625)	3,409	1,068	103,800

Consolidated fiscal year under review (April 1, 2020 - March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,983	18,606	61,444	(1,711)	99,323
Changes during period					
Dividends of surplus					
Profit (loss) attributable to owners of parent			578		578
Purchase of treasury shares				(240)	(240)
Disposal of treasury shares				8	8
Net changes in items other than shareholders' equity					
Total changes during period	—	—	578	(232)	346
Balance at end of period	20,983	18,606	62,023	(1,943)	99,669

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,440	(5)	(1,401)	(625)	3,409	1,068	103,800
Changes during period							
Dividends of surplus							
Profit (loss) attributable to owners of parent							578
Purchase of treasury shares							(240)
Disposal of treasury shares							8
Net changes in items other than shareholders' equity	4,002	17	(865)	1,194	4,349	(111)	4,238
Total changes during period	4,002	17	(865)	1,194	4,349	(111)	4,584
Balance at end of period	9,443	12	(2,266)	568	7,758	957	108,385

(4) Consolidated Cash Flow Statements

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	1,741	856
Depreciation	12,332	12,515
Amortization of goodwill	124	124
Increase (decrease) in allowance for doubtful accounts	(44)	26
Increase (decrease) in provision for corporate officers' retirement benefits	13	36
Increase (decrease) in provision for scheduled repairs	(81)	107
Increase (decrease) in retirement benefit liability	(361)	(53)
Interest and dividend income	(788)	(795)
Interest expenses	609	520
Share of loss (profit) of entities accounted for using equity method	(1,727)	(1,315)
Loss (gain) on sale of short-term and long-term investment securities	(16)	(1,594)
Loss (gain) on valuation of short-term and long-term investment securities	1,860	—
Gain(loss) on sales and disposal of property, plant and equipment, net	(146)	162
Decrease (increase) in trade receivables	14,938	(6,498)
Decrease (increase) in inventories	4,499	(482)
Increase (decrease) in trade payables	(14,795)	3,051
Other, net	1,633	(695)
Subtotal	19,790	5,965
Interest and dividends received	825	904
Interest paid	(626)	(514)
Income taxes paid	(3,784)	(625)
Net cash provided by (used in) operating activities	16,206	5,730
Cash flows from investing activities		
Net decrease (increase) in time deposits	(627)	(413)
Purchase of property, plant and equipment	(16,334)	(11,495)
Proceeds from sale of property, plant and equipment	1,208	117
Purchase of investment securities	(33)	(15)
Proceeds from sale of investment securities	82	2,725
Loan advances	(29)	(14)
Proceeds from collection of loans receivable	26	297
Purchase of intangible assets	(330)	(137)
Other, net	(11)	4
Net cash provided by (used in) investing activities	(16,048)	(8,931)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(6,543)	7,173
Proceeds from long-term borrowings	2,800	4,585
Repayments of long-term borrowings	(4,128)	(6,925)
Proceeds from issuance of bonds	9,929	4,964
Redemption of bonds	(5,000)	(5,500)
Increase (decrease) in deposit payable in cash	0	180
Repayments of lease obligations	(858)	(493)
Purchase of treasury shares	(3)	(240)
Proceeds from disposal of treasury shares	0	—
Dividends paid	(2,587)	(7)
Dividends paid to non-controlling interests	(69)	(68)
Net cash provided by (used in) financing activities	(6,461)	3,668
Effect of exchange rate change on cash and cash equivalents	(181)	(223)
Net increase (decrease) in cash and cash equivalents	(6,485)	243
Cash and cash equivalents at beginning of period	29,560	23,075
Cash and cash equivalents at end of period	23,075	23,319

(5) Notes Regarding the Consolidated Financial Statements

(Note Related to Going-Concern Assumption)

None

(Segment information, etc.)

1. Summary of the reportable segments

The reportable segments of the Company are units constituting the Company that are to be regularly examined by the Board of Directors to determine the allocation of management resources and evaluate the business results, as their financial information is available separately from that of others.

The Company has business divisions by product and service, and each business division develops a comprehensive domestic and overseas strategy for the products and services it offers in conducting its business activities.

Accordingly, the Company consists of segments by product and service based on the business divisions. There are three reportable segments: the Steel Business, the Automotive & Industrial Machinery Components Business and the Power Business.

The Steel Business produces general section steel, deformed section steel, deformed bar steel and other steel products. The Automotive & Industrial Machinery Component Business produces various wheels for automobiles, industrial vehicles and construction machinery, pressing products, components for construction machinery, industrial fasteners, etc. The Power Business engages in the wholesale of electricity.

2. Method of calculating amounts of net sales, profits or losses, assets and other items by reportable segment

The accounting method for the business segments reported is the same as that stated in “Important basic matters for preparation of the consolidated financial statements.” In addition, the profits of the reportable segments show operating profits. The internal revenue and transfer between segments are based on the actual market price.

3. Information regarding amounts of net sales, profits or losses, assets and other items by reportable segment
Previous consolidated fiscal year (from April 1, 2019 to March 31, 2020)

(Million yen)

	Reportable segment				Others (Note) 1	Total	Amount of adjustment (Note) 2	Amount recorded in the consolidated financial statements (Note) 3
	Steel	Automotive & Industrial Machinery Components	Power	Total				
Net sales								
Net sales to outside customers	73,404	174,015	9,326	256,746	6,558	263,305	—	263,305
Internal sales or transfer between segments	16,773	—	—	16,773	—	16,773	(16,773)	—
Total	90,177	174,015	9,326	273,519	6,558	280,078	(16,773)	263,305
Profits of segment	4,142	1,657	852	6,652	893	7,545	(4,693)	2,851
Assets of segment	87,510	123,854	5,148	216,513	17,304	233,818	20,841	254,659
Other items								
Depreciation	4,933	5,955	450	11,339	385	11,725	607	12,332
Increase in property, plant and equipment and intangible assets	4,987	7,844	47	12,879	81	12,961	436	13,397

(Notes) 1. The category “Others” includes the business segments not included in the reportable segments such as synthetic mica, crawler robots, indoor and outdoor sign systems, civil engineering and construction, the leasing of real estate and the operation of the sports club.

2. The details of the adjustment are as explained below.

(1) Profits of segment in an amount of a loss of ¥4,693 million are common corporate expenses, etc. not allocated to the respective reportable segments. The common corporate expenses are mainly the expenses related to the administrative divisions of the Company that are not attributable to the reportable segments.

(2) Assets of segment in an amount of ¥20,841 million include the corporate assets of ¥24,492 million not allocated to the respective reportable segments and the elimination of intra-company transactions between segments in an amount of ¥3,651 million. The corporate assets are mainly the assets related to the administrative divisions of the Company that are not attributable to the reportable segments.

(3) Of the Other items, depreciation of ¥607 million mainly relates to the equipment of the administrative divisions of the Company. In addition, an increase in property, plant and equipment and intangible assets in an amount of ¥436 million is mainly capital spending of the administrative divisions of the Company.

3. Profit of segment is adjusted with operating profit recorded under the consolidated financial statements.

Consolidated fiscal year under review (from April 1, 2020 to March 31, 2021)

(Million yen)

	Reportable segment				Others (Note) 1	Total	Amount of adjustment (Note) 2	Amount recorded in the consolidated financial statements (Note) 3
	Steel	Automotive & Industrial Machinery Components	Power	Total				
Net sales								
Net sales to outside customers	75,657	136,113	7,583	219,354	5,767	225,121	—	225,121
Internal sales or transfer between segments	14,384	—	—	14,384	—	14,384	(14,384)	—
Total	90,041	136,113	7,583	233,738	5,767	239,505	(14,384)	225,121
Profits (losses) of segment	1,293	(221)	165	1,236	(185)	1,051	(3,994)	(2,943)
Assets of segment	92,843	127,905	5,155	225,904	15,490	241,394	23,277	264,672
Other items								
Depreciation	4,883	5,999	516	11,400	417	11,817	698	12,515
Increase in property, plant and equipment and intangible assets	3,334	5,685	568	9,587	390	9,978	393	10,371

(Notes) 1. The category “Others” includes the business segments not included in the reportable segments such as synthetic mica, crawler robots, indoor and outdoor sign systems, civil engineering and construction, the leasing of real estate and the operation of the sports club.

2. The details of the adjustment are as explained below.

- (1) Profits of segment in an amount of a loss of ¥3,994 million are common corporate expenses, etc. not allocated to the respective reportable segments. The common corporate expenses are mainly the expenses related to the administrative divisions of the Company that are not attributable to the reportable segments.
- (2) Assets of segment in an amount of ¥23,277 million include the corporate assets of ¥27,624 million not allocated to the respective reportable segments and the elimination of intra-company transactions between segments in an amount of -¥4,346 million. The corporate assets are mainly the assets related to the administrative divisions of the Company that are not attributable to the reportable segments.
- (3) Of the Other items, depreciation of ¥698 million mainly relates to the equipment of the administrative divisions of the Company. In addition, an increase in property, plant and equipment and intangible assets in an amount of ¥393 million is mainly capital spending of the administrative divisions of the Company.

3. Profit (loss) of segment is adjusted with operating profit recorded under the consolidated financial statements.

(Information per share)

	Previous consolidated fiscal year (from April 1, 2019 to March 31, 2020)	Consolidated fiscal year under review (from April 1, 2020 to March 31, 2021)
Net assets per share	4,372.66 yen	4,611.46 yen
Profit (loss) per share	(191.42 yen)	24.70 yen

(Notes) 1. Profit per share after full dilution is not stated because there are no dilutive shares.

2. In the calculation of net assets per share, the shares of the Company that are held by the trust related to the stock compensation plan for directors, etc. are included in the treasury shares that are deducted from the total number of shares issued and outstanding at the end of the fiscal year (52 thousand shares for the previous consolidated fiscal year and 48 thousand shares for the consolidated fiscal year under review).

In addition, also in the calculation of profit (loss) per share, the said shares above are included in the treasury shares that are deducted in the calculation of the average number of shares during the fiscal year (52 thousand shares for the previous consolidated fiscal year and 50 thousand shares for the consolidated fiscal year under review).

3. The bases for the calculation of profit (loss) per share are as shown below.

	Previous consolidated fiscal year (from April 1, 2019 to March 31, 2020)	Consolidated fiscal year under review (from April 1, 2020 to March 31, 2021)
Profit (loss) attributable to owners of parent (million yen)	(4,497)	578
Amount not attributable to common shareholders (million yen)	—	—
Profit (loss) attributable to owners of parent in relation to common shares (million yen)	(4,497)	578
Average number of shares during the fiscal year (thousand shares)	23,494	23,434

(Important events after the reporting period)

None

(Additional information)

(Effects of COVID-19)

The effect of COVID-19 to the economy and corporate activities is extensive, and it is challenging to predict the future spread or the time of containment. Based on external information available at the end of this consolidated fiscal year, the Group is performing accounting estimations such as the collectability of deferred tax assets under the assumption that the effects of COVID-19 will continue for a period of time from the next consolidated fiscal year onward, although a gradual recovery is expected.