

Flash Report Consolidated Basis
Results for the Third Quarter of Fiscal 2020
(April 1, 2020-December 31, 2020)
< under Japanese GAAP >

January 28, 2021

Company name: OSAKA STEEL CO., LTD.
Stock listing: Tokyo, 1st section
Code number: 5449
URL: <https://www.osaka-seitetsu.co.jp>
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(Figures of less than ¥1 million have been omitted.)

1. Consolidated Financial and Operating Results for the Third quarter of Fiscal 2020
(April 1, 2020- December 31, 2020)

(1) Consolidated Operating Results

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Third quarter of Fiscal 2020	55,876	(20.4)	1,299	(79.1)	886	(84.9)	403	(89.4)
Third quarter of Fiscal 2019	70,222	(0.8)	6,209	18.6	5,884	20.8	3,815	42.9

(Reference) Comprehensive income: Third quarter of Fiscal 2020 ¥62 million (98.1) %
Third quarter of Fiscal 2019 ¥3,292 million 48.0 %

	Earnings per share	Earnings per share after full dilution
	Yen	Yen
Third quarter of Fiscal 2020	10.38	—
Third quarter of Fiscal 2019	98.02	—

(2) Consolidated Financial Results

	Total assets	Net assets	Ratio of shareholders' equity to total assets
	Millions of yen	Millions of yen	%
Third quarter of Fiscal 2020	201,614	147,658	72.2
Fiscal 2019	200,794	148,394	72.9

(Reference) Shareholders' equity: Third quarter of Fiscal 2020 ¥145,490 million
Fiscal 2019 ¥146,437 million

2. Dividends

	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2019	—	12.50	—	20.00	32.50
Fiscal 2020	—	0.00	—		
Fiscal 2020(Forecasts)				—	—

(Note) Whether the dividend forecasts under review have been revised : No
The dividend forecasts of end of fiscal year for fiscal 2020 are not decided.

3. Consolidated Financial Forecasts for Fiscal 2020(April 1, 2020-March 31, 2021)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2020	75,000	(18.1)	300	(96.0)	0	(100.0)	0	(100.0)	0.00

(Note) Whether the consolidated financial forecasts for fiscal 2020 under review have been revised : Yes
Forecasts of future performance in this report are based on information available at the date of publication for this document and certain assumptions regarding factors that may influence future results at the date of publication. Actual results may vary significantly from these forecasts due to a wide range of factors.

1. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

Millions of yen

	March 31, 2020	December 31, 2020
Assets		
Current assets		
Cash and deposits	4,487	6,882
Notes and accounts receivable - trade	19,390	18,643
Finished goods	11,049	10,919
Work in process	268	346
Raw materials and supplies	6,265	5,678
Accounts receivable - other	6,755	9,436
Short-term loans receivable from subsidiaries and associates	10,000	10,000
Deposits paid	69,945	63,634
Other	174	131
Total current assets	<u>128,335</u>	<u>125,673</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,736	8,749
Machinery, equipment and vehicles, net	21,428	21,981
Tools, furniture and fixtures, net	1,774	2,027
Land	35,540	35,421
Construction in progress	3,794	5,891
Total property, plant and equipment	<u>70,273</u>	<u>74,071</u>
Intangible assets		
Other	99	53
Total intangible assets	<u>99</u>	<u>53</u>
Investments and other assets		
Investment securities	864	831
Long-term loans receivable	1	0
Retirement benefit asset	80	75
Deferred tax assets	284	226
Other	856	680
Total investments and other assets	<u>2,086</u>	<u>1,815</u>
Total non-current assets	<u>72,459</u>	<u>75,941</u>
Total assets	<u>200,794</u>	<u>201,614</u>

Millions of yen

	March 31, 2020	December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,421	13,313
Short-term borrowings	14,790	15,426
Current portion of long-term borrowings	3,149	3,041
Accounts payable - other	5,263	7,084
Income taxes payable	1,740	119
Provision for repairs	640	412
Other	2,182	1,508
Total current liabilities	<u>39,189</u>	<u>40,905</u>
Non-current liabilities		
Long-term borrowings	9,449	8,762
Deferred tax liabilities	1,217	1,576
Retirement benefit liability	1,978	2,057
Provision for business restructuring	236	223
Other	329	430
Total non-current liabilities	<u>13,211</u>	<u>13,050</u>
Total liabilities	<u>52,400</u>	<u>53,956</u>
Net assets		
Shareholders' equity		
Share capital	8,769	8,769
Capital surplus	10,904	10,355
Retained earnings	131,218	130,843
Treasury shares	(4,536)	(4,536)
Total shareholders' equity	<u>146,355</u>	<u>145,431</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	300	320
Deferred gains or losses on hedges	24	(91)
Foreign currency translation adjustment	(56)	(24)
Remeasurements of defined benefit plans	(186)	(145)
Total accumulated other comprehensive income	<u>81</u>	<u>58</u>
Non-controlling interests	<u>1,957</u>	<u>2,167</u>
Total net assets	<u>148,394</u>	<u>147,658</u>
Total liabilities and net assets	<u>200,794</u>	<u>201,614</u>

**(2) Quarterly Consolidated Statements of Operations
and Quarterly Consolidated Statements of Comprehensive Income**

Quarterly Consolidated Statements of Operations

Millions of yen

	Third quarter of fiscal 2019	Third quarter of fiscal 2020
Net sales	70,222	55,876
Cost of sales	58,657	49,664
Gross profit	11,564	6,211
Selling, general and administrative expenses		
Transportation costs	2,720	2,447
Salaries and bonuses	880	852
Retirement benefit expenses	38	42
Depreciation	83	79
Other	1,632	1,489
Total selling, general and administrative expenses	5,355	4,911
Operating profit	6,209	1,299
Non-operating income		
Interest income	130	135
Dividend income	38	32
Rental income from non-current assets	310	311
Foreign exchange gains	153	—
Other	108	222
Total non-operating income	741	701
Non-operating expenses		
Interest expenses	544	330
Loss on retirement of non-current assets	251	176
Taxes and dues	58	59
Foreign exchange losses	—	476
Other	211	71
Total non-operating expenses	1,066	1,115
Ordinary profit	5,884	886
Profit before income taxes	5,884	886
Income taxes - current	2,153	379
Income taxes - deferred	210	401
Total income taxes	2,364	780
Profit	3,520	106
Loss attributable to non-controlling interests	(294)	(297)
Profit attributable to owners of parent	3,815	403

Quarterly Consolidated Statements of Comprehensive Income

Millions of yen

	Third quarter of fiscal 2019	Third quarter of fiscal 2020
Profit	3,520	106
Other comprehensive income		
Valuation difference on available-for-sale securities	(46)	19
Deferred gains or losses on hedges	(167)	(144)
Foreign currency translation adjustment	(55)	40
Remeasurements of defined benefit plans, net of tax	42	41
Total other comprehensive income	<u>(227)</u>	<u>(43)</u>
Comprehensive income	<u>3,292</u>	<u>62</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,632	381
Comprehensive income attributable to non-controlling interests	(339)	(318)