

Flash Report Consolidated Basis
Results for the First Quarter of Fiscal 2022
(April 1, 2022-June 30, 2022)
< under Japanese GAAP >

July 28, 2022

Company name: OSAKA STEEL CO., LTD.
Stock listing: Standard Market, Tokyo Stock Exchange
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 First Quarter of Fiscal 2022
(April 1, 2022-June 30, 2022)

(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	%
First quarter of Fiscal 2022	28,018	25.5	1,908	6.6	2,470	51.8	810	(25.1)
First quarter of Fiscal 2021	22,324	10.8	1,790	141.7	1,627	—	1,082	—

(Reference) Comprehensive income: First quarter of Fiscal 2022 ¥ 867 million (33.6)%
First quarter of Fiscal 2021 ¥ 1,306 million — %

	Earnings per share	Earnings per share after full dilution
	Yen	Yen
First quarter of Fiscal 2022	20.82	—
First quarter of Fiscal 2021	27.81	—

(2) Consolidated Financial Results

	Total assets	Net assets	Ratio of shareholders' equity to total assets
	Millions of yen	Millions of yen	%
First quarter of Fiscal 2022	213,080	151,355	69.9
Fiscal 2021	208,294	151,028	71.4

(Reference) Shareholders' equity: First quarter of Fiscal 2022 ¥148,964 million
Fiscal 2021 ¥148,652 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 2021	—	7.00	—	13.50	20.50
Fiscal 2022	—				
Fiscal 2022(Forecasts)		8.00	—	—	—

(Note) Whether the dividend forecasts under review have been revised : Yes

The dividend forecasts of end of fiscal year for fiscal 2022 are not decided.

3. Consolidated Financial Forecasts for Fiscal 2022(April 1, 2022-March 31, 2023)

	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
First half of Fiscal 2022	57,000	20.7	3,500	28.0	4,200	62.6	1,800	3.5	46.25
Fiscal 2022	120,000	14.9	5,200	34.6	6,000	51.6	2,900	13.0	74.51

(Note) Whether the consolidated financial forecasts for fiscal 2022 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, 2022	June 30, 2022
Assets		
Current assets		
Cash and deposits	4,997	7,579
Accounts receivable - trade	22,059	22,041
Electronically recorded monetary claims - operating	1,023	935
Finished goods	17,431	20,886
Work in process	599	517
Raw materials and supplies	7,470	7,832
Accounts receivable - other	8,547	9,558
Short-term loans receivable from subsidiaries and associates	10,000	10,000
Deposits paid	57,399	53,651
Other	642	1,385
Allowance for doubtful accounts	(138)	(150)
Total current assets	<u>130,033</u>	<u>134,239</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,616	8,509
Machinery, equipment and vehicles, net	26,705	26,538
Tools, furniture and fixtures, net	2,199	2,207
Land	36,627	36,860
Construction in progress	2,483	2,714
Total property, plant and equipment	<u>76,632</u>	<u>76,829</u>
Intangible assets		
Other	18	17
Total intangible assets	<u>18</u>	<u>17</u>
Investments and other assets		
Investment securities	563	515
Long-term loans receivable	0	0
Retirement benefit asset	400	483
Deferred tax assets	78	87
Other	567	906
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	<u>1,610</u>	<u>1,993</u>
Total non-current assets	<u>78,261</u>	<u>78,841</u>
Total assets	<u>208,294</u>	<u>213,080</u>

Millions of yen

	March 31, 2022	June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,538	18,267
Short-term borrowings	16,726	22,127
Current portion of long-term borrowings	3,306	3,518
Accounts payable - other	4,406	3,413
Income taxes payable	1,001	549
Provision for repairs	601	586
Other	1,680	1,076
Total current liabilities	<u>47,261</u>	<u>49,539</u>
Non-current liabilities		
Long-term borrowings	6,143	7,570
Deferred tax liabilities	1,495	1,248
Retirement benefit liability	1,771	1,904
Provision for business restructuring	223	1,129
Other	369	332
Total non-current liabilities	<u>10,003</u>	<u>12,185</u>
Total liabilities	<u>57,265</u>	<u>61,724</u>
Net assets		
Shareholders' equity		
Share capital	8,769	8,769
Capital surplus	10,355	10,355
Retained earnings	133,359	133,644
Treasury shares	(4,537)	(4,537)
Total shareholders' equity	<u>147,947</u>	<u>148,232</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	221	188
Deferred gains or losses on hedges	89	(0)
Foreign currency translation adjustment	147	306
Remeasurements of defined benefit plans	246	238
Total accumulated other comprehensive income	<u>704</u>	<u>732</u>
Non-controlling interests	<u>2,376</u>	<u>2,391</u>
Total net assets	<u>151,028</u>	<u>151,355</u>
Total liabilities and net assets	<u>208,294</u>	<u>213,080</u>

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

Quarterly Consolidated Statements of Operations

Millions of yen

	First quarter of fiscal 2021	First quarter of fiscal 2022
Net sales	22,324	28,018
Cost of sales	18,961	24,558
Gross profit	<u>3,362</u>	<u>3,459</u>
Selling, general and administrative expenses		
Transportation costs	784	729
Salaries and bonuses	279	296
Retirement benefit expenses	8	7
Depreciation	23	16
Other	475	501
Total selling, general and administrative expenses	<u>1,572</u>	<u>1,551</u>
Operating profit	<u>1,790</u>	<u>1,908</u>
Non-operating income		
Interest income	44	41
Dividend income	12	9
Rental income from non-current assets	103	102
Gain on valuation of interest rate swaps	-	515
Other	46	35
Total non-operating income	<u>207</u>	<u>704</u>
Non-operating expenses		
Interest expenses	56	61
Loss on retirement of non-current assets	36	0
Taxes and dues	19	19
Foreign exchange losses	248	45
Other	10	15
Total non-operating expenses	<u>370</u>	<u>142</u>
Ordinary profit	<u>1,627</u>	<u>2,470</u>
Extraordinary losses		
Business restructuring expenses	-	1,383
Total extraordinary losses	<u>-</u>	<u>1,383</u>
Profit before income taxes	<u>1,627</u>	<u>1,087</u>
Income taxes - current	509	517
Income taxes - deferred	13	(247)
Total income taxes	<u>523</u>	<u>270</u>
Profit	<u>1,103</u>	<u>817</u>
Profit attributable to non-controlling interests	21	7
Profit attributable to owners of parent	<u>1,082</u>	<u>810</u>

Quarterly Consolidated Statements of Comprehensive Income

	Millions of yen	
	First quarter of fiscal 2021	First quarter of fiscal 2022
Profit	1,103	817
Other comprehensive income		
Valuation difference on available-for-sale securities	(7)	(33)
Deferred gains or losses on hedges	56	(92)
Foreign currency translation adjustment	160	184
Remeasurements of defined benefit plans, net of tax	(6)	(8)
Total other comprehensive income	<u>203</u>	<u>49</u>
Comprehensive income	<u>1,306</u>	<u>867</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,254	837
Comprehensive income attributable to non-controlling interests	51	30