

Flash Report Consolidated Basis
Results for the Third Quarter of Fiscal 2023
(April 1, 2023- December 31, 2023)
<under Japanese GAAP>

January 30, 2024

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 Third quarter of Fiscal 2023

(April 1, 2023- December 31, 2023)

(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 2023	86,644	1.0	5,123	9.2	4,811	(12.6)	2,556	4.4
Third quarter of Fiscal 2022	85,795	14.1	4,693	34.9	5,503	53.6	2,449	0.5

(Reference) Comprehensive income: Third quarter of Fiscal 2023 ¥ 3,166 million 24.1 %
Third quarter of Fiscal 2022 ¥ 2,551 million (6.0) %

	Earnings per share	Earnings per share after full dilution
	Yen	Yen
Third quarter of Fiscal 2023	65.69	—
Third quarter of Fiscal 2022	62.95	—

(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 2023	222,191	155,295	69.0
Fiscal 2022	213,243	153,103	70.8

(Reference) Shareholders' equity: Third quarter of Fiscal 2023 ¥153,362 million
Fiscal 2022 ¥150,980 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 2022	—	8.00	—	14.50	22.50
Fiscal 2023	—	10.00	—		
Fiscal 2023(Forecasts)				14.00	24.00

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

3. Consolidated Financial Forecasts for Fiscal 2023(April 1, 2023-March 31, 2024)

	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 2023	120,000	2.4	6,700	12.9	6,000	(6.0)	3,100	6.8	79.65

(Note) Whether the consolidated financial forecasts for fiscal 2023 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, 2023	December 31, 2023
Assets		
Current assets		
Cash and deposits	4,870	4,172
Accounts receivable - trade	24,148	27,935
Finished goods	16,906	21,431
Work in process	511	723
Raw materials and supplies	8,305	7,889
Accounts receivable - other	9,595	11,636
Short-term loans receivable from subsidiaries and associates	10,000	10,000
Deposits paid	58,607	56,124
Other	183	1,028
Allowance for doubtful accounts	(132)	(190)
Total current assets	<u>132,995</u>	<u>140,751</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,662	8,826
Machinery, equipment and vehicles, net	26,683	26,884
Tools, furniture and fixtures, net	2,367	2,338
Land	37,185	37,320
Construction in progress	2,565	2,981
Total property, plant and equipment	<u>77,464</u>	<u>78,351</u>
Intangible assets		
Other	16	17
Total intangible assets	<u>16</u>	<u>17</u>
Investments and other assets		
Investment securities	565	631
Retirement benefit asset	625	562
Deferred tax assets	91	84
Other	1,485	1,793
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	<u>2,766</u>	<u>3,070</u>
Total non-current assets	<u>80,247</u>	<u>81,439</u>
Total assets	<u>213,243</u>	<u>222,191</u>

Millions of yen

	March 31, 2023	December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,322	20,905
Short-term borrowings	21,901	31,905
Current portion of long-term borrowings	7,773	2,150
Accounts payable - other	2,891	3,222
Income taxes payable	962	753
Provision for repairs	589	539
Provision for business restructuring	327	751
Other	2,027	1,717
Total current liabilities	55,795	61,946
Non-current liabilities		
Deferred tax liabilities	1,209	1,576
Retirement benefit liability	1,876	1,940
Provision for business restructuring	924	1,123
Other	333	310
Total non-current liabilities	4,343	4,949
Total liabilities	60,139	66,895
Net assets		
Shareholders' equity		
Share capital	8,769	8,769
Capital surplus	10,355	10,355
Retained earnings	135,426	137,029
Treasury shares	(4,537)	(4,538)
Total shareholders' equity	150,013	151,616
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	223	268
Deferred gains or losses on hedges	45	24
Foreign currency translation adjustment	409	1,195
Remeasurements of defined benefit plans	289	257
Total accumulated other comprehensive income	967	1,746
Non-controlling interests	2,122	1,933
Total net assets	153,103	155,295
Total liabilities and net assets	213,243	222,191

**(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 2022	Third quarter of fiscal 2023
Net sales	85,795	86,644
Cost of sales	76,295	76,268
Gross profit	9,500	10,375
Selling, general and administrative expenses		
Transportation costs	2,295	2,545
Salaries and bonuses	912	948
Retirement benefit expenses	21	20
Depreciation	54	54
Other	1,523	1,682
Total selling, general and administrative expenses	4,807	5,251
Operating profit	4,693	5,123
Non-operating income		
Interest income	119	120
Dividend income	19	19
Rental income from non-current assets	308	290
Foreign exchange gains	—	51
Gain on valuation of interest rate swaps	1,126	234
Other	80	61
Total non-operating income	1,654	777
Non-operating expenses		
Interest expenses	297	771
Loss on retirement of non-current assets	95	100
Taxes and dues	68	86
Foreign exchange losses	342	—
Other	40	130
Total non-operating expenses	844	1,089
Ordinary profit	5,503	4,811
Extraordinary losses		
Business restructuring expenses	1,411	458
Loss on sale of non-current assets	—	104
Total extraordinary losses	1,411	562
Profit before income taxes	4,092	4,249
Income taxes - current	2,154	1,493
Income taxes - deferred	(325)	343
Total income taxes	1,828	1,837
Profit	2,263	2,412
Loss attributable to non-controlling interests	(186)	(144)
Profit attributable to owners of parent	2,449	2,556

Quarterly Consolidated Statements of Comprehensive Income

Millions of yen

	Third quarter of fiscal 2022	Third quarter of fiscal 2023
Profit	2,263	2,412
Other comprehensive income		
Valuation difference on available-for-sale securities	(21)	45
Deferred gains or losses on hedges	(47)	(24)
Foreign currency translation adjustment	382	764
Remeasurements of defined benefit plans, net of tax	(26)	(31)
Total other comprehensive income	<u>288</u>	<u>753</u>
Comprehensive income	<u>2,551</u>	<u>3,166</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,691	3,335
Comprehensive income attributable to non-controlling interests	(139)	(169)