

Flash Report Consolidated Basis
Results for Fiscal 2023
(April 1, 2023-March 31, 2024)
<under Japanese GAAP>

April 26, 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 Fiscal 2023

(April 1, 2023-March 31, 2024)

(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	%
Fiscal 2023	117,340	0.2	7,013	18.2	6,304	(1.3)	3,121	7.5
Fiscal 2022	117,141	12.1	5,935	53.6	6,384	61.3	2,903	13.1

(Reference) Comprehensive income Fiscal 2023 ¥ 2,260 million (22.8)%
Fiscal 2022 ¥ 2,926 million (4.5)%

	Earnings per share	Earnings per share after full dilution	Return on equity	Return on assets	Return on sales
	Yen	Yen	%	%	%
Fiscal 2023	80.21	—	2.1	3.0	6.0
Fiscal 2022	74.60	—	1.9	3.0	5.1

(Reference) Equity in profit of unconsolidated subsidiaries and associates: Fiscal 2023 ¥— million
Fiscal 2022 ¥— million

(2) Consolidated Financial Results

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2023	204,884	154,389	74.3	3,910.35
Fiscal 2022	213,243	153,103	70.8	3,879.28

(Reference) Shareholders' equity: Fiscal 2023 ¥152,188 million
Fiscal 2022 ¥150,980 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 at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2023	(1,067)	(2,923)	(16,633)	43,111
Fiscal 2022	5,086	(3,758)	(749)	63,477

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	—	14.50	24.50
Fiscal 2024(Forecasts)	—	15.00	—	19.00	34.00

	Cash dividends	Ratio of cash dividends to net income	Ratio of cash dividends to net assets
	Millions of yen	%	%
Fiscal 2022	875	30.2	0.6
Fiscal 2023	953	30.5	0.6
Fiscal 2024(Forecasts)		30.1	

3. Consolidated Financial Forecasts for Fiscal 2024(April 1, 2024-March 31, 2025)

(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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half of Fiscal 2024	60,000	4.2	3,000	(16.9)	3,000	(15.8)	1,900	(16.6)	48.82
Fiscal 2024	120,000	2.3	6,500	(7.3)	6,500	3.1	4,400	41.0	113.05

(Reference) Summary of Non-Consolidated Financial and Operating Results
Non-Consolidated Financial and Operating Results for Fiscal 2023
(April 1, 2023-March 31, 2024)

(1) Non-Consolidated Operating Results

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2023	91,309	6.7	6,426	(11.0)	7,294	(4.3)	(1,684)	—
Fiscal 2022	85,576	11.5	7,217	210.1	7,624	192.6	9,394	(15.8)
	Earnings per share		Earnings per share after full dilution					
	Yen		Yen					
Fiscal 2023	(43.29)		—					
Fiscal 2022	241.39		—					

(2) Non-Consolidated Financial Results

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2023	182,484	142,319	78.0	3,656.78
Fiscal 2022	189,537	144,879	76.4	3,722.51

(Reference) Shareholders' equity: Fiscal 2023 ¥142,319 million
Fiscal 2022 ¥144,879 million

1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2023	March 31, 2024
Assets		
Current assets		
Cash and deposits	4,870	5,724
Accounts receivable - trade	24,148	28,369
Finished goods	16,906	23,042
Work in process	511	798
Raw materials and supplies	8,305	7,824
Accounts receivable - other	9,595	11,999
Short-term loans receivable from subsidiaries and associates	10,000	—
Deposits paid	58,607	37,387
Other	183	256
Allowance for doubtful accounts	(132)	(181)
Total current assets	<u>132,995</u>	<u>115,222</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,662	8,568
Machinery, equipment and vehicles, net	26,683	25,724
Tools, furniture and fixtures, net	2,367	2,339
Land	37,185	37,075
Construction in progress	2,565	3,026
Total property, plant and equipment	<u>77,464</u>	<u>76,734</u>
Intangible assets		
Other	16	18
Total intangible assets	<u>16</u>	<u>18</u>
Investments and other assets		
Investment securities	565	669
Long-term loans receivable from subsidiaries and associates	—	10,000
Retirement benefit asset	625	719
Deferred tax assets	91	92
Other	1,485	1,428
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	<u>2,766</u>	<u>12,910</u>
Total non-current assets	<u>80,247</u>	<u>89,662</u>
Total assets	<u>213,243</u>	<u>204,884</u>

Millions of yen

	March 31, 2023	March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,322	21,580
Short-term borrowings	21,901	16,665
Current portion of long-term borrowings	7,773	—
Accounts payable - other	2,891	3,819
Income taxes payable	962	1,486
Provision for repairs	589	643
Provision for business restructuring	327	—
Other	2,027	1,293
Total current liabilities	<u>55,795</u>	<u>45,487</u>
Non-current liabilities		
Deferred tax liabilities	1,209	1,607
Retirement benefit liability	1,876	1,932
Provision for business restructuring	924	1,137
Other	333	329
Total non-current liabilities	<u>4,343</u>	<u>5,006</u>
Total liabilities	<u>60,139</u>	<u>50,494</u>
Net assets		
Shareholders' equity		
Share capital	8,769	8,769
Capital surplus	10,355	10,355
Retained earnings	135,426	137,594
Treasury shares	(4,537)	(4,538)
Total shareholders' equity	<u>150,013</u>	<u>152,181</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	223	302
Deferred gains or losses on hedges	45	(33)
Foreign currency translation adjustment	409	(589)
Remeasurements of defined benefit plans	289	328
Total accumulated other comprehensive income	<u>967</u>	<u>7</u>
Non-controlling interests	<u>2,122</u>	<u>2,201</u>
Total net assets	<u>153,103</u>	<u>154,389</u>
Total liabilities and net assets	<u>213,243</u>	<u>204,884</u>

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

	Millions of yen	
	Fiscal 2022	Fiscal 2023
Net sales	117,141	117,340
Cost of sales	104,638	103,253
Gross profit	<u>12,503</u>	<u>14,087</u>
Selling, general and administrative expenses		
Transportation costs	3,145	3,404
Salaries and bonuses	1,229	1,282
Retirement benefit expenses	17	31
Depreciation	73	73
Other	2,102	2,281
Total selling, general and administrative expenses	<u>6,567</u>	<u>7,073</u>
Operating profit	<u>5,935</u>	<u>7,013</u>
Non-operating income		
Interest income	156	176
Dividend income	21	21
Rental income from non-current assets	407	386
Gain on sale of investment securities	2	39
Foreign exchange gains	—	126
Gain on valuation of interest rate swaps	1,019	—
Subsidy income	—	158
Other	129	83
Total non-operating income	<u>1,737</u>	<u>993</u>
Non-operating expenses		
Interest expenses	482	1,065
Loss on retirement of non-current assets	140	180
Taxes and dues	98	115
Foreign exchange losses	465	—
Loss on valuation of interest rate swaps	—	133
Other	101	207
Total non-operating expenses	<u>1,288</u>	<u>1,702</u>
Ordinary profit	<u>6,384</u>	<u>6,304</u>
Extraordinary losses		
Business restructuring expenses	1,357	458
Loss on sale of non-current assets	—	104
Total extraordinary losses	<u>1,357</u>	<u>562</u>
Profit before income taxes	<u>5,027</u>	<u>5,741</u>
Income taxes - current	2,764	2,157
Income taxes - deferred	(350)	353
Total income taxes	<u>2,413</u>	<u>2,511</u>
Profit	<u>2,614</u>	<u>3,229</u>
Profit (loss) attributable to non-controlling interests	<u>(289)</u>	<u>108</u>
Profit attributable to owners of parent	<u>2,903</u>	<u>3,121</u>

Consolidated Statements of Comprehensive Income

Millions of yen

	Fiscal 2022	Fiscal 2023
Profit	2,614	3,229
Other comprehensive income		
Valuation difference on available-for-sale securities	1	79
Deferred gains or losses on hedges	(51)	(84)
Foreign currency translation adjustment	317	(1,002)
Remeasurements of defined benefit plans, net of tax	44	38
Total other comprehensive income	<u>312</u>	<u>(969)</u>
Comprehensive income	<u>2,926</u>	<u>2,260</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,165	2,162
Comprehensive income attributable to non-controlling interests	(239)	98

(3) Consolidated Statements of Changes in Net Assets

Fiscal 2022	Shareholders' equity					Millions of yen
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	8,769	10,355	133,359	(4,537)	147,947	
Changes during period						
Dividends of surplus			(836)		(836)	
Profit attributable to owners of parent			2,903		2,903	
Purchase of treasury shares				(0)	(0)	
Disposal of treasury shares		0		0	0	
Net changes in items other than shareholders' equity						
Total changes during period	—	0	2,066	(0)	2,066	
Balance at end of period	8,769	10,355	135,426	(4,537)	150,013	

	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	221	89	147	246	704	2,376	151,028
Changes during period							
Dividends of surplus							(836)
Profit attributable to owners of parent							2,903
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Net changes in items other than shareholders' equity	1	(44)	261	43	262	(253)	8
Total changes during period	1	(44)	261	43	262	(253)	2,074
Balance at end of period	223	45	409	289	967	2,122	153,103

Fiscal 2023

Millions of yen

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,769	10,355	135,426	(4,537)	150,013
Changes during period					
Dividends of surplus			(953)		(953)
Profit attributable to owners of parent			3,121		3,121
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	2,168	(0)	2,167
Balance at end of period	8,769	10,355	137,594	(4,538)	152,181

	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	223	45	409	289	967	2,122	153,103
Changes during period							
Dividends of surplus							(953)
Profit attributable to owners of parent							3,121
Purchase of treasury shares							(0)
Net changes in items other than shareholders' equity	79	(79)	(998)	38	(959)	78	(881)
Total changes during period	79	(79)	(998)	38	(959)	78	1,286
Balance at end of period	302	(33)	(589)	328	7	2,201	154,389

(4) Consolidated Statements of Cash Flows

Millions of yen

	Fiscal 2022	Fiscal 2023
Cash flows from operating activities		
Profit before income taxes	5,027	5,741
Depreciation	4,264	4,443
Increase (decrease) in allowance for doubtful accounts	(26)	39
Increase (decrease) in provision for repairs	(12)	54
Increase (decrease) in provision for business restructuring	1,027	(114)
Interest and dividend income	(177)	(197)
Interest expenses	482	1,065
Loss on retirement of non-current assets	140	180
Loss (gain) on sale of non-current assets	(4)	102
Loss (gain) on sale of investment securities	(2)	(39)
Decrease (increase) in trade receivables	(48)	(3,806)
Decrease (increase) in inventories	907	(5,478)
Decrease (increase) in accounts receivable - other	(1,036)	(2,390)
Increase (decrease) in trade payables	(943)	1,954
Increase (decrease) in accounts payable - other	(930)	1,052
Increase (decrease) in retirement benefit liability	102	54
Decrease (increase) in retirement benefit asset	(224)	(94)
Increase (decrease) in accrued consumption taxes	176	(726)
Loss (gain) on valuation of interest rate swaps	(1,019)	133
Other, net	377	(602)
Subtotal	<u>8,079</u>	<u>1,371</u>
Interest and dividends received	178	187
Interest paid	(314)	(1,273)
Subsidies received	—	223
Income taxes paid	(2,856)	(1,576)
Net cash provided by (used in) operating activities	<u>5,086</u>	<u>(1,067)</u>
Cash flows from investing activities		
Proceeds from sale of non-current assets	6	296
Purchase of non-current assets	(3,768)	(3,217)
Proceeds from sale of investment securities	3	49
Collection of loans receivable from subsidiaries and affiliates	10,000	10,000
Loan advances to subsidiaries and associates	(10,000)	(10,000)
Other proceeds	1	3
Other payments	(2)	(56)
Net cash provided by (used in) investing activities	<u>(3,758)</u>	<u>(2,923)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,029	(7,176)
Proceeds from long-term borrowings	828	—
Repayments of long-term borrowings	(3,755)	(8,482)
Proceeds from sale of treasury shares	0	—
Purchase of treasury shares	(0)	(0)
Dividends paid	(836)	(953)
Dividends paid to non-controlling interests	(15)	(20)
Net cash provided by (used in) financing activities	<u>(749)</u>	<u>(16,633)</u>
Effect of exchange rate change on cash and cash equivalents	503	258
Net increase (decrease) in cash and cash equivalents	<u>1,081</u>	<u>(20,366)</u>
Cash and cash equivalents at beginning of period	<u>62,396</u>	<u>63,477</u>
Cash and cash equivalents at end of period	<u>63,477</u>	<u>43,111</u>