

Flash Report Consolidated Basis
Results for the First Half of Fiscal 2024
(April 1, 2024- September 30, 2024)
< under Japanese GAAP >

October 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 First Half of Fiscal 2024
(April 1, 2024-September 30, 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	%
First Half of Fiscal 2024	59,949	4.2	2,394	(33.7)	1,901	(46.6)	1,158	(49.1)
First Half of Fiscal 2023	57,557	4.3	3,611	(13.3)	3,562	(24.9)	2,278	3.1

(Reference) Comprehensive income: First Half of Fiscal 2024 ¥ 3,858 million 123.8%
First Half of Fiscal 2023 ¥ 1,723 million (34.7)%

	Earnings per share	Earnings per share after full dilution
	Yen	Yen
First Half of Fiscal 2024	29.77	—
First Half of Fiscal 2023	58.53	—

(2) Consolidated Financial Results

	Total assets	Net assets	Ratio of shareholders' equity to total assets
	Millions of yen	Millions of yen	%
First Half of Fiscal 2024	198,987	157,662	78.1
Fiscal 2023	204,884	154,389	74.3

(Reference) Shareholders' equity: First Half of Fiscal 2024 ¥155,437 million
Fiscal 2023 ¥152,188 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 2023	—	10.00	—	14.50	24.50
Fiscal 2024	—	15.00			
Fiscal 2024(Forecasts)			—	19.00	34.00

(Note) Whether the dividend forecasts under review have been revised : No

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

	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 2024	115,000	(2.0)	5,300	(24.4)	4,500	(28.6)	2,800	(10.3)	71.94

(Note) Whether the consolidated financial forecasts for fiscal 2024 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, 2024	September 30, 2024
Assets		
Current assets		
Cash and deposits	5,724	9,392
Accounts receivable - trade	28,369	24,001
Finished goods	23,042	23,209
Work in process	798	828
Raw materials and supplies	7,824	8,112
Accounts receivable - other	11,999	9,089
Deposits paid	37,387	31,853
Other	109	267
Allowance for doubtful accounts	(181)	(225)
Total current assets	<u>115,074</u>	<u>106,530</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,568	9,564
Machinery, equipment and vehicles, net	25,724	26,379
Tools, furniture and fixtures, net	2,339	2,463
Land	37,075	37,683
Construction in progress	3,026	3,138
Total property, plant and equipment	<u>76,734</u>	<u>79,229</u>
Intangible assets		
Other	18	18
Total intangible assets	<u>18</u>	<u>18</u>
Investments and other assets		
Investment securities	669	550
Long-term loans receivable from subsidiaries and associates	10,000	10,000
Retirement benefit asset	719	677
Deferred tax assets	92	95
Other	1,428	1,885
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	<u>12,910</u>	<u>13,209</u>
Total non-current assets	<u>89,662</u>	<u>92,456</u>
Total assets	<u>204,737</u>	<u>198,987</u>

	Millions of yen	
	March 31, 2024	September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,580	14,309
Short-term borrowings	16,665	16,590
Accounts payable - other	3,819	2,806
Income taxes payable	1,486	823
Provision for repairs	643	786
Other	1,146	989
Total current liabilities	<u>45,340</u>	<u>36,305</u>
Non-current liabilities		
Deferred tax liabilities	1,607	1,565
Retirement benefit liability	1,932	1,991
Provision for business restructuring	1,137	1,136
Other	329	325
Total non-current liabilities	<u>5,006</u>	<u>5,019</u>
Total liabilities	<u>50,347</u>	<u>41,324</u>
Net assets		
Shareholders' equity		
Share capital	8,769	8,769
Capital surplus	10,355	10,355
Retained earnings	137,594	138,198
Treasury shares	(4,538)	(4,538)
Total shareholders' equity	<u>152,181</u>	<u>152,784</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	302	220
Deferred gains or losses on hedges	(33)	-
Foreign currency translation adjustment	(589)	2,129
Remeasurements of defined benefit plans	328	303
Total accumulated other comprehensive income	<u>7</u>	<u>2,652</u>
Non-controlling interests	<u>2,201</u>	<u>2,225</u>
Total net assets	<u>154,389</u>	<u>157,662</u>
Total liabilities and net assets	<u>204,737</u>	<u>198,987</u>

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

Quarterly Consolidated Statements of Operations

	Millions of yen	
	First Half of fiscal 2023	First Half of fiscal 2024
Net sales	57,557	59,949
Cost of sales	50,470	53,733
Gross profit	<u>7,086</u>	<u>6,215</u>
Selling, general and administrative expenses		
Transportation costs	1,714	1,806
Salaries and bonuses	642	675
Retirement benefit expenses	14	12
Depreciation	36	38
Other	1,067	1,288
Total selling, general and administrative expenses	<u>3,475</u>	<u>3,821</u>
Operating profit	<u>3,611</u>	<u>2,394</u>
Non-operating income		
Interest income	78	136
Dividend income	11	61
Rental income from non-current assets	193	192
Foreign exchange gains	244	-
Gain on valuation of interest rate swaps	11	12
Other	51	70
Total non-operating income	<u>591</u>	<u>474</u>
Non-operating expenses		
Interest expenses	453	150
Loss on retirement of non-current assets	73	126
Taxes and dues	57	42
Foreign exchange losses	-	609
Other	55	36
Total non-operating expenses	<u>640</u>	<u>967</u>
Ordinary profit	<u>3,562</u>	<u>1,901</u>
Profit before income taxes	<u>3,562</u>	<u>1,901</u>
Income taxes - current	1,326	749
Income taxes - deferred	9	(51)
Total income taxes	<u>1,336</u>	<u>697</u>
Profit	<u>2,225</u>	<u>1,203</u>
Profit attributable to non-controlling interests	-	45
Loss attributable to non-controlling interests	(52)	-
Profit attributable to owners of parent	<u>2,278</u>	<u>1,158</u>

Quarterly Consolidated Statements of Comprehensive Income

	Millions of yen	
	First Half of fiscal 2023	First Half of fiscal 2024
Profit	2,225	1,203
Other comprehensive income		
Valuation difference on available-for-sale securities	39	(82)
Deferred gains or losses on hedges	(24)	43
Foreign currency translation adjustment	(495)	2,718
Remeasurements of defined benefit plans, net of tax	(21)	(24)
Total other comprehensive income	<u>(502)</u>	<u>2,655</u>
Comprehensive income	<u>1,723</u>	<u>3,858</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,791	3,803
Comprehensive income attributable to non-controlling interests	(67)	55

(3) Quarterly Consolidated Statements of Cash Flows

Millions of yen

	First half of fiscal 2023	First half of fiscal 2024
Cash flows from operating activities		
Profit before income taxes	3,562	1,901
Depreciation	2,173	2,371
Increase (decrease) in allowance for doubtful accounts	20	17
Increase (decrease) in provision for repairs	2	143
Increase (decrease) in provision for business restructuring	233	(0)
Interest and dividend income	(89)	(198)
Interest expenses	453	150
Loss on retirement of non-current assets	73	126
Loss (gain) on sale of non-current assets	(0)	(2)
Decrease (increase) in trade receivables	(2,831)	5,368
Decrease (increase) in inventories	(2,548)	585
Decrease (increase) in accounts receivable - other	(2,599)	2,920
Increase (decrease) in trade payables	1,692	(8,666)
Increase (decrease) in accounts payable - other	217	(1,203)
Increase (decrease) in retirement benefit liability	58	55
Decrease (increase) in retirement benefit asset	42	41
Increase (decrease) in accrued consumption taxes	(499)	(180)
Loss (gain) on valuation of interest rate swaps	(11)	(12)
Other, net	(162)	464
Subtotal	(213)	3,885
Interest and dividends received	89	198
Interest paid	(433)	(188)
Income taxes paid	(852)	(1,414)
Net cash provided by (used in) operating activities	(1,410)	2,481
Cash flows from investing activities		
Proceeds from sale of non-current assets	1	2
Purchase of non-current assets	(1,327)	(2,371)
Other proceeds	2	0
Other payments	(1)	(64)
Net cash provided by (used in) investing activities	(1,324)	(2,433)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,965	(2,187)
Repayments of long-term borrowings	(1,933)	-
Purchase of treasury shares	(0)	(0)
Dividends paid	(564)	(564)
Dividends paid to non-controlling interests	(20)	(21)
Net cash provided by (used in) financing activities	1,447	(2,773)
Effect of exchange rate change on cash and cash equivalents	282	859
Net increase (decrease) in cash and cash equivalents	(1,005)	(1,865)
Cash and cash equivalents at beginning of period	63,477	43,111
Cash and cash equivalents at end of period	62,472	41,245