

Flash Report Consolidated Basis
Results for Fiscal 2020
(April 1, 2020-March 31, 2021)
<under Japanese GAAP>

April 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 Fiscal 2020

(April 1, 2020-March 31, 2021)

(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 2020	76,601	(16.4)	1,413	(81.0)	1,304	(80.7)	897	(78.8)
Fiscal 2019	91,592	(5.2)	7,447	1.1	6,746	(1.9)	4,231	2.6

(Reference) Comprehensive income
 Fiscal 2020 ¥ 918 million (73.7)%
 Fiscal 2019 ¥ 3,488 million 6.1%

	Earnings per share	Earnings per share after full dilution	Return on equity	Return on assets	Return on sales
	Yen	Yen	%	%	%
Fiscal 2020	23.06	—	0.6	0.7	1.8
Fiscal 2019	108.73	—	2.9	3.3	8.1

(Reference) Equity in profit of unconsolidated subsidiaries and associates:
 Fiscal 2020 ¥— million
 Fiscal 2019 ¥— 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 2020	195,242	148,514	74.9	3,759.12
Fiscal 2019	200,794	148,394	72.9	3,762.46

(Reference) Shareholders' equity:
 Fiscal 2020 ¥146,307 million
 Fiscal 2019 ¥146,437 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 2020	4,187	(10,982)	(4,885)	62,621
Fiscal 2019	16,866	(6,077)	1,074	74,432

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	—	7.00	7.00
Fiscal 2021 (Forecasts)	—	—	—	—	—

	Cash dividends	Ratio of cash dividends to net income	Ratio of cash dividends to net assets
	Millions of yen	%	%
Fiscal 2019	1,264	29.9	0.9
Fiscal 2020	272	30.4	0.2
Fiscal 2021 (Forecasts)	—	—	—

(Note) The dividend forecasts of end of second quarter and fiscal year for fiscal 2021 are not decided.

3. Consolidated Financial Forecasts for Fiscal 2021 (April 1, 2021-March 31, 2022)

(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 2021	42,000	14.6	1,400	43.0	1,500	94.6	1,000	148.9	25.69
Fiscal 2021	86,000	12.3	1,900	34.4	2,000	53.3	1,300	44.8	33.40

(Reference) Summary of Non-Consolidated Financial and Operating Results
Non-Consolidated Financial and Operating Results for Fiscal 2020
(April 1, 2020-March 31, 2021)

(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 2020	52,392	(10.9)	1,604	(77.2)	2,137	(68.3)	1,827	—
Fiscal 2019	58,778	(8.6)	7,039	0.9	6,739	(8.1)	(434)	—
	Earnings per share		Earnings per share after full dilution					
	Yen		Yen					
Fiscal 2020	46.96		—					
Fiscal 2019	(11.16)		—					

(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 2020	169,547	125,783	74.2	3,231.80
Fiscal 2019	164,480	124,731	75.8	3,204.78

(Reference) Shareholders' equity: Fiscal 2020 ¥125,783 million
Fiscal 2019 ¥124,731 million

1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2020	March 31, 2021
Assets		
Current assets		
Cash and deposits	4,487	4,002
Notes and accounts receivable - trade	19,390	19,019
Finished goods	11,049	12,147
Work in process	268	382
Raw materials and supplies	6,265	6,480
Accounts receivable - other	6,755	7,386
Short-term loans receivable from subsidiaries and associates	10,000	10,000
Deposits paid	69,945	58,618
Other	174	126
Allowance for doubtful accounts	—	(135)
Total current assets	<u>128,335</u>	<u>118,028</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,736	8,620
Machinery, equipment and vehicles, net	21,428	24,865
Tools, furniture and fixtures, net	1,774	2,048
Land	35,540	35,348
Construction in progress	3,794	4,220
Total property, plant and equipment	<u>70,273</u>	<u>75,103</u>
Intangible assets		
Other	99	40
Total intangible assets	<u>99</u>	<u>40</u>
Investments and other assets		
Investment securities	864	745
Long-term loans receivable	1	0
Retirement benefit asset	80	365
Deferred tax assets	284	235
Other	856	723
Total investments and other assets	<u>2,086</u>	<u>2,070</u>
Total non-current assets	<u>72,459</u>	<u>77,214</u>
Total assets	<u>200,794</u>	<u>195,242</u>

Millions of yen

	March 31, 2020	March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,421	14,384
Short-term borrowings	14,790	12,086
Current portion of long-term borrowings	3,149	2,975
Accounts payable - other	5,263	4,705
Income taxes payable	1,740	320
Provision for repairs	640	566
Other	2,182	938
Total current liabilities	<u>39,189</u>	<u>35,978</u>
Non-current liabilities		
Long-term borrowings	9,449	7,084
Deferred tax liabilities	1,217	1,629
Retirement benefit liability	1,978	1,713
Provision for business restructuring	236	223
Other	329	98
Total non-current liabilities	<u>13,211</u>	<u>10,749</u>
Total liabilities	<u>52,400</u>	<u>46,727</u>
Net assets		
Shareholders' equity		
Share capital	8,769	8,769
Capital surplus	10,904	10,355
Retained earnings	131,218	131,337
Treasury shares	(4,536)	(4,536)
Total shareholders' equity	<u>146,355</u>	<u>145,925</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	300	303
Deferred gains or losses on hedges	24	(70)
Foreign currency translation adjustment	(56)	(91)
Remeasurements of defined benefit plans	(186)	239
Total accumulated other comprehensive income	<u>81</u>	<u>381</u>
Non-controlling interests	1,957	2,207
Total net assets	<u>148,394</u>	<u>148,514</u>
Total liabilities and net assets	<u>200,794</u>	<u>195,242</u>

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

Millions of yen

	Fiscal 2019	Fiscal 2020
Net sales	91,592	76,601
Cost of sales	77,025	68,487
Gross profit	<u>14,567</u>	<u>8,114</u>
Selling, general and administrative expenses		
Transportation costs	3,648	3,239
Salaries and bonuses	1,160	1,109
Retirement benefit expenses	59	57
Depreciation	115	106
Other	2,136	2,187
Total selling, general and administrative expenses	<u>7,119</u>	<u>6,701</u>
Operating profit	<u>7,447</u>	<u>1,413</u>
Non-operating income		
Interest income	176	178
Dividend income	41	34
Rental income from non-current assets	413	420
Foreign exchange gains	299	—
Other	179	149
Total non-operating income	<u>1,110</u>	<u>783</u>
Non-operating expenses		
Interest expenses	708	394
Loss on retirement of non-current assets	738	224
Taxes and dues	78	79
Foreign exchange losses	—	88
Other	286	104
Total non-operating expenses	<u>1,811</u>	<u>891</u>
Ordinary profit	<u>6,746</u>	<u>1,304</u>
Extraordinary income		
Gain on sale of investment securities	—	248
Total extraordinary income	<u>—</u>	<u>248</u>
Profit before income taxes	<u>6,746</u>	<u>1,552</u>
Income taxes - current	2,919	619
Income taxes - deferred	(32)	288
Total income taxes	<u>2,886</u>	<u>907</u>
Profit	<u>3,859</u>	<u>645</u>
Loss attributable to non-controlling interests	<u>(372)</u>	<u>(252)</u>
Profit attributable to owners of parent	<u>4,231</u>	<u>897</u>

Consolidated Statements of Comprehensive Income

Millions of yen

	Fiscal 2019	Fiscal 2020
Profit	3,859	645
Other comprehensive income		
Valuation difference on available-for-sale securities	(227)	2
Deferred gains or losses on hedges	(163)	(123)
Foreign currency translation adjustment	(43)	(23)
Remeasurements of defined benefit plans, net of tax	63	416
Total other comprehensive income	<u>(370)</u>	<u>272</u>
Comprehensive income	<u>3,488</u>	<u>918</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,903	1,197
Comprehensive income attributable to non-controlling interests	(414)	(279)

(3) Consolidated Statements of Changes in Net Assets

Fiscal 2019

Millions of yen

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,769	10,904	128,134	(4,536)	143,272
Changes during period					
Dividends of surplus			(1,148)		(1,148)
Profit attributable to owners of parent			4,231		4,231
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	3,083	(0)	3,082
Balance at end of period	8,769	10,904	131,218	(4,536)	146,355

	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	528	154	(21)	(250)	410	2,391	146,074
Changes during period							
Dividends of surplus							(1,148)
Profit attributable to owners of parent							4,231
Purchase of shares of consolidated subsidiaries							(0)
Net changes in items other than shareholders' equity	(227)	(130)	(34)	64	(328)	(434)	(762)
Total changes during period	(227)	(130)	(34)	64	(328)	(434)	2,320
Balance at end of period	300	24	(56)	(186)	81	1,957	148,394

Fiscal 2020

Millions of yen

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,769	10,904	131,218	(4,536)	146,355
Changes during period					
Dividends of surplus			(778)		(778)
Profit attributable to owners of parent			897		897
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares			(0)	0	0
Purchase of shares of consolidated subsidiaries		(548)			(548)
Net changes in items other than shareholders' equity					
Total changes during period	—	(548)	119	0	(429)
Balance at end of period	8,769	10,355	131,337	(4,536)	145,925

	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	300	24	(56)	(186)	81	1,957	148,394
Changes during period							
Dividends of surplus							(778)
Profit attributable to owners of parent							897
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Purchase of shares of consolidated subsidiaries							(548)
Net changes in items other than shareholders' equity	2	(94)	(34)	425	299	249	549
Total changes during period	2	(94)	(34)	425	299	249	119
Balance at end of period	303	(70)	(91)	239	381	2,207	148,514

(4) Consolidated Statements of Cash Flows

Millions of yen

	Fiscal 2019	Fiscal 2020
Cash flows from operating activities		
Profit before income taxes	6,746	1,552
Depreciation	4,121	3,610
Increase (decrease) in allowance for doubtful accounts	(2)	140
Increase (decrease) in provision for repairs	207	(73)
Increase (decrease) in provision for business restructuring	(68)	(13)
Interest and dividend income	(217)	(212)
Interest expenses	708	394
Loss on retirement of non-current assets	738	224
Loss (gain) on sale of non-current assets	(0)	1
Loss (gain) on sale of investment securities	3	(248)
Decrease (increase) in trade receivables	2,973	49
Decrease (increase) in inventories	5,541	(1,695)
Decrease (increase) in accounts receivable - other	5,508	(523)
Increase (decrease) in trade payables	(6,299)	3,183
Increase (decrease) in retirement benefit liability	83	(263)
Decrease (increase) in retirement benefit asset	6	(285)
Other, net	(633)	(290)
Subtotal	19,418	5,550
Interest and dividends received	217	212
Interest paid	(720)	(430)
Subsidies received	625	942
Income taxes paid	(2,675)	(2,089)
Net cash provided by (used in) operating activities	16,866	4,187
Cash flows from investing activities		
Proceeds from sale of non-current assets	13	1
Purchase of non-current assets	(6,624)	(11,341)
Proceeds from sale of investment securities	40	372
Proceeds from redemption of securities	500	—
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	18
Other payments	(8)	(33)
Net cash provided by (used in) investing activities	(6,077)	(10,982)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,296	(2,239)
Proceeds from long-term borrowings	—	1,226
Repayments of long-term borrowings	(53)	(3,074)
Proceeds from sale of treasury shares	—	0
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,148)	(778)
Dividends paid to non-controlling interests	(20)	(20)
Net cash provided by (used in) financing activities	1,074	(4,885)
Effect of exchange rate change on cash and cash equivalents	(50)	(130)
Net increase (decrease) in cash and cash equivalents	11,812	(11,811)
Cash and cash equivalents at beginning of period	62,620	74,432
Cash and cash equivalents at end of period	74,432	62,621