

Flash Report Consolidated Basis
Results for the First Half of Fiscal 2021
(April 1, 2021- September 30, 2021)
< under Japanese GAAP >

October 28, 2021

Company name: OSAKA STEEL CO., LTD.
Stock listing: Tokyo, 1st section
Code number: 5449
URL: <https://www.osaka-seitetsu.co.jp>
Representative: Taisuke Nomura, PRESIDENT
Contact: Hidehiko Shimada,
GENERAL MANAGER,
HEAD OF ACCOUNTING & FINANCE DIV.
Telephone: +81-6-6204-0163

(Figures of less than ¥1 million have been omitted.)

1. Consolidated Financial and Operating Results for the First Half of Fiscal 2021
(April 1, 2021- September 30, 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	%
First Half of Fiscal 2021	47,221	28.9	2,734	179.3	2,583	235.1	1,739	333.0
First Half of Fiscal 2020	36,633	(21.0)	979	(76.0)	770	(80.5)	401	(84.5)

(Reference) Comprehensive income: First Half of Fiscal 2021 ¥2,037 million — %
 First Half of Fiscal 2020 ¥81 million (96.3) %

	Earnings per share	Earnings per share after full dilution
	Yen	Yen
First Half of Fiscal 2021	44.70	—
First Half of Fiscal 2020	10.32	—

(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 2021	200,273	150,273	73.9
Fiscal 2020	195,242	148,514	74.9

(Reference) Shareholders' equity: First Half of Fiscal 2021 ¥147,979 million
 Fiscal 2020 ¥146,307 million

2. Dividends

	Dividends per share				
	End of first Half	End of second Half	End of third Half	End of fiscal year	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2020	—	0.00	—	7.00	7.00
Fiscal 2021	—	7.00			
Fiscal 2021(Forecasts)			—	—	—

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

The dividend forecasts of end of fiscal year for fiscal 2021 are not decided.

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

	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 2021	100,000	30.5	3,700	161.8	3,500	168.3	2,300	156.2	59.09

(Note) Whether the consolidated financial forecasts for fiscal 2021 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, 2021	September 30, 2021
Assets		
Current assets		
Cash and deposits	4,002	4,869
Notes and accounts receivable - trade	19,019	20,455
Finished goods	12,147	14,953
Work in process	382	522
Raw materials and supplies	6,480	6,958
Accounts receivable - other	7,386	6,883
Short-term loans receivable from subsidiaries and associates	10,000	10,000
Deposits paid	58,618	58,055
Other	126	230
Allowance for doubtful accounts	(135)	(130)
Total current assets	<u>118,028</u>	<u>122,798</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,620	8,664
Machinery, equipment and vehicles, net	24,865	24,461
Tools, furniture and fixtures, net	2,048	2,153
Land	35,348	35,572
Construction in progress	4,220	4,587
Total property, plant and equipment	<u>75,103</u>	<u>75,438</u>
Intangible assets		
Other	40	18
Total intangible assets	<u>40</u>	<u>18</u>
Investments and other assets		
Investment securities	745	745
Long-term loans receivable	0	0
Retirement benefit asset	365	327
Deferred tax assets	235	175
Other	723	770
Total investments and other assets	<u>2,070</u>	<u>2,018</u>
Total non-current assets	<u>77,214</u>	<u>77,475</u>
Total assets	<u>195,242</u>	<u>200,273</u>

	March 31, 2021	September 30, 2021
Millions of yen		
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,384	16,510
Short-term borrowings	12,086	13,922
Current portion of long-term borrowings	2,975	3,179
Accounts payable - other	4,705	3,101
Income taxes payable	320	890
Provision for repairs	566	539
Other	938	1,303
Total current liabilities	<u>35,978</u>	<u>39,447</u>
Non-current liabilities		
Long-term borrowings	7,084	6,638
Deferred tax liabilities	1,629	1,531
Retirement benefit liability	1,713	1,776
Provision for business restructuring	223	223
Other	98	383
Total non-current liabilities	<u>10,749</u>	<u>10,552</u>
Total liabilities	<u>46,727</u>	<u>50,000</u>
Net assets		
Shareholders' equity		
Share capital	8,769	8,769
Capital surplus	10,355	10,355
Retained earnings	131,337	132,804
Treasury shares	(4,536)	(4,536)
Total shareholders' equity	<u>145,925</u>	<u>147,392</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	303	334
Deferred gains or losses on hedges	(70)	(23)
Foreign currency translation adjustment	(91)	49
Remeasurements of defined benefit plans	239	226
Total accumulated other comprehensive income	<u>381</u>	<u>586</u>
Non-controlling interests	<u>2,207</u>	<u>2,294</u>
Total net assets	<u>148,514</u>	<u>150,273</u>
Total liabilities and net assets	<u>195,242</u>	<u>200,273</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 2020	First half of fiscal 2021
Net sales	36,633	47,221
Cost of sales	32,402	41,302
Gross profit	4,230	5,918
Selling, general and administrative expenses		
Transportation costs	1,617	1,532
Salaries and bonuses	576	585
Retirement benefit expenses	29	17
Depreciation	53	47
Other	975	1,002
Total selling, general and administrative expenses	3,251	3,184
Operating profit	979	2,734
Non-operating income		
Interest income	90	87
Dividend income	18	13
Rental income from non-current assets	208	206
Other	102	90
Total non-operating income	420	398
Non-operating expenses		
Interest expenses	264	112
Loss on retirement of non-current assets	106	74
Taxes and dues	39	40
Foreign exchange losses	180	239
Other	38	82
Total non-operating expenses	629	549
Ordinary profit	770	2,583
Profit before income taxes	770	2,583
Income taxes - current	360	811
Income taxes - deferred	208	(29)
Total income taxes	568	781
Profit	201	1,801
Profit (loss) attributable to non-controlling interests	(199)	62
Profit attributable to owners of parent	401	1,739

Quarterly Consolidated Statements of Comprehensive Income

Millions of yen

	First half of fiscal 2020	First half of fiscal 2021
Profit	201	1,801
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	30
Deferred gains or losses on hedges	(146)	53
Foreign currency translation adjustment	(1)	164
Remeasurements of defined benefit plans, net of tax	27	(12)
Total other comprehensive income	<u>(120)</u>	<u>236</u>
Comprehensive income	<u>81</u>	<u>2,037</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	310	1,945
Comprehensive income attributable to non-controlling interests	(229)	92

(3) Quarterly Consolidated Statements of Cash Flows

Millions of yen

	First half of fiscal 2020	First half of fiscal 2021
Cash flows from operating activities		
Profit before income taxes	770	2,583
Depreciation	1,713	2,030
Increase (decrease) in allowance for doubtful accounts	—	(13)
Increase (decrease) in provision for repairs	(237)	(27)
Increase (decrease) in provision for business restructuring	(13)	—
Interest and dividend income	(109)	(100)
Interest expenses	264	112
Loss on retirement of non-current assets	106	74
Loss (gain) on sale of non-current assets	0	(0)
Loss (gain) on sale of investment securities	—	(13)
Decrease (increase) in trade receivables	3,161	(1,061)
Decrease (increase) in inventories	(367)	(3,077)
Decrease (increase) in accounts receivable - other	366	397
Increase (decrease) in trade payables	447	1,800
Increase (decrease) in retirement benefit liability	78	61
Decrease (increase) in retirement benefit asset	4	38
Other, net	(927)	(68)
Subtotal	5,257	2,735
Interest and dividends received	109	100
Interest paid	(303)	(104)
Income taxes paid	(1,649)	(152)
Net cash provided by (used in) operating activities	3,414	2,579
Cash flows from investing activities		
Proceeds from sale of non-current assets	1	0
Purchase of non-current assets	(3,489)	(2,635)
Proceeds from sale of investment securities	—	37
Other proceeds	10	17
Other payments	(0)	(0)
Net cash provided by (used in) investing activities	(3,479)	(2,580)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,273	1,183
Proceeds from long-term borrowings	1,079	704
Repayments of long-term borrowings	(1,560)	(1,542)
Proceeds from sale of treasury shares	0	—
Purchase of treasury shares	—	(0)
Dividends paid	(778)	(272)
Dividends paid to non-controlling interests	(20)	(6)
Net cash provided by (used in) financing activities	3,994	67
Effect of exchange rate change on cash and cash equivalents	(49)	237
Net increase (decrease) in cash and cash equivalents	3,880	304
Cash and cash equivalents at beginning of period	74,432	62,621
Cash and cash equivalents at end of period	78,313	62,925