

Flash Report Consolidated Basis  
Results for the Third Quarter of Fiscal 2022  
(April 1, 2022- December 31, 2022)  
<under Japanese GAAP>

January 31, 2023

**Company name:** OSAKA STEEL CO., LTD.  
**Stock listing:** Standard Market, Tokyo Stock Exchange  
**Code number:** 5449  
**URL:** <https://www.osaka-seitetsu.co.jp>  
**Representative:** Taisuke Nomura, PRESIDENT  
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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 2022**  
(April 1, 2022- December 31, 2022)

**(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                         | %          |
| <b>Third quarter of Fiscal 2022</b> | <b>85,795</b>   | <b>14.1</b> | <b>4,693</b>     | <b>34.9</b> | <b>5,503</b>    | <b>53.6</b> | <b>2,449</b>                            | <b>0.5</b> |
| Third quarter of Fiscal 2021        | 75,196          | 34.6        | 3,478            | 167.6       | 3,583           | 304.1       | 2,438                                   | 503.8      |

(Reference) Comprehensive income: Third quarter of Fiscal 2022 ¥2,551 million (6.0)%  
Third quarter of Fiscal 2021 ¥2,713 million —%

|                                     | Earnings per share | Earnings per share after full dilution |
|-------------------------------------|--------------------|--|
|                                     | Yen                | Yen                                    |
| <b>Third quarter of Fiscal 2022</b> | <b>62.95</b>       | —                                      |
| Third quarter of Fiscal 2021        | 62.64              | —                                      |

**(2) Consolidated Financial Results**

|                                     | Total assets    | Net assets      | Ratio of shareholders' equity to total assets |
|-------------------------------------|-----------------|-----------------|---|
|                                     | Millions of yen | Millions of yen | %   |
| <b>Third quarter of Fiscal 2022</b> | <b>219,252</b>  | <b>152,728</b>  | <b>68.6</b>                                   |
| Fiscal 2021                         | 208,294         | 151,028         | 71.4  |

(Reference) Shareholders' equity: Third quarter of Fiscal 2022 ¥150,506 million  
Fiscal 2021 ¥148,652 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 2021                   | —                    | 7.00                  | —                    | 13.50              | 20.50 |
| <b>Fiscal 2022</b>            | —                    | <b>8.00</b>           | —                    |                    |       |
| <b>Fiscal 2022(Forecasts)</b> |                      |                       |                      | 12.50              | 20.50 |

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

## 3. Consolidated Financial Forecasts for Fiscal 2022(April 1, 2022-March 31, 2023)

|             | 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 2022 | 115,000         | 10.1 | 5,400            | 39.8 | 6,000           | 51.6 | 2,600                                   | 1.3 | 66.80              |

(Note) Whether the consolidated financial forecasts for fiscal 2022 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, 2022 | December 31, 2022 |
|--|----------------|-------------------|
| <b>Assets</b>  |                |                   |
| Current assets   |                |                   |
| Cash and deposits  | 4,997          | 11,725            |
| Accounts receivable - trade                                  | 22,059         | 25,800            |
| Electronically recorded monetary claims - operating          | 1,023          | —                 |
| Finished goods   | 17,431         | 18,949            |
| Work in process  | 599            | 482               |
| Raw materials and supplies                                   | 7,470          | 7,928             |
| Accounts receivable - other                                  | 8,547          | 13,232            |
| Short-term loans receivable from subsidiaries and associates | 10,000         | 10,000            |
| Deposits paid  | 57,399         | 48,910            |
| Other  | 642            | 272               |
| Allowance for doubtful accounts                              | (138)          | (151)             |
| Total current assets   | <u>130,033</u> | <u>137,149</u>    |
| Non-current assets   |                |                   |
| Property, plant and equipment                                |                |                   |
| Buildings and structures, net                                | 8,616          | 8,760             |
| Machinery, equipment and vehicles, net                       | 26,705         | 27,959            |
| Tools, furniture and fixtures, net                           | 2,199          | 2,387             |
| Land   | 36,627         | 37,568            |
| Construction in progress                                     | 2,483          | 2,708             |
| Total property, plant and equipment                          | <u>76,632</u>  | <u>79,383</u>     |
| Intangible assets  |                |                   |
| Other  | 18             | 17                |
| Total intangible assets                                      | <u>18</u>      | <u>17</u>         |
| Investments and other assets                                 |                |                   |
| Investment securities  | 563            | 532               |
| Retirement benefit asset                                     | 400            | 445               |
| Deferred tax assets  | 78             | 80                |
| Other  | 568            | 1,643             |
| Allowance for doubtful accounts                              | (0)            | (0)               |
| Total investments and other assets                           | <u>1,610</u>   | <u>2,700</u>      |
| Total non-current assets                                     | <u>78,261</u>  | <u>82,102</u>     |
| Total assets   | <u>208,294</u> | <u>219,252</u>    |

|   | Millions of yen |                   |
|---|-----------------|-------------------|
|   | March 31, 2022  | December 31, 2022 |
| <b>Liabilities</b>                                    |                 |                   |
| Current liabilities                                   |                 |                   |
| Notes and accounts payable - trade                    | 19,538          | 18,633            |
| Short-term borrowings                                 | 16,726          | 23,995            |
| Current portion of long-term borrowings               | 3,306           | 8,097             |
| Accounts payable - other                              | 4,406           | 3,869             |
| Income taxes payable                                  | 1,001           | 1,648             |
| Provision for repairs                                 | 601             | 585               |
| Provision for business restructuring                  | —               | 299               |
| Other   | 1,680           | 1,696             |
| Total current liabilities                             | <u>47,261</u>   | <u>58,825</u>     |
| Non-current liabilities                               |                 |                   |
| Long-term borrowings                                  | 6,143           | 2,081             |
| Deferred tax liabilities                              | 1,495           | 1,204             |
| Retirement benefit liability                          | 1,771           | 1,934             |
| Provision for business restructuring                  | 223             | 932               |
| Other   | 369             | 1,544             |
| Total non-current liabilities                         | <u>10,003</u>   | <u>7,697</u>      |
| Total liabilities                                     | <u>57,265</u>   | <u>66,523</u>     |
| <b>Net assets</b>                                     |                 |                   |
| Shareholders' equity                                  |                 |                   |
| Share capital   | 8,769           | 8,769             |
| Capital surplus                                       | 10,355          | 10,355            |
| Retained earnings                                     | 133,359         | 134,972           |
| Treasury shares                                       | (4,537)         | (4,537)           |
| Total shareholders' equity                            | <u>147,947</u>  | <u>149,560</u>    |
| Accumulated other comprehensive income                |                 |                   |
| Valuation difference on available-for-sale securities | 221             | 200               |
| Deferred gains or losses on hedges                    | 89              | 48                |
| Foreign currency translation adjustment               | 147             | 476               |
| Remeasurements of defined benefit plans               | 246             | 220               |
| Total accumulated other comprehensive income          | <u>704</u>      | <u>946</u>        |
| Non-controlling interests                             | <u>2,376</u>    | <u>2,221</u>      |
| Total net assets                                      | <u>151,028</u>  | <u>152,728</u>    |
| Total liabilities and net assets                      | <u>208,294</u>  | <u>219,252</u>    |

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

**Quarterly Consolidated Statements of Operations**

Millions of yen

|   | Third quarter of<br>fiscal 2021 | Third quarter of<br>fiscal 2022 |
|---|---------------------------------|---------------------------------|
| Net sales   | 75,196                          | 85,795                          |
| Cost of sales   | 66,859                          | 76,295                          |
| Gross profit  | <u>8,337</u>                    | <u>9,500</u>                    |
| Selling, general and administrative expenses            |                                 |                                 |
| Transportation costs                                    | 2,377                           | 2,295                           |
| Salaries and bonuses                                    | 874                             | 912                             |
| Retirement benefit expenses                             | 25                              | 21                              |
| Depreciation  | 67                              | 54                              |
| Other   | 1,512                           | 1,523                           |
| Total selling, general and administrative expenses      | <u>4,858</u>                    | <u>4,807</u>                    |
| Operating profit  | <u>3,478</u>                    | <u>4,693</u>                    |
| Non-operating income                                    |                                 |                                 |
| Interest income   | 129                             | 119                             |
| Dividend income   | 28                              | 19                              |
| Rental income from non-current assets                   | 309                             | 308                             |
| Gain on valuation of interest rate swaps                | —                               | 1,126                           |
| Other   | 243                             | 80                              |
| Total non-operating income                              | <u>710</u>                      | <u>1,654</u>                    |
| Non-operating expenses                                  |                                 |                                 |
| Interest expenses                                       | 167                             | 297                             |
| Loss on retirement of non-current assets                | 131                             | 95                              |
| Taxes and dues  | 59                              | 68                              |
| Foreign exchange losses                                 | 137                             | 342                             |
| Other   | 109                             | 40                              |
| Total non-operating expenses                            | <u>605</u>                      | <u>844</u>                      |
| Ordinary profit   | <u>3,583</u>                    | <u>5,503</u>                    |
| Extraordinary losses                                    |                                 |                                 |
| Business restructuring expenses                         | —                               | 1,411                           |
| Total extraordinary losses                              | <u>—</u>                        | <u>1,411</u>                    |
| Profit before income taxes                              | <u>3,583</u>                    | <u>4,092</u>                    |
| Income taxes - current                                  | 901                             | 2,154                           |
| Income taxes - deferred                                 | 155                             | (325)                           |
| Total income taxes                                      | <u>1,056</u>                    | <u>1,828</u>                    |
| Profit  | <u>2,527</u>                    | <u>2,263</u>                    |
| Profit (loss) attributable to non-controlling interests | 89                              | (186)                           |
| Profit attributable to owners of parent                 | <u>2,438</u>                    | <u>2,449</u>                    |

## Quarterly Consolidated Statements of Comprehensive Income

|  | Millions of yen                 |   |
|--|---------------------------------|---|
|  | Third quarter of<br>fiscal 2021 | <b>Third quarter of<br/>fiscal 2022</b> |
| Profit   | 2,527                           | <b>2,263</b>                            |
| Other comprehensive income                                     |                                 |   |
| Valuation difference on available-for-sale securities          | (56)                            | <b>(21)</b>                             |
| Deferred gains or losses on hedges                             | 61                              | <b>(47)</b>                             |
| Foreign currency translation adjustment                        | 199                             | <b>382</b>                              |
| Remeasurements of defined benefit plans, net of tax            | (18)                            | <b>(26)</b>                             |
| Total other comprehensive income                               | <u>185</u>                      | <u><b>288</b></u>                       |
| Comprehensive income   | <u>2,713</u>                    | <u><b>2,551</b></u>                     |
| Comprehensive income attributable to                           |                                 |   |
| Comprehensive income attributable to owners of parent          | 2,587                           | <b>2,691</b>                            |
| Comprehensive income attributable to non-controlling interests | 125                             | <b>(139)</b>                            |