

Flash Report Consolidated Basis
Results for Fiscal 2022
(April 1, 2022-March 31, 2023)
<under Japanese GAAP>

April 27, 2023

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 2022

(April 1, 2022-March 31, 2023)

(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 2022	117,141	12.1	5,935	53.6	6,384	61.3	2,903	13.1
Fiscal 2021	104,455	36.4	3,863	173.4	3,958	203.4	2,567	186.0

(Reference) Comprehensive income
Fiscal 2022 ¥ 2,926 million (4.5)%
Fiscal 2021 ¥ 3,065 million 233.9%

	Earnings per share	Earnings per share after full dilution	Return on equity	Return on assets	Return on sales
	Yen	Yen	%	%	%
Fiscal 2022	74.60	—	1.9	3.0	5.1
Fiscal 2021	65.96	—	1.7	2.0	3.7

(Reference) Equity in profit of unconsolidated subsidiaries and associates:
Fiscal 2022 ¥— million
Fiscal 2021 ¥— 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 2022	213,243	153,103	70.8	3,879.28
Fiscal 2021	208,294	151,028	71.4	3,819.41

(Reference) Shareholders' equity:
Fiscal 2022 ¥150,980 million
Fiscal 2021 ¥148,652 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 2022	5,086	(3,758)	(749)	63,477
Fiscal 2021	2,934	(4,326)	821	62,396

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
Fiscal 2022	—	8.00	—	14.50	22.50
Fiscal 2023(Forecasts)	—	—	—	—	—

	Cash dividends	Ratio of cash dividends to net income	Ratio of cash dividends to net assets
	Millions of yen	%	%
Fiscal 2021	797	31.1	0.5
Fiscal 2022	875	30.2	0.6
Fiscal 2023(Forecasts)	—	—	—

(Note) The dividend forecasts of end of second quarter and fiscal year for fiscal 2023 are not decided.

3. Consolidated Financial Forecasts for Fiscal 2023(April 1, 2023-March 31, 2024)

(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 2023	60,000	8.7	2,600	(37.5)	2,200	(53.6)	1,400	(36.6)	35.97
Fiscal 2023	120,000	2.4	6,500	9.5	6,000	(6.0)	3,900	34.3	100.21

(Reference) Summary of Non-Consolidated Financial and Operating Results
Non-Consolidated Financial and Operating Results for Fiscal 2022
(April 1, 2022-March 31, 2023)

(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 2022	85,576	11.5	7,217	210.1	7,624	192.6	9,394	(15.8)
Fiscal 2021	76,774	46.5	2,327	45.1	2,606	21.9	11,158	510.6
	Earnings per share		Earnings per share after full dilution					
	Yen		Yen					
Fiscal 2022	241.39		—					
Fiscal 2021	286.71		—					

(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 2022	189,537	144,879	76.4	3,722.51
Fiscal 2021	182,709	136,317	74.6	3,502.49

(Reference) Shareholders' equity: Fiscal 2022 ¥144,879 million
Fiscal 2021 ¥136,317 million

1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of yen

	March 31, 2022	March 31, 2023
Assets		
Current assets		
Cash and deposits	4,997	4,870
Accounts receivable - trade	22,059	24,148
Electronically recorded monetary claims - operating	1,023	—
Finished goods	17,431	16,906
Work in process	599	511
Raw materials and supplies	7,470	8,305
Accounts receivable - other	8,547	9,595
Short-term loans receivable from subsidiaries and associates	10,000	10,000
Deposits paid	57,399	58,607
Other	642	183
Allowance for doubtful accounts	(138)	(132)
Total current assets	<u>130,033</u>	<u>132,995</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,616	8,662
Machinery, equipment and vehicles, net	26,705	26,683
Tools, furniture and fixtures, net	2,199	2,367
Land	36,627	37,185
Construction in progress	2,483	2,565
Total property, plant and equipment	<u>76,632</u>	<u>77,464</u>
Intangible assets		
Other	18	16
Total intangible assets	<u>18</u>	<u>16</u>
Investments and other assets		
Investment securities	563	565
Retirement benefit asset	400	625
Deferred tax assets	78	91
Other	568	1,485
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	<u>1,610</u>	<u>2,766</u>
Total non-current assets	<u>78,261</u>	<u>80,247</u>
Total assets	<u>208,294</u>	<u>213,243</u>

Millions of yen

	March 31, 2022	March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,538	19,322
Short-term borrowings	16,726	21,901
Current portion of long-term borrowings	3,306	7,773
Accounts payable - other	4,406	2,891
Income taxes payable	1,001	962
Provision for repairs	601	589
Provision for business restructuring	—	339
Other	1,680	2,027
Total current liabilities	<u>47,261</u>	<u>55,807</u>
Non-current liabilities		
Long-term borrowings	6,143	—
Deferred tax liabilities	1,495	1,209
Retirement benefit liability	1,771	1,876
Provision for business restructuring	223	912
Other	369	333
Total non-current liabilities	<u>10,003</u>	<u>4,331</u>
Total liabilities	<u>57,265</u>	<u>60,139</u>
Net assets		
Shareholders' equity		
Share capital	8,769	8,769
Capital surplus	10,355	10,355
Retained earnings	133,359	135,426
Treasury shares	(4,537)	(4,537)
Total shareholders' equity	<u>147,947</u>	<u>150,013</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	221	223
Deferred gains or losses on hedges	89	45
Foreign currency translation adjustment	147	409
Remeasurements of defined benefit plans	246	289
Total accumulated other comprehensive income	<u>704</u>	<u>967</u>
Non-controlling interests	<u>2,376</u>	<u>2,122</u>
Total net assets	<u>151,028</u>	<u>153,103</u>
Total liabilities and net assets	<u>208,294</u>	<u>213,243</u>

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

Millions of yen

	Fiscal 2021	Fiscal 2022
Net sales	104,455	117,141
Cost of sales	94,165	104,638
Gross profit	<u>10,290</u>	<u>12,503</u>
Selling, general and administrative expenses		
Transportation costs	3,155	3,145
Salaries and bonuses	1,168	1,229
Retirement benefit expenses	39	17
Depreciation	87	73
Other	1,976	2,102
Total selling, general and administrative expenses	<u>6,426</u>	<u>6,567</u>
Operating profit	<u>3,863</u>	<u>5,935</u>
Non-operating income		
Interest income	169	156
Dividend income	30	21
Rental income from non-current assets	412	407
Gain on sale of investment securities	100	2
Gain on valuation of interest rate swaps	—	1,019
Other	162	129
Total non-operating income	<u>875</u>	<u>1,737</u>
Non-operating expenses		
Interest expenses	234	482
Loss on retirement of non-current assets	183	140
Taxes and dues	79	98
Foreign exchange losses	134	465
Other	148	101
Total non-operating expenses	<u>781</u>	<u>1,288</u>
Ordinary profit	<u>3,958</u>	<u>6,384</u>
Extraordinary losses		
Extra retirement payments	61	—
Business restructuring expenses	—	1,357
Total extraordinary losses	<u>61</u>	<u>1,357</u>
Profit before income taxes	<u>3,896</u>	<u>5,027</u>
Income taxes - current	1,172	2,764
Income taxes - deferred	46	(350)
Total income taxes	<u>1,218</u>	<u>2,413</u>
Profit	<u>2,677</u>	<u>2,614</u>
Profit (loss) attributable to non-controlling interests	110	(289)
Profit attributable to owners of parent	<u>2,567</u>	<u>2,903</u>

Consolidated Statements of Comprehensive Income

Millions of yen

	Fiscal 2021	Fiscal 2022
Profit	2,677	2,614
Other comprehensive income		
Valuation difference on available-for-sale securities	(82)	1
Deferred gains or losses on hedges	185	(51)
Foreign currency translation adjustment	277	317
Remeasurements of defined benefit plans, net of tax	7	44
Total other comprehensive income	<u>388</u>	<u>312</u>
Comprehensive income	<u>3,065</u>	<u>2,926</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,890	3,165
Comprehensive income attributable to non-controlling interests	175	(239)

(3) Consolidated Statements of Changes in Net Assets

Fiscal 2021	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	131,337	(4,536)	145,925	
Changes during period						
Dividends of surplus			(544)		(544)	
Profit attributable to owners of parent			2,567		2,567	
Purchase of treasury shares				(0)	(0)	
Net changes in items other than shareholders' equity						
Total changes during period	—	—	2,022	(0)	2,021	
Balance at end of period	8,769	10,355	133,359	(4,537)	147,947	

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation	Deferred gains	Foreign currency	Remeasurement	Total		
Balance at beginning of period	303	(70)	(91)	239	381	2,207	148,514
Changes during period							
Dividends of surplus							(544)
Profit attributable to owners of parent							2,567
Purchase of treasury shares							(0)
Net changes in items other than shareholders' equity	(82)	159	238	7	323	169	492
Total changes during period	(82)	159	238	7	323	169	2,514
Balance at end of period	221	89	147	246	704	2,376	151,028

Fiscal 2022

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	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

(4) Consolidated Statements of Cash Flows

Millions of yen

	Fiscal 2021	Fiscal 2022
Cash flows from operating activities		
Profit before income taxes	3,896	5,027
Depreciation	4,125	4,264
Increase (decrease) in allowance for doubtful accounts	(10)	(26)
Increase (decrease) in provision for repairs	34	(12)
Increase (decrease) in provision for business restructuring	—	1,027
Interest and dividend income	(200)	(177)
Interest expenses	234	482
Loss on retirement of non-current assets	183	140
Loss (gain) on sale of non-current assets	(40)	(4)
Loss (gain) on sale of investment securities	(100)	(2)
Decrease (increase) in trade receivables	(3,433)	(48)
Decrease (increase) in inventories	(5,862)	907
Decrease (increase) in accounts receivable - other	(1,256)	(1,036)
Increase (decrease) in trade payables	4,675	(943)
Increase (decrease) in accounts payable - other	112	(930)
Increase (decrease) in retirement benefit liability	55	102
Decrease (increase) in retirement benefit asset	(35)	(224)
Increase (decrease) in accrued consumption taxes	585	176
Loss (gain) on valuation of interest rate swaps	—	(1,019)
Other, net	383	377
Subtotal	3,347	8,079
Interest and dividends received	200	178
Interest paid	(219)	(314)
Subsidies received	11	—
Income taxes paid	(405)	(2,856)
Net cash provided by (used in) operating activities	2,934	5,086
Cash flows from investing activities		
Proceeds from sale of non-current assets	49	6
Purchase of non-current assets	(4,559)	(3,768)
Proceeds from sale of investment securities	163	3
Collection of loans receivable from subsidiaries and affiliates	10,000	10,000
Loan advances to subsidiaries and associates	(10,000)	(10,000)
Other proceeds	19	1
Other payments	(0)	(2)
Net cash provided by (used in) investing activities	(4,326)	(3,758)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,075	3,029
Proceeds from long-term borrowings	1,442	828
Repayments of long-term borrowings	(3,145)	(3,755)
Proceeds from sale of treasury shares	—	0
Purchase of treasury shares	(0)	(0)
Dividends paid	(544)	(836)
Dividends paid to non-controlling interests	(6)	(15)
Net cash provided by (used in) financing activities	821	(749)
Effect of exchange rate change on cash and cash equivalents	346	503
Net increase (decrease) in cash and cash equivalents	(224)	1,081
Cash and cash equivalents at beginning of period	62,621	62,396
Cash and cash equivalents at end of period	62,396	63,477