

Flash Report Consolidated Basis  
Results for the First Half of Fiscal 2023  
(April 1, 2023- September 30, 2023)  
< under Japanese GAAP >

October 30, 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 First Half of Fiscal 2023**  
(April 1, 2023- September 30, 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	%
<b>First Half of Fiscal 2023</b>	<b>57,557</b>	<b>4.3</b>	<b>3,611</b>	<b>(13.3)</b>	<b>3,562</b>	<b>(24.9)</b>	<b>2,278</b>	<b>3.1</b>
First Half of Fiscal 2022	55,192	16.9	4,163	52.2	4,741	83.5	2,208	27.0

(Reference) Comprehensive income: First Half of Fiscal 2023 ¥ 1,723 Million (34.7) %  
First Half of Fiscal 2022 ¥ 2,641 million 29.6 %

	Earnings per share	Earnings per share after full dilution
	Yen	Yen
<b>First Half of Fiscal 2023</b>	<b>58.53</b>	—
First Half of Fiscal 2022	56.74	—

**(2) Consolidated Financial Results**

	Total assets	Net assets	Ratio of shareholders' equity to total assets
	Millions of yen	Millions of yen	%
<b>First Half of Fiscal 2023</b>	<b>222,415</b>	<b>154,242</b>	<b>68.4</b>
Fiscal 2022	213,243	153,103	70.8

(Reference) Shareholders' equity: First Half of Fiscal 2023 ¥152,207 million  
Fiscal 2022 ¥150,980 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 2022	—	8.00	—	14.50	22.50
<b>Fiscal 2023</b>	—	<b>10.00</b>			
<b>Fiscal 2023(Forecasts)</b>			—	—	—

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

The dividend forecasts of end of fiscal year for fiscal 2023 are not decided.

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

	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 2023	120,000	2.4	7,000	17.9	6,500	1.8	4,000	37.8	102.78

(Note) Whether the consolidated financial forecasts for fiscal 2023 under review have been revised : No

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, 2023	September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	4,870	3,427
Accounts receivable - trade	24,148	27,569
Finished goods	16,906	20,329
Work in process	511	652
Raw materials and supplies	8,305	8,042
Accounts receivable - other	9,595	12,222
Short-term loans receivable from subsidiaries and associates	10,000	10,000
Deposits paid	58,607	59,044
Other	183	134
Allowance for doubtful accounts	(132)	(167)
Total current assets	<u>132,995</u>	<u>141,257</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,662	8,782
Machinery, equipment and vehicles, net	26,683	26,714
Tools, furniture and fixtures, net	2,367	2,312
Land	37,185	37,573
Construction in progress	2,565	2,894
Total property, plant and equipment	<u>77,464</u>	<u>78,278</u>
Intangible assets		
Other	16	16
Total intangible assets	<u>16</u>	<u>16</u>
Investments and other assets		
Investment securities	565	622
Retirement benefit asset	625	583
Deferred tax assets	91	102
Other	1,485	1,556
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	<u>2,766</u>	<u>2,863</u>
Total non-current assets	<u>80,247</u>	<u>81,158</u>
Total assets	<u>213,243</u>	<u>222,415</u>

Millions of yen

	March 31, 2023	September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	19,322	21,400
Short-term borrowings	21,901	28,476
Current portion of long-term borrowings	7,773	6,518
Accounts payable - other	2,891	3,280
Income taxes payable	962	1,400
Provision for repairs	589	591
Provision for business restructuring	327	819
Other	2,027	1,548
Total current liabilities	55,795	64,036
Non-current liabilities		
Deferred tax liabilities	1,209	1,252
Retirement benefit liability	1,876	1,935
Provision for business restructuring	924	665
Other	333	283
Total non-current liabilities	4,343	4,136
Total liabilities	60,139	68,172
<b>Net assets</b>		
Shareholders' equity		
Share capital	8,769	8,769
Capital surplus	10,355	10,355
Retained earnings	135,426	137,139
Treasury shares	(4,537)	(4,538)
Total shareholders' equity	150,013	151,726
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	223	262
Deferred gains or losses on hedges	45	25
Foreign currency translation adjustment	409	(76)
Remeasurements of defined benefit plans	289	268
Total accumulated other comprehensive income	967	480
Non-controlling interests	2,122	2,035
Total net assets	153,103	154,242
<b>Total liabilities and net assets</b>	<b>213,243</b>	<b>222,415</b>

**(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 2022	First half of fiscal 2023
Net sales	55,192	<b>57,557</b>
Cost of sales	47,831	<b>50,470</b>
Gross profit	<u>7,361</u>	<u><b>7,086</b></u>
Selling, general and administrative expenses		
Transportation costs	1,498	<b>1,714</b>
Salaries and bonuses	604	<b>642</b>
Retirement benefit expenses	14	<b>14</b>
Depreciation	34	<b>36</b>
Other	1,045	<b>1,067</b>
Total selling, general and administrative expenses	<u>3,198</u>	<u><b>3,475</b></u>
Operating profit	<u>4,163</u>	<u><b>3,611</b></u>
Non-operating income		
Interest income	81	<b>78</b>
Dividend income	10	<b>11</b>
Rental income from non-current assets	205	<b>193</b>
Foreign exchange gains	—	<b>244</b>
Gain on valuation of interest rate swaps	771	<b>11</b>
Other	62	<b>51</b>
Total non-operating income	<u>1,132</u>	<u><b>591</b></u>
Non-operating expenses		
Interest expenses	162	<b>453</b>
Loss on retirement of non-current assets	53	<b>73</b>
Taxes and dues	39	<b>57</b>
Foreign exchange losses	268	<b>—</b>
Other	30	<b>55</b>
Total non-operating expenses	<u>554</u>	<u><b>640</b></u>
Ordinary profit	<u>4,741</u>	<u><b>3,562</b></u>
Extraordinary losses		
Business restructuring expenses	1,411	<b>—</b>
Total extraordinary losses	<u>1,411</u>	<u><b>—</b></u>
Profit before income taxes	<u>3,330</u>	<u><b>3,562</b></u>
Income taxes - current	1,455	<b>1,326</b>
Income taxes - deferred	(381)	<b>9</b>
Total income taxes	<u>1,073</u>	<u><b>1,336</b></u>
Profit	<u>2,256</u>	<u><b>2,225</b></u>
Profit (loss) attributable to non-controlling interests	47	<b>(52)</b>
Profit attributable to owners of parent	<u>2,208</u>	<u><b>2,278</b></u>

## Quarterly Consolidated Statements of Comprehensive Income

Millions of yen

	First half of fiscal 2022	First half of fiscal 2023
Profit	2,256	<b>2,225</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	(33)	<b>39</b>
Deferred gains or losses on hedges	(60)	<b>(24)</b>
Foreign currency translation adjustment	496	<b>(495)</b>
Remeasurements of defined benefit plans, net of tax	(17)	<b>(21)</b>
Total other comprehensive income	<u>384</u>	<u><b>(502)</b></u>
Comprehensive income	<u>2,641</u>	<u><b>1,723</b></u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,532	<b>1,791</b>
Comprehensive income attributable to non-controlling interests	108	<b>(67)</b>

**(3) Quarterly Consolidated Statements of Cash Flows**

Millions of yen

	First half of fiscal 2022	First half of fiscal 2023
Cash flows from operating activities		
Profit before income taxes	3,330	<b>3,562</b>
Depreciation	2,087	<b>2,173</b>
Increase (decrease) in allowance for doubtful accounts	6	<b>20</b>
Increase (decrease) in provision for repairs	(29)	<b>2</b>
Increase (decrease) in provision for business restructuring	968	<b>233</b>
Interest and dividend income	(91)	<b>(89)</b>
Interest expenses	162	<b>453</b>
Loss on retirement of non-current assets	53	<b>73</b>
Loss (gain) on sale of non-current assets	(3)	<b>(0)</b>
Loss (gain) on sale of investment securities	(2)	<b>—</b>
Decrease (increase) in trade receivables	2,555	<b>(2,831)</b>
Decrease (increase) in inventories	(3,587)	<b>(2,548)</b>
Decrease (increase) in accounts receivable - other	(1,204)	<b>(2,599)</b>
Increase (decrease) in trade payables	(4,338)	<b>1,692</b>
Increase (decrease) in accounts payable - other	(996)	<b>217</b>
Increase (decrease) in retirement benefit liability	144	<b>58</b>
Decrease (increase) in retirement benefit asset	(63)	<b>42</b>
Increase (decrease) in accrued consumption taxes	(280)	<b>(499)</b>
Loss (gain) on valuation of interest rate swaps	(771)	<b>(11)</b>
Other, net	216	<b>(162)</b>
Subtotal	<u>(1,844)</u>	<u>(213)</u>
Interest and dividends received	92	<b>89</b>
Interest paid	(95)	<b>(433)</b>
Income taxes paid	(911)	<b>(852)</b>
Net cash provided by (used in) operating activities	<u>(2,758)</u>	<u>(1,410)</u>
Cash flows from investing activities		
Proceeds from sale of non-current assets	4	<b>1</b>
Purchase of non-current assets	(2,362)	<b>(1,327)</b>
Proceeds from sale of investment securities	3	<b>—</b>
Other proceeds	0	<b>2</b>
Other payments	(0)	<b>(1)</b>
Net cash provided by (used in) investing activities	<u>(2,353)</u>	<u>(1,324)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,704	<b>3,965</b>
Proceeds from long-term borrowings	828	<b>—</b>
Repayments of long-term borrowings	(1,738)	<b>(1,933)</b>
Proceeds from sale of treasury shares	0	<b>—</b>
Purchase of treasury shares	(0)	<b>(0)</b>
Dividends paid	(525)	<b>(564)</b>
Dividends paid to non-controlling interests	(15)	<b>(20)</b>
Net cash provided by (used in) financing activities	<u>1,253</u>	<u>1,447</u>
Effect of exchange rate change on cash and cash equivalents	<u>487</u>	<u>282</u>
Net increase (decrease) in cash and cash equivalents	<u>(3,370)</u>	<u>(1,005)</u>
Cash and cash equivalents at beginning of period	<u>62,396</u>	<u>63,477</u>
Cash and cash equivalents at end of period	<u>59,026</u>	<u>62,472</u>