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Consolidated Financial Results for the First Quarter of Fiscal Year 2023 (April 1, 2023 to June 30, 2023)

August 7, 2023

Company name	: Godo Steel, Ltd.
Stock exchange listing	: Tokyo Stock Exchange
Code number	: 5410
URL	: https://www.godo-steel.co.jp/
Representative	: Hiroyuki Uchida, President and Representative Director
Contact	: Keiichiro Kato, Executive Officer and General Manager of Accounting Department
Phone	: +81-6-6343-7600
Scheduled date of filing quarterly securities report	: August 10, 2023
Scheduled date of commencing dividend payments	: —
Availability of supplementary briefing material on quarterly financial results	: No
Schedule of quarterly financial results briefing session	: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the First Quarter of Fiscal Year 2023 (April 1, 2023 to June 30, 2023)

(1) Consolidated Operating Results (Cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Q1 FY 2023	60,808	0.2	4,896	—	5,706	870.4	4,216	813.4
Q1 FY 2022	60,658	26.5	59	—	588	—	461	403.0

(Note) Comprehensive income: Q1 FY 2023: ¥6,189 million [—%]

Q1 FY 2022: ¥144 million [—%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Q1 FY 2023	288.28	—
Q1 FY 2022	31.56	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Q1 FY 2023	256,023	116,355	45.3
FY 2022	253,552	112,370	44.2

(Reference) Equity: Q1 FY 2023: ¥115,944 million

FY 2022: ¥111,960 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2022	—	50.00	—	150.00	200.00
FY 2023	—				
FY 2023 (Forecast)		110.00	—	90.00	200.00

(Note) Revision to the forecast for dividends announced most recently: Yes

3. Consolidated Financial Results Forecast for the FY 2023 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Q2 FY 2023 (cumulative)	115,000	(1.3)	8,000	112.2	9,000	94.4	6,000	73.7	410.22
FY 2023	230,000	(2.3)	13,000	(6.5)	15,000	(5.5)	10,500	(16.1)	717.88

(Note) Revision to the financial results forecast announced most recently: Yes

Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

Q1 FY 2023: 17,145,211 shares

FY 2022: 17,145,211 shares

2) Total number of treasury shares at the end of the period:

Q1 FY 2023: 2,518,889 shares

FY 2022: 2,518,682 shares

3) Average number of shares during the period (cumulative):

Q1 FY 2023: 14,626,421 shares

Q1 FY 2022: 14,627,237 shares

* These quarterly financial results are outside the scope of quarterly review by a certified public accountant or an audit corporation.

* Explanation of the proper use of financial results forecast and other notes

(Explanation of the proper use of future forecast information)

The future-related statements set forth in this document contain forecasts based on assumptions, prospects, as well as plans for future events as of the date of publication of this document.

Actual results may differ significantly from these forecasts due to a wide range of factors.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	FY 2022 (As of March 31, 2023)	Q1 FY 2023 (As of June 30, 2023)
Assets		
Current assets		
Cash and deposits	21,947	19,165
Notes and accounts receivable - trade	56,543	62,405
Inventories	56,483	53,997
Other	797	797
Total current assets	135,771	136,365
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,500	12,525
Machinery, equipment and vehicles, net	19,315	19,323
Land	53,051	53,050
Other, net	2,698	2,784
Total property, plant and equipment	87,566	87,684
Intangible assets		
Goodwill	2,777	2,661
Other	1,431	1,473
Total intangible assets	4,208	4,134
Investments and other assets		
Investment securities	20,746	23,829
Other	5,323	4,073
Allowance for doubtful accounts	(64)	(64)
Total investments and other assets	26,005	27,838
Total non-current assets	117,780	119,657
Total assets	253,552	256,023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	35,758	34,436
Short-term borrowings	45,102	46,053
Current portion of bonds payable	120	120
Income taxes payable	3,451	639
Provision for bonuses	2,441	1,046
Other	10,052	11,662
Total current liabilities	96,926	93,958
Non-current liabilities		
Bonds payable	90	60
Long-term borrowings	30,672	31,932
Provision for retirement benefits for directors (and other officers)	213	182
Retirement benefit liability	5,551	5,599
Other	7,728	7,933
Total non-current liabilities	44,255	45,709
Total liabilities	141,181	139,667

(Million yen)

	FY 2022 (As of March 31, 2023)	Q1 FY 2023 (As of June 30, 2023)
Net assets		
Shareholders' equity		
Share capital	34,896	34,896
Capital surplus	12,430	12,430
Retained earnings	60,527	62,550
Treasury shares	(4,718)	(4,719)
Total shareholders' equity	103,136	105,158
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,829	5,794
Deferred gains or losses on hedges	(3)	(0)
Revaluation reserve for land	4,502	4,502
Foreign currency translation adjustment	102	106
Remeasurements of defined benefit plans	392	382
Total accumulated other comprehensive income	8,824	10,785
Non-controlling interests	409	411
Total net assets	112,370	116,355
Total liabilities and net assets	253,552	256,023

(2) Quarterly Consolidated Statements of Income

First Quarter

(Million yen)

	Q1 FY 2022 (From April 1, 2022 to June 30, 2022)	Q1 FY 2023 (From April 1, 2023 to June 30, 2023)
Net sales	60,658	60,808
Cost of sales	55,359	50,596
Gross profit	5,298	10,211
Selling, general and administrative expenses	5,238	5,315
Operating profit	59	4,896
Non-operating income		
Interest income	0	1
Dividend income	188	337
Rental income	171	172
Share of profit of entities accounted for using equity method	203	447
Other	118	33
Total non-operating income	682	992
Non-operating expenses		
Interest expenses	94	125
Rental expenses on non-current assets	26	28
Other	33	27
Total non-operating expenses	154	181
Ordinary profit	588	5,706
Extraordinary income		
Gain on sale of investment securities	—	33
Total extraordinary income	—	33
Extraordinary losses		
Loss on retirement of non-current assets	53	44
Total extraordinary losses	53	44
Profit before income taxes	534	5,695
Income taxes	74	1,468
Profit	460	4,227
Profit (loss) attributable to non-controlling interests	(1)	10
Profit attributable to owners of parent	461	4,216