



Flash Report Consolidated Basis
Results for the First Quarter of Fiscal 2015
(April 1, 2015-June 30, 2015)
<under Japanese GAAP>

July 30, 2015

Company name: OSAKA STEEL CO., LTD.
Stock listing: Tokyo, 1st section
Code number: 5449
URL: <http://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 the First Quarter of Fiscal 2015
(April 1, 2015-June 30, 2015)

(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 quarter of Fiscal 2015	14,883	(15.8)	1,628	(26.7)	1,674	(27.5)	687	(53.7)
First quarter of Fiscal 2014	17,680	14.5	2,221	64.9	2,309	62.6	1,484	85.2

(Reference) Comprehensive income: First quarter of Fiscal 2015 ¥ 755 million (49.1)%
 First quarter of Fiscal 2014 ¥1,483 million 93.2%

	Earnings per share		Earnings per share after full dilution	
	Yen		Yen	
First quarter of Fiscal 2015	17.65		—	
First quarter of Fiscal 2014	38.13		—	

(2) Consolidated Financial Results

	Total assets		Net assets		Ratio of shareholders' equity to total assets	
	Millions of yen		Millions of yen		%	
First quarter of Fiscal 2015	143,394		129,410		89.3	
Fiscal 2014	147,328		129,337		87.0	

(Reference) Shareholders' equity: First quarter of Fiscal 2015 ¥128,082 million
 Fiscal 2014 ¥128,192 million

2. Dividends

	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total
Fiscal 2014	Yen —	Yen 12.50	Yen —	Yen 22.50	Yen 35.00
Fiscal 2015	—				
Fiscal 2015 (Forecasts)		12.50	—	—	—

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

The dividend forecasts of end of fiscal year for fiscal 2015 are not decided.

3. Consolidated Financial Forecasts for Fiscal 2015(April 1, 2015-March 31, 2016)

	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 2015	30,000	(12.9)	3,200	(16.5)	3,300	(15.6)	1,800	(28.5)	46.25
Fiscal 2015	64,000	(4.0)	6,800	(25.6)	7,000	(23.4)	4,200	(32.4)	107.91

(Note) Whether the consolidated financial forecasts for fiscal 2015 under review have been revised : Yes

1. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

	Millions of yen	
	March 31, 2015	June 30, 2015
Assets		
Current assets		
Cash and deposits	2,547	3,433
Notes and accounts receivable - trade	11,534	10,125
Finished goods	6,723	6,246
Work in process	241	146
Raw materials and supplies	4,219	3,678
Deferred tax assets	616	321
Accounts receivable - other	8,035	8,186
Short-term loans receivable from subsidiaries and associates	10,000	10,000
Deposits paid	55,543	53,861
Other	30	39
Allowance for doubtful accounts	(3)	(2)
Total current assets	<u>99,487</u>	<u>96,036</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,655	4,585
Machinery, equipment and vehicles, net	7,443	6,851
Tools, furniture and fixtures, net	814	824
Land	31,552	31,537
Construction in progress	1,714	1,766
Total property, plant and equipment	<u>46,180</u>	<u>45,564</u>
Intangible assets		
Other	15	15
Total intangible assets	<u>15</u>	<u>15</u>
Investments and other assets		
Investment securities	1,364	1,493
Long-term loans receivable	2	2
Net defined benefit asset	5	—
Deferred tax assets	164	173
Other	131	131
Allowance for doubtful accounts	(22)	(22)
Total investments and other assets	<u>1,644</u>	<u>1,778</u>
Total non-current assets	<u>47,840</u>	<u>47,357</u>
Total assets	<u>147,328</u>	<u>143,394</u>

Millions of yen

	March 31, 2015	June 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,304	5,470
Accounts payable - other	2,597	2,522
Income taxes payable	2,993	252
Provision for repairs	572	564
Other	1,689	1,279
Total current liabilities	<u>14,158</u>	<u>10,089</u>
Non-current liabilities		
Deferred tax liabilities	1,930	1,771
Net defined benefit liability	1,714	1,699
Provision for business structure improvement	—	265
Other	187	158
Total non-current liabilities	<u>3,832</u>	<u>3,894</u>
Total liabilities	<u>17,990</u>	<u>13,983</u>
Net assets		
Shareholders' equity		
Capital stock	8,769	8,769
Capital surplus	10,648	10,648
Retained earnings	112,450	112,262
Treasury shares	(4,532)	(4,532)
Total shareholders' equity	<u>127,336</u>	<u>127,147</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	565	655
Foreign currency translation adjustment	502	481
Remeasurements of defined benefit plans	(211)	(201)
Total accumulated other comprehensive income	<u>856</u>	<u>934</u>
Non-controlling interests	1,144	1,328
Total net assets	<u>129,337</u>	<u>129,410</u>
Total liabilities and net assets	<u>147,328</u>	<u>143,394</u>

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

Quarterly Consolidated Statements of Operations

Millions of yen

	First quarter of fiscal 2014	First quarter of fiscal 2015
Net sales	17,680	14,883
Cost of sales	14,392	12,187
Gross profit	3,288	2,696
Selling, general and administrative expenses		
Haulage expenses	625	576
Salaries and bonuses	209	215
Retirement benefit expenses	9	10
Depreciation	6	5
Other	215	260
Total selling, general and administrative expenses	1,067	1,068
Operating profit	2,221	1,628
Non-operating profit		
Interest income	47	47
Dividend income	14	14
Rent income on non-current assets	37	38
Other	12	16
Total non-operating profit	112	117
Non-operating loss		
Certain charges for salaries payable to seconded employees	7	34
Loss on retirement of non-current assets	7	22
Taxes and dues	5	5
Other	3	8
Total non-operating loss	23	71
Ordinary profit	2,309	1,674
Extraordinary loss		
Business structure improvement expenses	—	651
Total extraordinary loss	—	651
Profit before income taxes	2,309	1,023
Income taxes - current	1,107	255
Income taxes - deferred	(281)	85
Total income taxes	825	340
Profit	1,484	682
Loss attributable to non-controlling interests	—	(4)
Profit attributable to owners of parent	1,484	687

Quarterly Consolidated Statements of Comprehensive Income

Millions of yen

	First quarter of fiscal 2014	First quarter of fiscal 2015
Profit	1,484	682
Other comprehensive income		
Valuation difference on available-for-sale securities	5	89
Foreign currency translation adjustment	(18)	(26)
Remeasurements of defined benefit plans, net of tax	12	10
Total other comprehensive income	<u>(0)</u>	<u>73</u>
Comprehensive income	<u>1,483</u>	<u>755</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,492	765
Comprehensive income attributable to non-controlling interests	(9)	(10)