



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

October 29, 2015

Company name: OSAKA STEEL CO., LTD.
Stock listing: Tokyo, 1st section
Code number: 5449
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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 2015
(April 1, 2015-September 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 half of Fiscal 2015	28,877	(16.2)	3,706	(3.0)	3,843	(1.7)	2,088	(17.1)
First half of Fiscal 2014	34,452	6.7	3,820	81.8	3,909	73.8	2,517	92.6

(Reference) Comprehensive income: First half of Fiscal 2015 ¥2,163 Million (14.4%)
 First half of Fiscal 2014 ¥2,528 million 84.4%

	Earnings per share		Earnings per share after full dilution	
	Yen		Yen	
First half of Fiscal 2015	53.65		—	
First half of Fiscal 2014	64.69		—	

(2) Consolidated Financial Results

	Total assets		Net assets		Ratio of shareholders' equity to total assets	
	Millions of yen		Millions of yen		%	
First half of Fiscal 2015	145,398		131,121		89.0	
Fiscal 2014	147,328		129,337		87.0	

(Reference) Shareholders' equity: First half of Fiscal 2015 ¥129,470 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	—	12.50			
Fiscal 2015 (Forecasts)			—	—	—

(Note) Whether the dividend forecasts under review have been revised : No
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
Fiscal 2015	58,000	(14.3)	6,800	(25.2)	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	September 30, 2015
Assets		
Current assets		
Cash and deposits	2,547	4,458
Notes and accounts receivable - trade	11,534	9,093
Finished goods	6,723	6,043
Work in process	241	171
Raw materials and supplies	4,219	3,935
Deferred tax assets	616	447
Accounts receivable - other	8,035	8,022
Short-term loans receivable from subsidiaries and associates	10,000	10,000
Deposits paid	55,543	55,748
Other	30	46
Allowance for doubtful accounts	(3)	(2)
Total current assets	<u>99,487</u>	<u>97,964</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,655	4,546
Machinery, equipment and vehicles, net	7,443	6,533
Tools, furniture and fixtures, net	814	877
Land	31,552	31,607
Construction in progress	1,714	2,270
Total property, plant and equipment	<u>46,180</u>	<u>45,835</u>
Intangible assets		
Other	15	15
Total intangible assets	<u>15</u>	<u>15</u>
Investments and other assets		
Investment securities	1,364	1,277
Long-term loans receivable	2	2
Net defined benefit asset	5	—
Deferred tax assets	164	189
Other	131	136
Allowance for doubtful accounts	(22)	(22)
Total investments and other assets	<u>1,644</u>	<u>1,582</u>
Total non-current assets	<u>47,840</u>	<u>47,434</u>
Total assets	<u>147,328</u>	<u>145,398</u>

Millions of yen

	March 31, 2015	September 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,304	4,673
Accounts payable - other	2,597	2,823
Income taxes payable	2,993	1,213
Provision for repairs	572	500
Other	1,689	1,170
Total current liabilities	<u>14,158</u>	<u>10,382</u>
Non-current liabilities		
Deferred tax liabilities	1,930	1,713
Net defined benefit liability	1,714	1,695
Provision for business structure improvement	—	265
Provision for loss on dissolution of the employees' pension fund	—	60
Other	187	162
Total non-current liabilities	<u>3,832</u>	<u>3,895</u>
Total liabilities	<u>17,990</u>	<u>14,277</u>
Net assets		
Shareholders' equity		
Capital stock	8,769	8,769
Capital surplus	10,648	10,648
Retained earnings	112,450	113,663
Treasury shares	(4,532)	(4,533)
Total shareholders' equity	<u>127,336</u>	<u>128,548</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	565	516
Foreign currency translation adjustment	502	598
Remeasurements of defined benefit plans	(211)	(192)
Total accumulated other comprehensive income	<u>856</u>	<u>922</u>
Non-controlling interests	1,144	1,650
Total net assets	<u>129,337</u>	<u>131,121</u>
Total liabilities and net assets	<u>147,328</u>	<u>145,398</u>

**(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 2014	First half of fiscal 2015
Net sales	34,452	28,877
Cost of sales	28,527	22,864
Gross profit	<u>5,925</u>	<u>6,012</u>
Selling, general and administrative expenses		
Haulage expenses	1,210	1,136
Salaries and bonuses	410	446
Retirement benefit expenses	18	22
Depreciation	13	11
Other	452	689
Total selling, general and administrative expenses	<u>2,105</u>	<u>2,306</u>
Operating profit	<u>3,820</u>	<u>3,706</u>
Non-operating profit		
Interest income	96	96
Dividend income	14	14
Rent income on non-current assets	76	76
Other	19	55
Total non-operating profit	<u>206</u>	<u>242</u>
Non-operating loss		
Loss on retirement of non-current assets	95	28
Taxes and dues	11	8
Provision for loss on dissolution of the employees' pension fund	—	60
Other	10	9
Total non-operating loss	<u>117</u>	<u>106</u>
Ordinary profit	<u>3,909</u>	<u>3,843</u>
Extraordinary loss		
Business structure improvement expenses	—	651
Total extraordinary loss	<u>—</u>	<u>651</u>
Profit before income taxes	<u>3,909</u>	<u>3,192</u>
Income taxes - current	1,773	1,179
Income taxes - deferred	(381)	(60)
Total income taxes	<u>1,392</u>	<u>1,118</u>
Profit	<u>2,517</u>	<u>2,073</u>
Loss attributable to non-controlling interests	—	(14)
Profit attributable to owners of parent	<u>2,517</u>	<u>2,088</u>

Quarterly Consolidated Statements of Comprehensive Income

Millions of yen

	First half of fiscal 2014	First half of fiscal 2015
Profit	2,517	2,073
Other comprehensive income		
Valuation difference on available-for-sale securities	15	(49)
Foreign currency translation adjustment	(30)	120
Remeasurements of defined benefit plans, net of tax	25	19
Total other comprehensive income	10	90
Comprehensive income	2,528	2,163
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,542	2,154
Comprehensive income attributable to non-controlling interests	(14)	9

(4) Consolidated Statements of Cash Flows

	First half of fiscal 2014	First half of fiscal 2015
Cash flows from operating activities		
Income before income taxes and minority interests	3,909	3,192
Depreciation	1,045	1,155
Business structure improvement expenses	—	651
Increase (decrease) in allowance for doubtful accounts	(9)	(1)
Increase (decrease) in provision for repairs	(77)	(72)
Increase (decrease) in provision for loss on dissolution of the employees' pension fund	—	60
Interest and dividend income	(110)	(110)
Loss on retirement of non-current assets	95	28
Loss (gain) on sales of non-current assets	(0)	—
Loss (gain) on sales of investment securities	—	(32)
Decrease (increase) in notes and accounts receivable - trade	707	2,440
Decrease (increase) in inventories	112	983
Decrease (increase) in accounts receivable - other	624	2
Increase (decrease) in notes and accounts payable - trade	(535)	(1,630)
Increase (decrease) in net defined benefit liability	229	(19)
Increase (decrease) in net defined benefit asset	82	5
Other, net	197	(398)
Subtotal	<u>6,270</u>	<u>6,253</u>
Interest and dividend income received	110	110
Income taxes paid	<u>(1,165)</u>	<u>(2,947)</u>
Net cash provided by (used in) operating activities	<u>5,215</u>	<u>3,416</u>
Cash flows from investing activities		
Proceeds from sales of non-current assets	13	—
Purchase of non-current assets	(956)	(1,005)
Proceeds from sales of investment securities	—	46
Other proceeds	2	0
Other payments	(0)	(5)
Net cash provided by (used in) investing activities	<u>(941)</u>	<u>(962)</u>
Cash flows from financing activities		
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(194)	(875)
Proceeds from share issuance to non-controlling shareholders	—	496
Net cash provided by (used in) financing activities	<u>(195)</u>	<u>(380)</u>
Effect of exchange rate change on cash and cash equivalents	<u>(0)</u>	<u>42</u>
Net increase (decrease) in cash and cash equivalents	<u>4,079</u>	<u>2,115</u>
Cash and cash equivalents at beginning of period	<u>50,920</u>	<u>58,090</u>
Cash and cash equivalents at end of period	<u>55,000</u>	<u>60,206</u>