

Flash Report Consolidated Basis  
Results for the First Quarter of Fiscal 2016  
(April 1, 2016-June 30, 2016)  
<under Japanese GAAP>

July 28, 2016

**Company name:** OSAKA STEEL CO., LTD.  
**Stock listing:** Tokyo, 1st section  
**Code number:** 5449  
**URL:** <http://www.osaka-seitetsu.co.jp>  
**Representative:** Junji Uchida, PRESIDENT  
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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 2016**  
(April 1, 2016-June 30, 2016)

**(1) Consolidated Operating Results**

(Percentage figures represent changes from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>First quarter of Fiscal 2016</b>	<b>13,220</b>	<b>(11.2)</b>	<b>1,022</b>	<b>(35.8)</b>	<b>1,057</b>	<b>(36.8)</b>	<b>(26)</b>	<b>—</b>
First quarter of Fiscal 2015	14,883	(15.8)	1,593	(28.0)	1,674	(27.5)	687	(53.7)

(Reference) Comprehensive income: First quarter of Fiscal 2016 ¥(555) million — %  
First quarter of Fiscal 2015 ¥755 million (49.1)%

	Earnings per share		Earnings per share after full dilution	
	Yen		Yen	
<b>First quarter of Fiscal 2016</b>	<b>(0.68)</b>		<b>—</b>	
First quarter of Fiscal 2015	17.65		—	

**(2) Consolidated Financial Results**

	Total assets		Net assets		Ratio of shareholders' equity to total assets	
	Millions of yen		Millions of yen		%	
<b>First quarter of Fiscal 2016</b>	<b>156,107</b>		<b>139,070</b>		<b>86.6</b>	
Fiscal 2015	156,632		141,085		87.5	

(Reference) Shareholders' equity: First quarter of Fiscal 2016 ¥135,166 million  
Fiscal 2015 ¥137,102 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 2015	—	12.50	—	37.50	50.00
<b>Fiscal 2016</b>	—				
<b>Fiscal 2016(Forecasts)</b>		<b>12.50</b>	—	—	—

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

The dividend forecasts of end of fiscal year for fiscal 2016 are not decided.

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

	Net sales		Operating income		Ordinary income		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 2016	28,000	(3.0)	2,500	(32.6)	2,500	(35.0)	900	(56.9)	23.12
Fiscal 2016	60,000	9.7	6,900	(14.8)	7,000	(15.5)	4,000	(61.4)	102.77

(Note) Whether the consolidated financial forecasts for fiscal 2016 under review have been revised : Yes

## 1. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

	March 31, 2016	Millions of yen June 30, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	2,469	3,678
Notes and accounts receivable - trade	10,948	10,044
Finished goods	6,197	5,966
Work in process	192	150
Raw materials and supplies	3,799	4,097
Deferred tax assets	659	675
Accounts receivable - other	7,634	6,105
Short-term loans receivable from subsidiaries and associates	10,000	10,000
Deposits paid	57,491	58,640
Other	547	40
Allowance for doubtful accounts	(1)	(1)
Total current assets	<u>99,939</u>	<u>99,397</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,416	5,350
Machinery, equipment and vehicles, net	10,185	9,955
Tools, furniture and fixtures, net	1,101	1,102
Land	33,857	33,607
Construction in progress	4,023	4,613
Total property, plant and equipment	<u>54,584</u>	<u>54,629</u>
Intangible assets		
Other	50	46
Total intangible assets	<u>50</u>	<u>46</u>
Investments and other assets		
Investment securities	1,569	1,526
Long-term loans receivable	1	1
Net defined benefit asset	78	78
Deferred tax assets	213	238
Other	217	210
Allowance for doubtful accounts	(22)	(22)
Total investments and other assets	<u>2,057</u>	<u>2,033</u>
Total non-current assets	<u>56,692</u>	<u>56,710</u>
Total assets	<u>156,632</u>	<u>156,107</u>

Millions of yen

	March 31, 2016	June 30, 2016
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,167	4,729
Current portion of long-term loans payable	119	119
Accounts payable - other	3,547	2,717
Income taxes payable	473	136
Provision for repairs	452	447
Provision for loss on disaster	—	513
Other	1,257	1,060
Total current liabilities	<u>11,017</u>	<u>9,723</u>
Non-current liabilities		
Long-term loans payable	253	3,040
Deferred tax liabilities	1,886	1,861
Net defined benefit liability	1,545	1,573
Provision for business structure improvement	573	570
Provision for loss on dissolution of the employee's pension fund	70	70
Other	200	196
Total non-current liabilities	<u>4,529</u>	<u>7,313</u>
Total liabilities	<u>15,546</u>	<u>17,036</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	8,769	8,769
Capital surplus	10,648	10,648
Retained earnings	121,516	120,030
Treasury shares	(4,533)	(4,533)
Total shareholders' equity	<u>136,401</u>	<u>134,914</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	377	347
Foreign currency translation adjustment	497	67
Remeasurements of defined benefit plans	(173)	(163)
Total accumulated other comprehensive income	<u>701</u>	<u>251</u>
Non-controlling interests	<u>3,983</u>	<u>3,903</u>
Total net assets	<u>141,085</u>	<u>139,070</u>
Total liabilities and net assets	<u>156,632</u>	<u>156,107</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 2015	First quarter of fiscal 2016
Net sales	14,883	13,220
Cost of sales	12,187	10,859
Gross profit	2,696	2,360
Selling, general and administrative expenses		
Haulage expenses	576	599
Salaries and bonuses	215	253
Retirement benefit expenses	10	10
Depreciation	5	14
Other	295	459
Total selling, general and administrative expenses	1,103	1,337
Operating income	1,593	1,022
Non-operating income		
Interest income	47	40
Dividend income	14	15
Rent income on non-current assets	38	35
Other	16	20
Total non-operating income	117	111
Non-operating expenses		
Interest expenses	—	0
Loss on retirement of non-current assets	22	37
Taxes and dues	5	12
Other	8	25
Total non-operating expenses	36	76
Ordinary income	1,674	1,057
Extraordinary losses		
Loss on disaster	—	1,000
Business structure improvement expenses	651	—
Total extraordinary losses	651	1,000
Profit before income taxes	1,023	57
Income taxes - current	255	117
Income taxes - deferred	85	(60)
Total income taxes	340	56
Profit	682	1
Profit (loss) attributable to non-controlling interests	(4)	27
Profit (loss) attributable to owners of parent	687	(26)

Quarterly Consolidated Statements of Comprehensive Income

Millions of yen

	First quarter of fiscal 2015	First quarter of fiscal 2016
Profit	682	1
Other comprehensive income		
Valuation difference on available-for-sale securities	89	(29)
Foreign currency translation adjustment	(26)	(537)
Remeasurements of defined benefit plans, net of tax	10	10
Total other comprehensive income	73	(557)
Comprehensive income	755	(555)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	765	(475)
Comprehensive income attributable to non-controlling interests	(10)	(79)