



Flash Report Consolidated Basis
Results for Fiscal 2014
(April 1, 2014-March 31, 2015)
<under Japanese GAAP>

April 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 Fiscal 2014

(April 1, 2014-March 31, 2015)

(1) Consolidated Operating Results

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2014	67,678	(1.9)	9,143	86.4	9,142	77.5	6,215	352.0
Fiscal 2013	68,960	10.3	4,905	10.7	5,151	10.4	1,375	(41.0)

(Reference) Comprehensive income: Fiscal 2014 ¥6,654 million 446.5%
Fiscal 2013 ¥1,217 million (50.4)%

	Net income per share	Net income per share after full dilution	Return on equity	Return on assets	Return on sales
	Yen	Yen	%	%	%
Fiscal 2014	159.69	—	5.0	6.4	13.5
Fiscal 2013	35.33	—	1.1	3.7	7.1

(Reference) Equity in net income of unconsolidated subsidiaries and associates: Fiscal 2014 ¥— million
Fiscal 2013 ¥— million

(2) Consolidated Financial Results

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2014	147,328	129,337	87.0	3,293.52
Fiscal 2013	139,242	122,829	87.9	3,145.72

(Reference) Shareholders' equity: Fiscal 2014 ¥128,192 million
Fiscal 2013 ¥122,442 million

(3) Consolidated Statements of Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2014	12,780	(5,539)	25	58,090
Fiscal 2013	2,958	(1,639)	(683)	50,920

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 2013	—	10.00	—	5.00	15.00
Fiscal 2014	—	12.50	—	22.50	35.00
Fiscal 2015 (Forecasts)	—	—	—	—	—

	Cash dividends	Ratio of cash dividends to net income	Ratio of cash dividends to net assets
	Millions of yen	%	%
Fiscal 2013	583	42.5	0.5
Fiscal 2014	1,362	21.9	1.1
Fiscal 2015 (Forecasts)	—	—	—

(Note) The dividend forecasts of end of second quarter and fiscal year for fiscal 2015 are not decided at the moment as the outlook of the business environment is extremely unforeseeable, and will be considered and disclosed as soon as the earnings forecast becomes clear.

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

(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		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half of Fiscal 2015	31,000	(10.0)	2,700	(29.6)	2,800	(28.4)	1,900	(24.5)	48.81
Fiscal 2015	65,000	(4.0)	6,800	(25.6)	7,000	(23.4)	4,700	(24.4)	120.75

(Reference) Summary of Non-Consolidated Financial and Operating Results
Non-Consolidated Financial and Operating Results for Fiscal 2014
(April 1, 2014-March 31, 2015)

(1)Non-Consolidated Operating Results

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2014	60,603	4.6	8,330	68.2	8,421	60.0	5,803	134.1
Fiscal 2013	57,948	11.4	4,951	22.9	5,262	18.6	2,478	9.4
	Net income per share		Net income per share after full dilution					
	Yen		Yen					
Fiscal 2014	149.10		—					
Fiscal 2013	63.68		—					

(2)Non-Consolidated Financial Results

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2014	141,408	114,682	81.1	2,946.42
Fiscal 2013	133,643	109,784	82.1	2,820.50

(Reference) Shareholders' equity: Fiscal 2014 ¥114,682 million
Fiscal 2013 ¥109,784 million

1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of yen

	March 31, 2014	March 31, 2015
Assets		
Current assets		
Cash and deposits	646	2,547
Notes and accounts receivable - trade	12,911	11,534
Finished goods	6,416	6,723
Work in process	299	241
Raw materials and supplies	4,352	4,219
Deferred tax assets	209	616
Accounts receivable - other	9,819	8,035
Short-term loans receivable from subsidiaries and associates	10,000	10,000
Deposits paid	50,274	55,543
Other	354	30
Allowance for doubtful accounts	(3)	(3)
Total current assets	<u>95,281</u>	<u>99,487</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,363	17,807
Accumulated depreciation	(13,421)	(13,152)
Buildings and structures, net	<u>4,942</u>	<u>4,655</u>
Machinery, equipment and vehicles	55,121	53,792
Accumulated depreciation	(48,000)	(46,348)
Machinery, equipment and vehicles, net	<u>7,120</u>	<u>7,443</u>
Tools, furniture and fixtures	5,997	5,859
Accumulated depreciation	(5,232)	(5,044)
Tools, furniture and fixtures, net	<u>765</u>	<u>814</u>
Land	28,414	31,552
Construction in progress	843	1,714
Total property, plant and equipment	<u>42,086</u>	<u>46,180</u>
Intangible assets		
Other	15	15
Total intangible assets	<u>15</u>	<u>15</u>
Investments and other assets		
Investment securities	1,513	1,364
Long-term loans receivable	3	2
Net defined benefit asset	82	5
Deferred tax assets	142	164
Other	148	131
Allowance for doubtful accounts	(32)	(22)
Total investments and other assets	<u>1,858</u>	<u>1,644</u>
Total non-current assets	<u>43,960</u>	<u>47,840</u>
Total assets	<u>139,242</u>	<u>147,328</u>

Millions of yen

	March 31, 2014	March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,311	6,304
Accounts payable - other	2,724	2,597
Income taxes payable	1,191	2,993
Provision for repairs	648	572
Other	627	1,689
Total current liabilities	<u>12,503</u>	<u>14,158</u>
Non-current liabilities		
Deferred tax liabilities	2,213	1,930
Net defined benefit liability	1,503	1,714
Other	191	187
Total non-current liabilities	<u>3,908</u>	<u>3,832</u>
Total liabilities	<u>16,412</u>	<u>17,990</u>
Net assets		
Shareholders' equity		
Capital stock	8,769	8,769
Capital surplus	10,648	10,648
Retained earnings	107,088	112,450
Treasury shares	(4,530)	(4,532)
Total shareholders' equity	<u>121,976</u>	<u>127,336</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	618	565
Foreign currency translation adjustment	76	502
Remeasurements of defined benefit plans	(229)	(211)
Total accumulated other comprehensive income	<u>466</u>	<u>856</u>
Minority interests	<u>387</u>	<u>1,144</u>
Total net assets	<u>122,829</u>	<u>129,337</u>
Total liabilities and net assets	<u>139,242</u>	<u>147,328</u>

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

Consolidated Statements of Operations

Millions of yen

	Fiscal 2013	Fiscal 2014
Net sales	68,960	67,678
Cost of sales	59,723	54,212
Gross profit	9,236	13,466
Selling, general and administrative expenses		
Haulage expenses	2,458	2,407
Salaries and bonuses	837	818
Retirement benefit expenses	34	38
Provision for directors' retirement benefits	17	—
Depreciation	32	28
Other	949	1,029
Total selling, general and administrative expenses	4,330	4,322
Operating income	4,905	9,143
Non-operating income		
Interest income	168	189
Dividend income	25	27
Rent income on non-current assets	155	152
Other	75	47
Total non-operating income	425	417
Non-operating expenses		
Certain charges for salaries payable to seconded employees	26	58
Loss on retirement of non-current assets	81	272
Taxes and dues	23	21
Compensation expenses	19	52
Other	27	13
Total non-operating expenses	178	418
Ordinary income	5,151	9,142
Extraordinary income		
Gain on sales of non-current assets	—	255
Gain on sales of investment securities	—	108
Compensation income	771	—
Total extraordinary income	771	363
Extraordinary losses		
Loss on sales of non-current assets	—	57
Loss on liquidation of business	1,998	—
Disposal of production facilities related expenses	771	—
Total extraordinary losses	2,769	57
Income before income taxes and minority interests	3,153	9,449
Income taxes - current	1,898	3,813
Income taxes - deferred	283	(577)
Total income taxes	2,182	3,236
Income before minority interests	971	6,213
Minority interests in loss	(403)	(2)
Net income	1,375	6,215

Consolidated Statements of Comprehensive Income

Millions of yen

	Fiscal 2013	Fiscal 2014
Income before minority interests	971	6,213
Other comprehensive income		
Valuation difference on available-for-sale securities	161	(53)
Foreign currency translation adjustment	85	477
Remeasurements of defined benefit plans, net of tax	—	17
Total other comprehensive income	<u>246</u>	<u>441</u>
Comprehensive income	<u>1,217</u>	<u>6,654</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,579	6,605
Comprehensive income attributable to minority interests	(362)	49

(3) Consolidated Statements of Changes in Net Assets

Fiscal 2013	Shareholders' equity					Millions of yen
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of current period	8,769	10,648	106,394	(4,528)	121,284	
Changes of items during period						
Dividends of surplus			(681)		(681)	
Net income			1,375		1,375	
Purchase of treasury shares				(2)	(2)	
Net changes of items other than shareholders' equity						
Total changes of items during period	—	—	694	(2)	691	
Balance at end of current period	8,769	10,648	107,088	(4,530)	121,976	

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	457	33	—	490	749	122,525
Changes of items during period						
Dividends of surplus						(681)
Net income						1,375
Purchase of treasury shares						(2)
Net changes of items other than shareholders' equity	161	43	(229)	(24)	(362)	(386)
Total changes of items during period	161	43	(229)	(24)	(362)	304
Balance at end of current period	618	76	(229)	466	387	122,829

Fiscal 2014

Millions of yen

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of current period	8,769	10,648	107,088	(4,530)	121,976
Cumulative effects of changes in accounting policies			(172)		(172)
Restated balance	8,769	10,648	106,916	(4,530)	121,804
Changes of items during period					
Dividends of surplus			(681)		(681)
Net income			6,215		6,215
Purchase of treasury shares				(1)	(1)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	5,534	(1)	5,532
Balance at end of current period	8,769	10,648	112,450	(4,532)	127,336

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	618	76	(229)	466	387	122,829
Cumulative effects of changes in accounting policies						(172)
Restated balance	618	76	(229)	466	387	122,657
Changes of items during period						
Dividends of surplus						(681)
Net income						6,215
Purchase of treasury shares						(1)
Net changes of items other than shareholders' equity	(53)	425	17	389	757	1,147
Total changes of items during period	(53)	425	17	389	757	6,680
Balance at end of current period	565	502	(211)	856	1,144	129,337

(4) Consolidated Statements of Cash Flows

	Fiscal 2013	Fiscal 2014
Cash flows from operating activities		
Income before income taxes and minority interests	3,153	9,449
Depreciation	2,282	2,276
Amortization of goodwill	—	113
Compensation income	(771)	—
Loss on liquidation of business	2,085	—
Disposal of production facilities related expenses	771	—
Increase (decrease) in allowance for doubtful accounts	(0)	(9)
Increase (decrease) in provision for repairs	(268)	(75)
Interest and dividend income	(193)	(217)
Loss on retirement of non-current assets	74	272
Loss (gain) on sales of non-current assets	(33)	(198)
Loss (gain) on sales of investment securities	—	(108)
Decrease (increase) in notes and accounts receivable - trade	8,945	1,377
Decrease (increase) in inventories	(1,045)	(114)
Decrease (increase) in accounts receivable - other	(8,976)	1,790
Increase (decrease) in notes and accounts payable - trade	(904)	(1,007)
Increase (decrease) in provision for directors' retirement benefits	(178)	—
Increase (decrease) in provision for retirement benefits	(1,580)	—
Increase (decrease) in net defined benefit liability	1,503	210
Increase (decrease) in net defined benefit asset	(82)	77
Other, net	(259)	770
Subtotal	4,522	14,606
Interest and dividend income received	194	222
Income taxes paid	(1,758)	(2,047)
Net cash provided by (used in) operating activities	2,958	12,780
Cash flows from investing activities		
Proceeds from sales of non-current assets	342	479
Purchase of non-current assets	(1,981)	(6,152)
Proceeds from sales of investment securities	—	139
Purchase of investment securities	—	(7)
Collection of loans receivable from subsidiaries and associates	—	10,000
Payments of loans receivable from subsidiaries and associates	—	(10,000)
Other proceeds	2	3
Other payments	(2)	(0)
Net cash provided by (used in) investing activities	(1,639)	(5,539)
Cash flows from financing activities		
Purchase of treasury shares	(2)	(1)
Cash dividends paid	(681)	(681)
Proceeds from share issuance to minority shareholders	—	708
Net cash provided by (used in) financing activities	(683)	25
Effect of exchange rate change on cash and cash equivalents	0	(97)
Net increase (decrease) in cash and cash equivalents	635	7,169
Cash and cash equivalents at beginning of period	50,285	50,920
Cash and cash equivalents at end of period	50,920	58,090