

Flash Report Consolidated Basis  
Results for the Third Quarter of Fiscal 2018  
(April 1, 2018-December 31, 2018)  
< under Japanese GAAP >

January 31, 2019

**Company name:** OSAKA STEEL CO., LTD.  
**Stock listing:** Tokyo, 1st section  
**Code number:** 5449  
**URL:** <http://www.osaka-seitetsu.co.jp>  
**Representative:** Masaki Iwasaki, PRESIDENT  
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(Figures of less than ¥1 million have been omitted.)

**1. Consolidated Financial and Operating Results for the Third quarter of Fiscal 2018**  
(April 1, 2018- December 31, 2018)

**(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	%
<b>Third quarter of Fiscal 2018</b>	<b>70,806</b>	<b>22.8</b>	<b>5,237</b>	<b>0.2</b>	<b>4,869</b>	<b>(5.7)</b>	<b>2,670</b>	<b>(19.9)</b>
Third quarter of Fiscal 2017	57,679	32.3	5,229	23.6	5,162	21.9	3,334	93.5

(Reference) Comprehensive income: Third quarter of Fiscal 2018 ¥2,225 million (30.9) %  
Third quarter of Fiscal 2017 ¥3,219 million 392.5 %

	Earnings per share	Earnings per share after full dilution
	Yen	Yen
<b>Third quarter of Fiscal 2018</b>	<b>68.60</b>	—
Third quarter of Fiscal 2017	85.66	—

**(2) Consolidated Financial Results**

	Total assets	Net assets	Ratio of shareholders' equity to total assets
	Millions of yen	Millions of yen	%
<b>Third quarter of Fiscal 2018</b>	<b>195,786</b>	<b>145,010</b>	<b>72.8</b>
Fiscal 2017	194,130	144,286	72.9

(Reference) Shareholders' equity: Third quarter of Fiscal 2018 ¥142,536 million  
Fiscal 2017 ¥141,491 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 2017	—	12.50	—	21.00	33.50
<b>Fiscal 2018</b>	—	<b>17.00</b>	—		
<b>Fiscal 2018(Forecasts)</b>				<b>17.00</b>	<b>34.00</b>

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

## 3. Consolidated Financial Forecasts for Fiscal 2018(April 1, 2018-March 31, 2019)

	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
Fiscal 2018	95,000	17.1	6,800	(1.0)	6,500	(3.0)	3,800	(12.0)	97.63

(Note) Whether the consolidated financial forecasts for fiscal 2018 under review have been revised : Yes

Forecasts of future performance in this report are based on information available at the date of publication for this document and certain assumptions regarding factors that may influence future results at the date of publication. Actual results may vary significantly from these forecasts due to a wide range of factors.

## 1. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

Millions of yen

	March 31, 2018	December 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	3,948	<b>3,914</b>
Notes and accounts receivable - trade	20,233	<b>22,217</b>
Finished goods	13,050	<b>14,054</b>
Work in process	484	<b>373</b>
Raw materials and supplies	5,807	<b>5,954</b>
Accounts receivable - other	11,831	<b>12,873</b>
Short-term loans receivable from subsidiaries and associates	10,000	<b>10,000</b>
Deposits paid	56,650	<b>54,168</b>
Other	119	<b>152</b>
Allowance for doubtful accounts	(2)	<b>(2)</b>
Total current assets	<u>122,123</u>	<u><b>123,706</b></u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,058	<b>8,042</b>
Machinery, equipment and vehicles, net	22,118	<b>21,914</b>
Tools, furniture and fixtures, net	1,767	<b>1,850</b>
Land	35,660	<b>35,678</b>
Construction in progress	1,285	<b>1,202</b>
Total property, plant and equipment	<u>68,890</u>	<u><b>68,689</b></u>
Intangible assets		
Other	230	<b>180</b>
Total intangible assets	<u>230</u>	<u><b>180</b></u>
Investments and other assets		
Investment securities	2,155	<b>1,792</b>
Long-term loans receivable	1	<b>1</b>
Net defined benefit asset	89	<b>89</b>
Deferred tax assets	272	<b>317</b>
Other	389	<b>1,008</b>
Allowance for doubtful accounts	(22)	<b>—</b>
Total investments and other assets	<u>2,885</u>	<u><b>3,210</b></u>
Total non-current assets	<u>72,006</u>	<u><b>72,079</b></u>
Total assets	<u>194,130</u>	<u><b>195,786</b></u>

Millions of yen

	March 31, 2018	December 31, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	14,831	<b>13,680</b>
Short-term loans payable	8,588	<b>12,151</b>
Current portion of long-term loans payable	80	<b>59</b>
Accounts payable - other	5,103	<b>5,078</b>
Income taxes payable	2,153	<b>547</b>
Provision for repairs	418	<b>396</b>
Provision for loss on disaster	212	<b>407</b>
Other	1,322	<b>1,176</b>
Total current liabilities	<u>32,710</u>	<u><b>33,499</b></u>
Non-current liabilities		
Long-term loans payable	13,048	<b>13,069</b>
Deferred tax liabilities	1,525	<b>1,583</b>
Net defined benefit liability	1,643	<b>1,776</b>
Provision for business structure improvement	518	<b>517</b>
Provision for loss on dissolution of the employee's pension fund	70	<b>—</b>
Other	327	<b>330</b>
Total non-current liabilities	<u>17,133</u>	<u><b>17,276</b></u>
Total liabilities	<u>49,843</u>	<u><b>50,776</b></u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	8,769	<b>8,769</b>
Capital surplus	10,904	<b>10,904</b>
Retained earnings	125,490	<b>126,681</b>
Treasury shares	(4,535)	<b>(4,536)</b>
Total shareholders' equity	<u>140,629</u>	<u><b>141,819</b></u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	782	<b>530</b>
Deferred gains or losses on hedges	108	<b>226</b>
Foreign currency translation adjustment	63	<b>28</b>
Remeasurements of defined benefit plans	(91)	<b>(68)</b>
Total accumulated other comprehensive income	<u>862</u>	<u><b>717</b></u>
Non-controlling interests	<u>2,795</u>	<u><b>2,473</b></u>
Total net assets	<u>144,286</u>	<u><b>145,010</b></u>
<b>Total liabilities and net assets</b>	<u>194,130</u>	<u><b>195,786</b></u>

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

**Quarterly Consolidated Statements of Operations**

	Millions of yen	
	Third quarter of fiscal 2017	Third quarter of fiscal 2018
Net sales	57,679	<b>70,806</b>
Cost of sales	47,644	<b>60,265</b>
Gross profit	10,034	<b>10,540</b>
Selling, general and administrative expenses		
Haulage expenses	2,316	<b>2,675</b>
Salaries and bonuses	826	<b>841</b>
Retirement benefit expenses	35	<b>46</b>
Depreciation	67	<b>76</b>
Other	1,558	<b>1,663</b>
Total selling, general and administrative expenses	4,805	<b>5,302</b>
Operating profit	5,229	<b>5,237</b>
Non-operating income		
Interest income	106	<b>114</b>
Dividend income	33	<b>38</b>
Rent income on non-current assets	221	<b>310</b>
Other	98	<b>155</b>
Total non-operating income	460	<b>618</b>
Non-operating expenses		
Interest expenses	171	<b>334</b>
Loss on retirement of non-current assets	179	<b>139</b>
Taxes and dues	111	<b>59</b>
Foreign exchange losses	10	<b>391</b>
Other	54	<b>61</b>
Total non-operating expenses	527	<b>986</b>
Ordinary profit	5,162	<b>4,869</b>
Extraordinary losses		
Loss on disaster	—	<b>574</b>
Total extraordinary losses	—	<b>574</b>
Profit before income taxes	5,162	<b>4,295</b>
Income taxes - current	1,970	<b>1,877</b>
Income taxes - deferred	47	<b>68</b>
Total income taxes	2,018	<b>1,946</b>
Profit	3,144	<b>2,349</b>
Loss attributable to non-controlling interests	(189)	<b>(320)</b>
Profit attributable to owners of parent	3,334	<b>2,670</b>

**Quarterly Consolidated Statements of Comprehensive Income**

Millions of yen

	Third quarter of fiscal 2017	Third quarter of fiscal 2018
Profit	3,144	<b>2,349</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	326	<b>(251)</b>
Deferred gains or losses on hedges	(28)	<b>147</b>
Foreign currency translation adjustment	(245)	<b>(43)</b>
Remeasurements of defined benefit plans, net of tax	22	<b>23</b>
Total other comprehensive income	<u>74</u>	<u><b>(124)</b></u>
Comprehensive income	<u>3,219</u>	<u><b>2,225</b></u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,463	<b>2,525</b>
Comprehensive income attributable to non-controlling interests	(244)	<b>(299)</b>