

Flash Report Consolidated Basis  
Results for the First Quarter of Fiscal 2018  
(April 1, 2018-June 30, 2018)  
<under Japanese GAAP>

July 31, 2018

**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  
**Contact:** Kiyofumi Yamashita,  
GENERAL MANAGER,  
ACCOUNTING & FINANCE DIV.  
**Telephone:** +81-6-6204-0163

(Figures of less than ¥1 million have been omitted.)

**1. Consolidated Financial and Operating Results for the First Quarter of Fiscal 2018**  
(April 1, 2018-June 30, 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>First quarter of Fiscal 2018</b>	<b>23,341</b>	<b>27.6</b>	<b>2,669</b>	<b>14.0</b>	<b>2,652</b>	<b>11.4</b>	<b>1,736</b>	<b>11.4</b>
First quarter of Fiscal 2017	18,299	38.4	2,342	129.0	2,380	125.1	1,559	—

(Reference) Comprehensive income: First quarter of Fiscal 2018 ¥1,360 million 2.9 %  
First quarter of Fiscal 2017 ¥1,322 million — %

	Earnings per share	Earnings per share after full dilution
	Yen	Yen
<b>First quarter of Fiscal 2018</b>	<b>44.62</b>	<b>—</b>
First quarter of Fiscal 2017	40.07	—

**(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 2018</b>	<b>191,280</b>	<b>144,807</b>	<b>74.3</b>
Fiscal 2017	194,130	144,286	72.9

(Reference) Shareholders' equity: First quarter of Fiscal 2018 ¥142,135 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>Fiscal 2018(Forecasts)</b>		<b>17.00</b>	—	—	—

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

The dividend forecasts of end of fiscal year for fiscal 2018 are not decided.

## 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
First half of Fiscal 2018	45,000	26.0	3,900	14.4	3,800	12.4	2,400	11.0	61.66
Fiscal 2018	95,000	17.1	7,300	6.3	7,000	4.4	4,600	6.5	118.19

(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	June 30, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	3,948	2,921
Notes and accounts receivable - trade	20,233	21,465
Finished goods	13,050	14,060
Work in process	484	318
Raw materials and supplies	5,807	5,689
Accounts receivable - other	11,831	11,461
Short-term loans receivable from subsidiaries and associates	10,000	10,000
Deposits paid	56,650	54,169
Other	119	104
Allowance for doubtful accounts	(2)	(3)
Total current assets	<u>122,123</u>	<u>120,186</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,058	7,827
Machinery, equipment and vehicles, net	22,118	21,145
Tools, furniture and fixtures, net	1,767	1,680
Land	35,660	35,447
Construction in progress	1,285	1,661
Total property, plant and equipment	<u>68,890</u>	<u>67,763</u>
Intangible assets		
Other	230	200
Total intangible assets	<u>230</u>	<u>200</u>
Investments and other assets		
Investment securities	2,155	2,028
Long-term loans receivable	1	1
Net defined benefit asset	89	89
Deferred tax assets	272	275
Other	389	735
Allowance for doubtful accounts	(22)	—
Total investments and other assets	<u>2,885</u>	<u>3,130</u>
Total non-current assets	<u>72,006</u>	<u>71,094</u>
Total assets	<u>194,130</u>	<u>191,280</u>

Millions of yen

	March 31, 2018	June 30, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	14,831	<b>14,357</b>
Short-term loans payable	8,588	<b>7,968</b>
Current portion of long-term loans payable	80	<b>65</b>
Accounts payable - other	5,103	<b>4,924</b>
Income taxes payable	2,153	<b>796</b>
Provision for repairs	418	<b>401</b>
Provision for loss on disaster	212	<b>212</b>
Other	1,322	<b>1,202</b>
Total current liabilities	<u>32,710</u>	<u><b>29,929</b></u>
Non-current liabilities		
Long-term loans payable	13,048	<b>12,256</b>
Deferred tax liabilities	1,525	<b>1,687</b>
Net defined benefit liability	1,643	<b>1,691</b>
Provision for business structure improvement	518	<b>518</b>
Provision for loss on dissolution of the employee's pension fund	70	<b>70</b>
Other	327	<b>320</b>
Total non-current liabilities	<u>17,133</u>	<u><b>16,544</b></u>
Total liabilities	<u>49,843</u>	<u><b>46,473</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>126,409</b>
Treasury shares	(4,535)	<b>(4,535)</b>
Total shareholders' equity	<u>140,629</u>	<u><b>141,548</b></u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	782	<b>694</b>
Deferred gains or losses on hedges	108	<b>163</b>
Foreign currency translation adjustment	63	<b>(187)</b>
Remeasurements of defined benefit plans	(91)	<b>(83)</b>
Total accumulated other comprehensive income	<u>862</u>	<u><b>586</b></u>
Non-controlling interests	<u>2,795</u>	<u><b>2,672</b></u>
Total net assets	<u>144,286</u>	<u><b>144,807</b></u>
Total liabilities and net assets	<u>194,130</u>	<u><b>191,280</b></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 2017	First quarter of fiscal 2018
Net sales	18,299	<b>23,341</b>
Cost of sales	14,360	<b>18,902</b>
Gross profit	3,938	<b>4,439</b>
Selling, general and administrative expenses		
Haulage expenses	752	<b>912</b>
Salaries and bonuses	272	<b>290</b>
Retirement benefit expenses	11	<b>13</b>
Depreciation	18	<b>22</b>
Other	540	<b>529</b>
Total selling, general and administrative expenses	1,596	<b>1,769</b>
Operating profit	2,342	<b>2,669</b>
Non-operating income		
Interest income	35	<b>37</b>
Dividend income	17	<b>20</b>
Rent income on non-current assets	38	<b>103</b>
Other	45	<b>31</b>
Total non-operating income	137	<b>192</b>
Non-operating expenses		
Interest expenses	43	<b>80</b>
Loss on retirement of non-current assets	21	<b>28</b>
Taxes and dues	12	<b>19</b>
Foreign exchange losses	0	<b>64</b>
Other	19	<b>16</b>
Total non-operating expenses	98	<b>209</b>
Ordinary profit	2,380	<b>2,652</b>
Profit before income taxes	2,380	<b>2,652</b>
Income taxes - current	785	<b>797</b>
Income taxes - deferred	105	<b>170</b>
Total income taxes	891	<b>968</b>
Profit	1,489	<b>1,684</b>
Loss attributable to non-controlling interests	(69)	<b>(51)</b>
Profit attributable to owners of parent	1,559	<b>1,736</b>

Quarterly Consolidated Statements of Comprehensive Income

Millions of yen

	First quarter of fiscal 2017	First quarter of fiscal 2018
Profit	1,489	1,684
Other comprehensive income		
Valuation difference on available-for-sale securities	107	(88)
Deferred gains or losses on hedges	(18)	69
Foreign currency translation adjustment	(263)	(313)
Remeasurements of defined benefit plans, net of tax	7	8
Total other comprehensive income	<u>(167)</u>	<u>(324)</u>
Comprehensive income	<u>1,322</u>	<u>1,360</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,448	1,461
Comprehensive income attributable to non-controlling interests	(126)	(100)