

Flash Report Consolidated Basis  
Results for the Third Quarter of Fiscal 2019  
(April 1, 2019-December 31, 2019)  
< under Japanese GAAP >

January 30, 2020

**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 2019**  
(April 1, 2019- December 31, 2019)

**(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 2019</b>	<b>70,222</b>	<b>(0.8)</b>	<b>6,209</b>	<b>18.6</b>	<b>5,884</b>	<b>20.8</b>	<b>3,815</b>	<b>42.9</b>
Third quarter of Fiscal 2018	70,806	22.8	5,237	0.2	4,869	(5.7)	2,670	(19.9)

(Reference) Comprehensive income: Third quarter of Fiscal 2019 ¥3,292 million 48.0 %  
Third quarter of Fiscal 2018 ¥2,225 million (30.9) %

	Earnings per share	Earnings per share after full dilution
	Yen	Yen
<b>Third quarter of Fiscal 2019</b>	<b>98.02</b>	<b>—</b>
Third quarter of Fiscal 2018	68.60	—

**(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 2019</b>	<b>201,132</b>	<b>148,198</b>	<b>72.7</b>
Fiscal 2018	202,034	146,074	71.1

(Reference) Shareholders' equity: Third quarter of Fiscal 2019 ¥146,166 million  
Fiscal 2018 ¥143,682 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 2018	—	17.00	—	17.00	34.00
<b>Fiscal 2019</b>	—	<b>12.50</b>	—		
<b>Fiscal 2019(Forecasts)</b>				<b>20.00</b>	<b>32.50</b>

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

## 3. Consolidated Financial Forecasts for Fiscal 2019(April 1, 2019-March 31, 2020)

	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 2019	94,000	(2.7)	7,000	(5.0)	6,500	(5.5)	4,200	1.9	107.91

(Note) Whether the consolidated financial forecasts for fiscal 2019 under review have been revised : No

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, 2019	December 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	4,172	2,446
Notes and accounts receivable - trade	22,413	22,045
Finished goods	16,493	13,799
Work in process	360	253
Raw materials and supplies	6,378	6,264
Accounts receivable - other	12,282	11,212
Short-term loans receivable from subsidiaries and associates	10,000	10,000
Deposits paid	58,447	63,840
Other	706	673
Allowance for doubtful accounts	(2)	(2)
Total current assets	131,252	130,532
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,950	7,556
Machinery, equipment and vehicles, net	21,331	21,058
Tools, furniture and fixtures, net	1,799	1,772
Land	35,597	35,488
Construction in progress	1,382	2,337
Total property, plant and equipment	68,061	68,212
Intangible assets		
Other	163	113
Total intangible assets	163	113
Investments and other assets		
Investment securities	1,236	1,157
Long-term loans receivable	1	1
Retirement benefit asset	87	87
Deferred tax assets	313	228
Other	919	799
Total investments and other assets	2,557	2,274
Total non-current assets	70,781	70,599
Total assets	202,034	201,132

Millions of yen

	March 31, 2019	December 31, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	17,804	12,675
Short-term borrowings	12,654	14,892
Current portion of long-term borrowings	53	1,560
Accounts payable - other	4,986	5,821
Income taxes payable	1,487	902
Provision for repairs	432	510
Other	1,841	1,569
Total current liabilities	<u>39,259</u>	<u>37,932</u>
Non-current liabilities		
Long-term borrowings	12,765	10,859
Deferred tax liabilities	1,405	1,473
Retirement benefit liability	1,894	2,040
Provision for business restructuring	305	300
Other	330	327
Total non-current liabilities	<u>16,699</u>	<u>15,001</u>
Total liabilities	<u>55,959</u>	<u>52,934</u>
<b>Net assets</b>		
Shareholders' equity		
Share capital	8,769	8,769
Capital surplus	10,904	10,904
Retained earnings	128,134	130,801
Treasury shares	(4,536)	(4,536)
Total shareholders' equity	<u>143,272</u>	<u>145,938</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	528	481
Deferred gains or losses on hedges	154	20
Foreign currency translation adjustment	(21)	(66)
Remeasurements of defined benefit plans	(250)	(208)
Total accumulated other comprehensive income	<u>410</u>	<u>227</u>
Non-controlling interests	2,391	2,031
Total net assets	<u>146,074</u>	<u>148,198</u>
Total liabilities and net assets	<u>202,034</u>	<u>201,132</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 2018	Third quarter of fiscal 2019
Net sales	70,806	<b>70,222</b>
Cost of sales	60,265	<b>58,657</b>
Gross profit	10,540	<b>11,564</b>
Selling, general and administrative expenses		
Transportation costs	2,675	<b>2,720</b>
Salaries and bonuses	841	<b>880</b>
Retirement benefit expenses	46	<b>38</b>
Depreciation	76	<b>83</b>
Other	1,663	<b>1,632</b>
Total selling, general and administrative expenses	5,302	<b>5,355</b>
Operating profit	5,237	<b>6,209</b>
Non-operating income		
Interest income	114	<b>130</b>
Dividend income	38	<b>38</b>
Rental income from non-current assets	310	<b>310</b>
Foreign exchange gains	—	<b>153</b>
Other	155	<b>108</b>
Total non-operating income	618	<b>741</b>
Non-operating expenses		
Interest expenses	334	<b>544</b>
Loss on retirement of non-current assets	139	<b>251</b>
Taxes and dues	59	<b>58</b>
Foreign exchange losses	391	<b>—</b>
Other	61	<b>211</b>
Total non-operating expenses	986	<b>1,066</b>
Ordinary profit	4,869	<b>5,884</b>
Extraordinary losses		
Loss on disaster	574	<b>—</b>
Total extraordinary losses	574	<b>—</b>
Profit before income taxes	4,295	<b>5,884</b>
Income taxes - current	1,877	<b>2,153</b>
Income taxes - deferred	68	<b>210</b>
Total income taxes	1,946	<b>2,364</b>
Profit	2,349	<b>3,520</b>
Loss attributable to non-controlling interests	(320)	<b>(294)</b>
Profit attributable to owners of parent	2,670	<b>3,815</b>

**Quarterly Consolidated Statements of Comprehensive Income**

Millions of yen

	Third quarter of fiscal 2018	Third quarter of fiscal 2019
Profit	2,349	<b>3,520</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	(251)	<b>(46)</b>
Deferred gains or losses on hedges	147	<b>(167)</b>
Foreign currency translation adjustment	(43)	<b>(55)</b>
Remeasurements of defined benefit plans, net of tax	23	<b>42</b>
Total other comprehensive income	<u>(124)</u>	<u><b>(227)</b></u>
Comprehensive income	<u>2,225</u>	<u><b>3,292</b></u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,525	<b>3,632</b>
Comprehensive income attributable to non-controlling interests	(299)	<b>(339)</b>