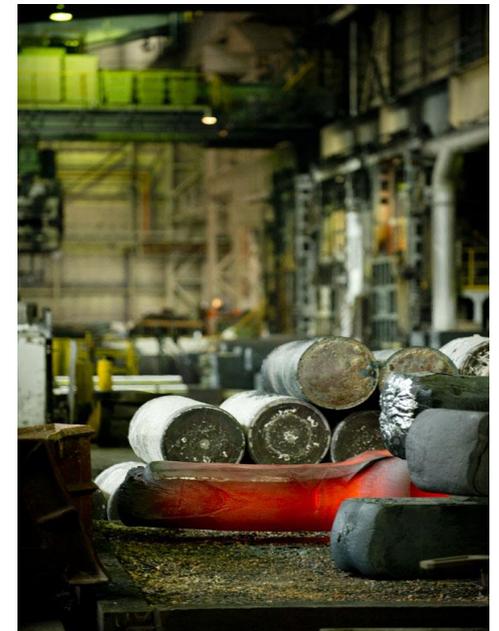


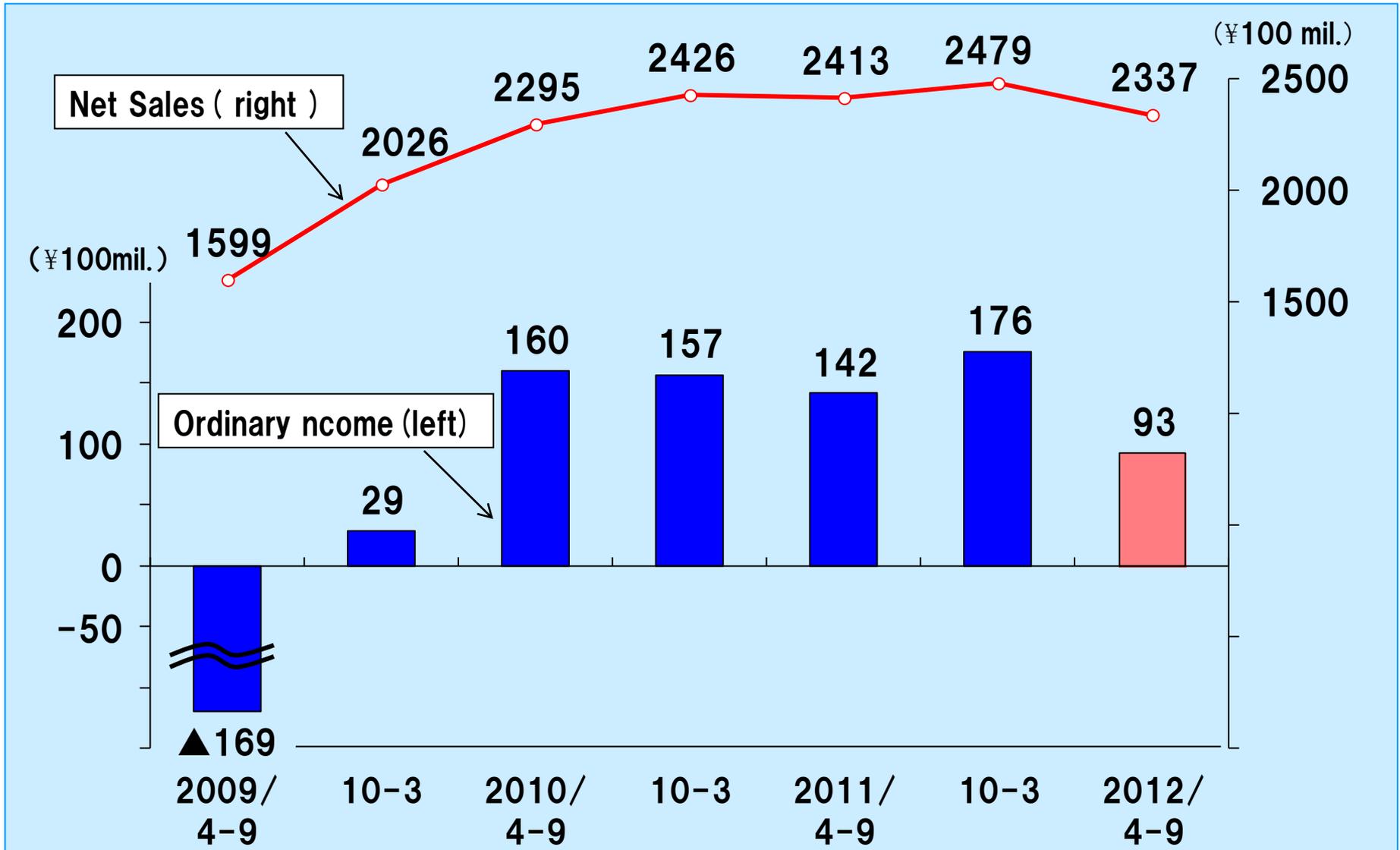
Fiscal Year ending March 2013 Interim Results Briefing (Apr.1-Sep.30/2012)

November 1, 2012



FY2013 Interim Results **(Apr.1 – Sep.30 / 2012)**

Changes in Net Sales & Ordinary Income (Interim)

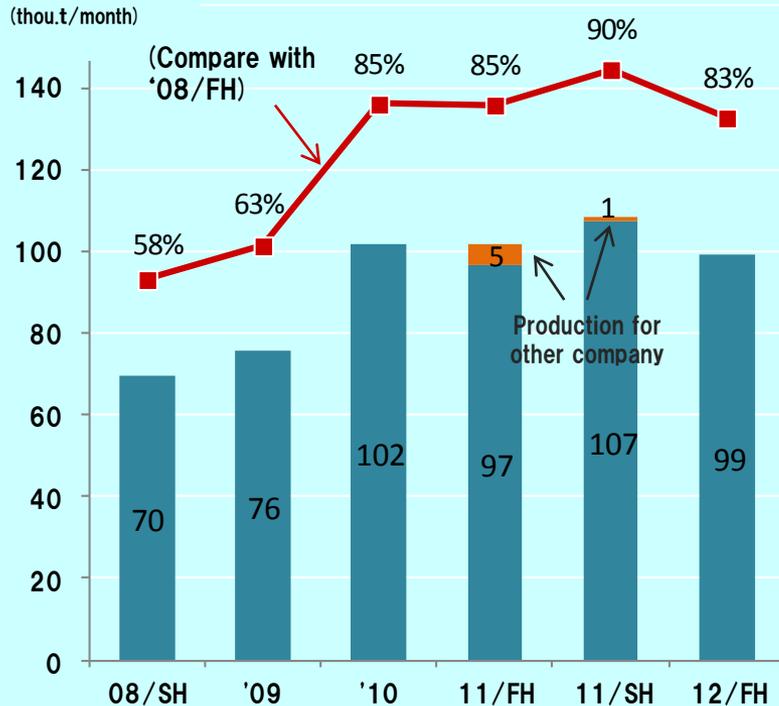


Overview of Main Segment from Apr.1 to Sep.30 in 2012 ①

Specialty Steel

<Demand Environment>

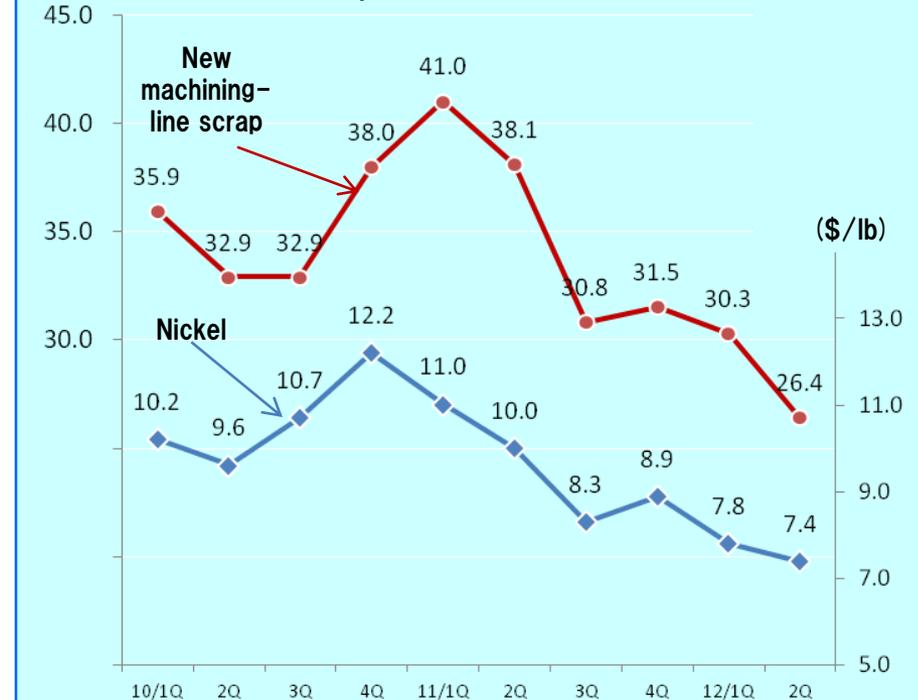
<Specialty Steel and Materials Sales
(Single Unit / Former Net Sales of Specialty steel) >



•Demand mainly from industrial machinery and IT was decreased in 2012FH

< Raw Material Situation >

(¥1000/t) < Central Scrap Quotation and Nickel Price Trends >

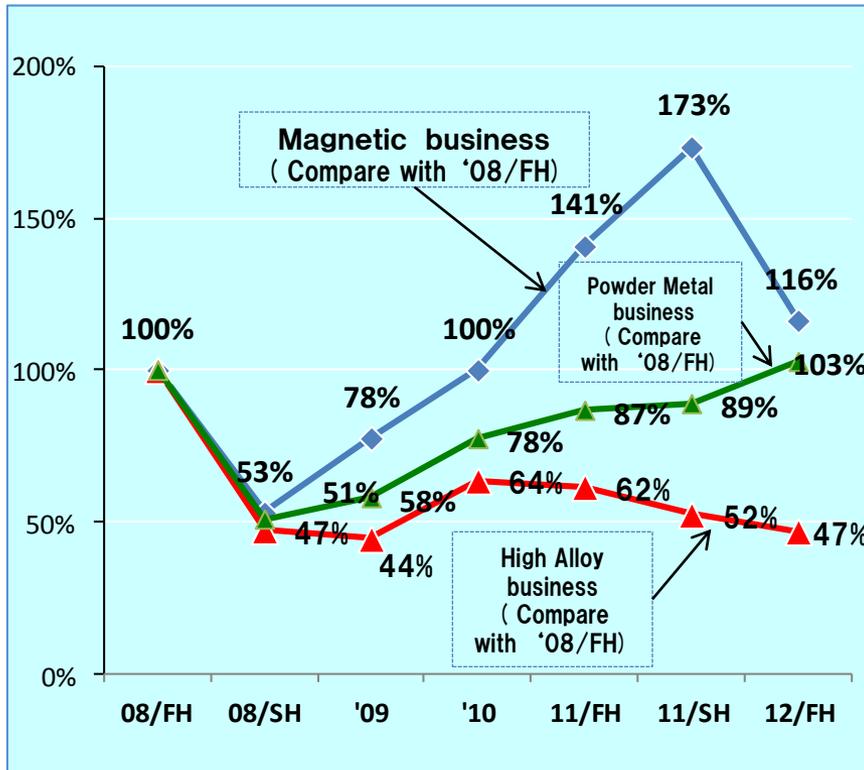


•Steel scrap price was sharply declined from 2Q
•Nickel price was low due to economic downturn

Overview of Main Segment from Apr.1 to Sep.30 in 2012 ②

High Performance Materials and Magnetic Materials

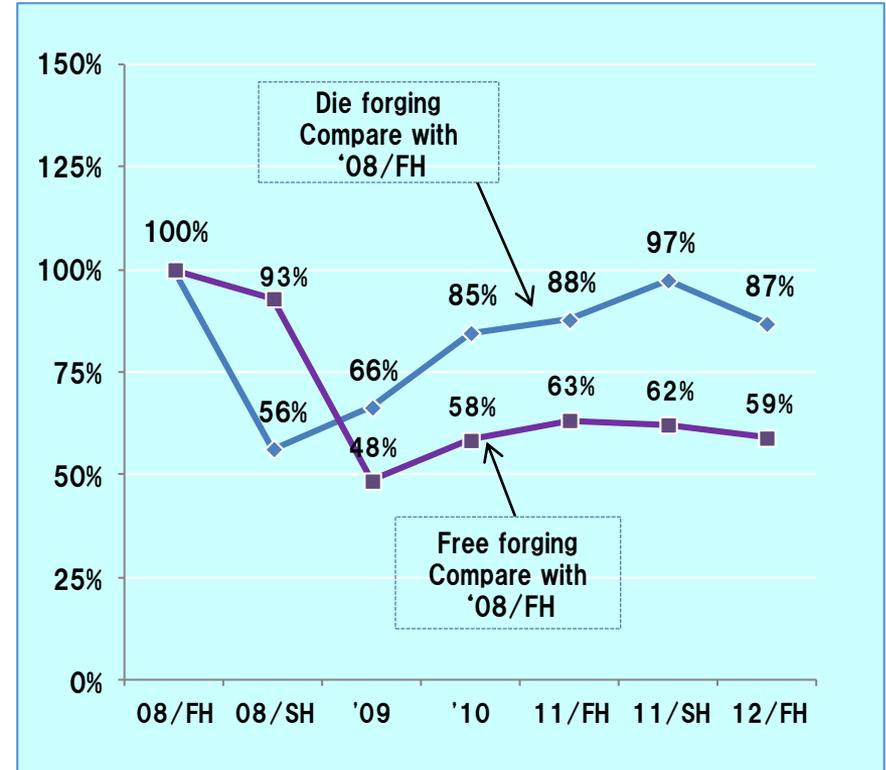
<Sales by Segment>



- High Alloy business was in depression
- Magnet sales was in slowdown
- Powder Metal demand is expanding for HEV application

Parts for Automobile & Industrial Equipment

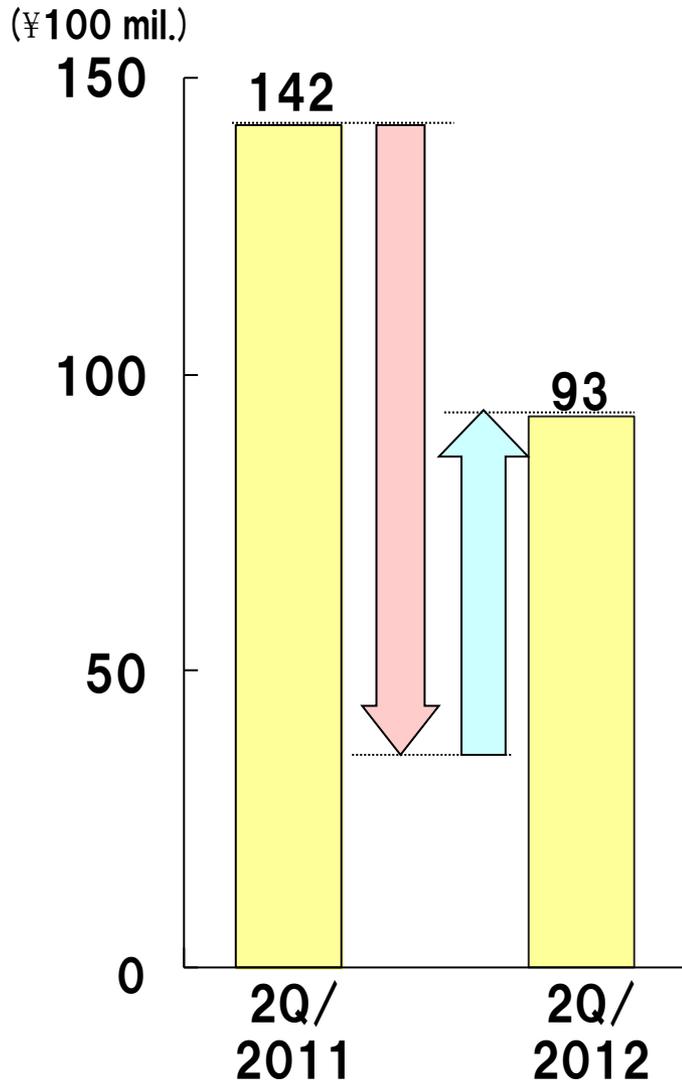
<Sales by Segment>



- Die forging business was in downturn
- Free forging business was not recovered as we expected

4-9/2012 Changes in Ordinary Income (y/y)

(¥100 mil.)



2Q/2011 Ordinary Income		
Changes (y/y)	Operating Income / Loss	Fuel price
		Sales volume
		Sales price
		Sales mix
		Variable cost
		Fixed cost
		Subtotal
	Non-Operating income	
2Q/2012 Ordinary Income		

142	
	+60
-27	
-59	
-8	
-6	
-10	
-110	+60
	+1
93 (▲49)	

4-9/2012 Net Sales & Operating Income by Segment

(¥100 mil.)

		11/4-9 Results (A)	12/4-9 Results (B)	y/y basis (B) - (A)
Specialty Steel	Net Sales	962	902	-60
	Operating Income	37	24	-13
High Performance Materials & Magnet Materials	Net Sales	829	721	-108
	Operating Income	74	41	-33
Parts for Automobile & Industrial Equipment	Net Sales	463	475	12
	Operating Income	20	18	-2
Engineering	Net Sales	109	193	84
	Operating Income	8	6	-2
Trading & Service	Net Sales	50	46	-4
	Operating Income	7	7	0
Total	Net Sales	2,413	2,337	-76
	Operating Income	146	96	-50

Former Net Sales of
Specialty steel

volume

610 thou.t

596 thou.t

-14 thou.t

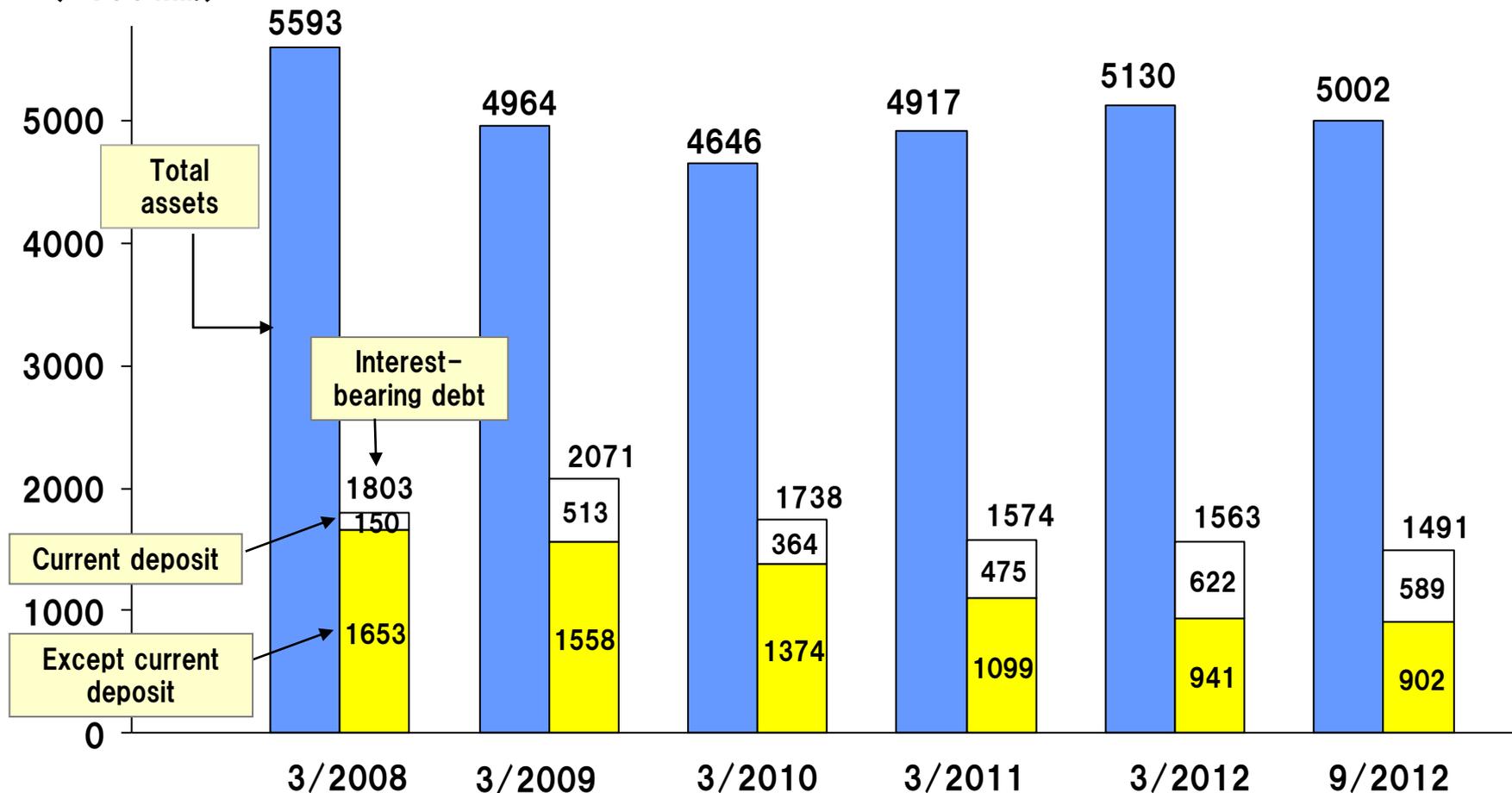
4-9/2012 Extraordinary Income/Loss · Interim Net Income

(¥100 mil.)

FY2013 Interim results (4-9/2012) Ordinary income	93
Extraordinary income / loss	▲1
Income taxes and minority interests	▲37
FY2013 Interim results (4-9/2012) Net income	55

Total Assets, Interest-bearing Debt, D/E Ratio

(¥100 mil.)



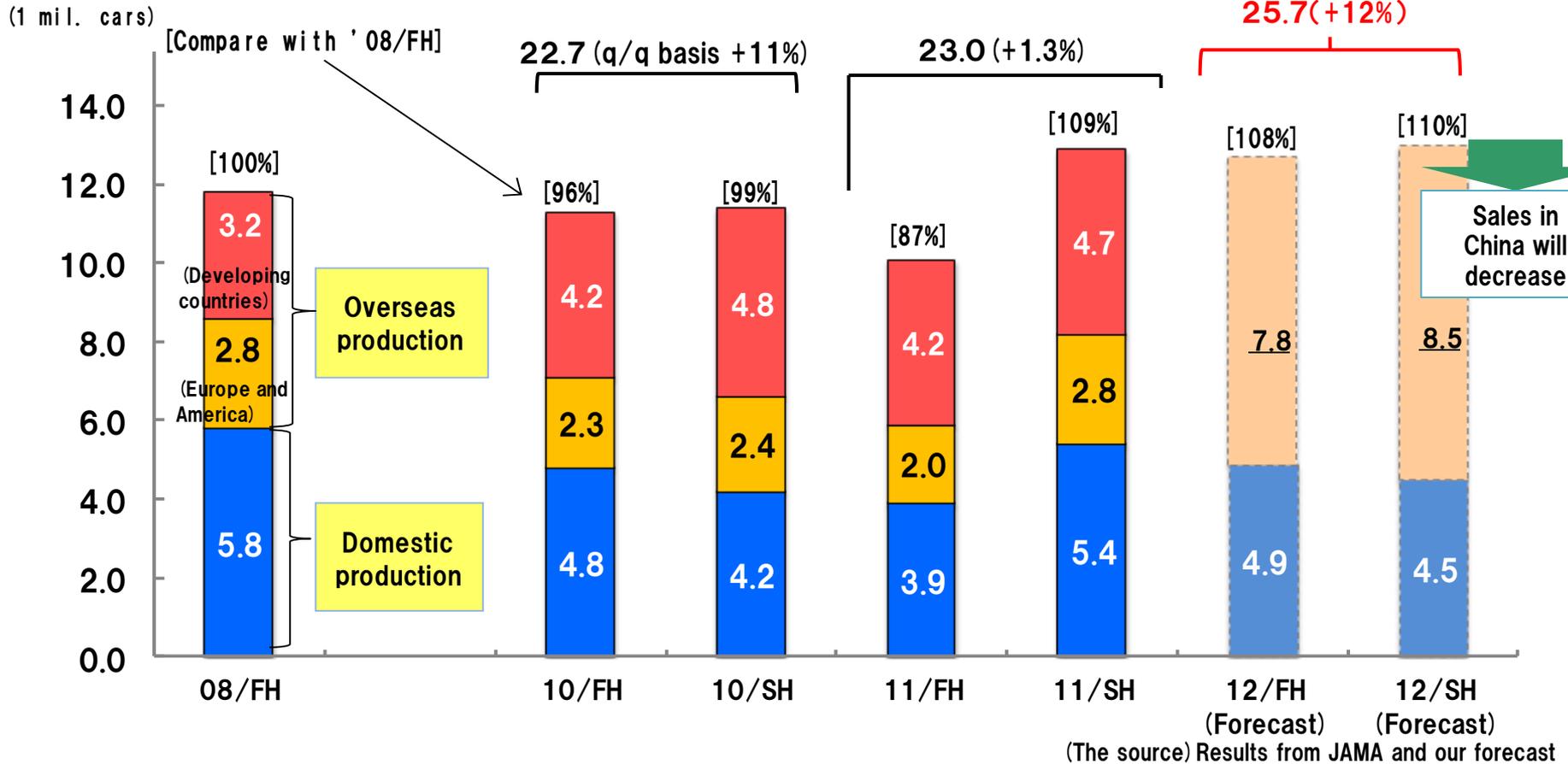
	3/2008	3/2009	3/2010	3/2011	3/2012	9/2012
ROA	6.9%	1.6%	▲2.9%	6.6%	6.3%	3.7%
D/E	0.96	1.25	1.09	0.88	0.79	0.76

Plan for FY2013

(Apr.1 / 2012–Mar.31 / 2013)

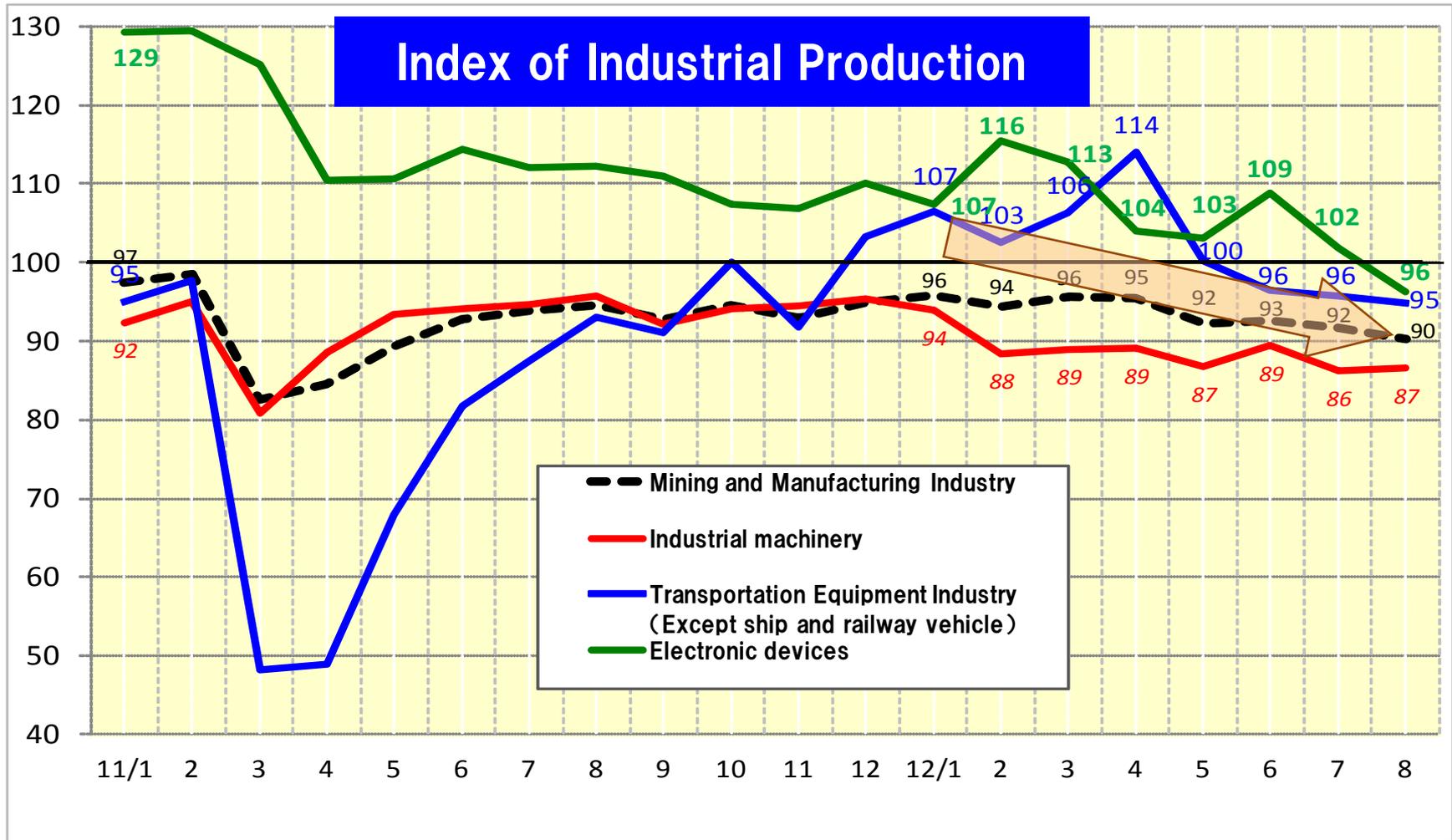
Demand Situation (1)

Trends for Japanese Car Market



- 2012/FH : Car production was good due to subsidy to Eco-car and high production in overseas
- 2012/SH : Car production will decrease by the reaction against subsidy and lower demand from overseas

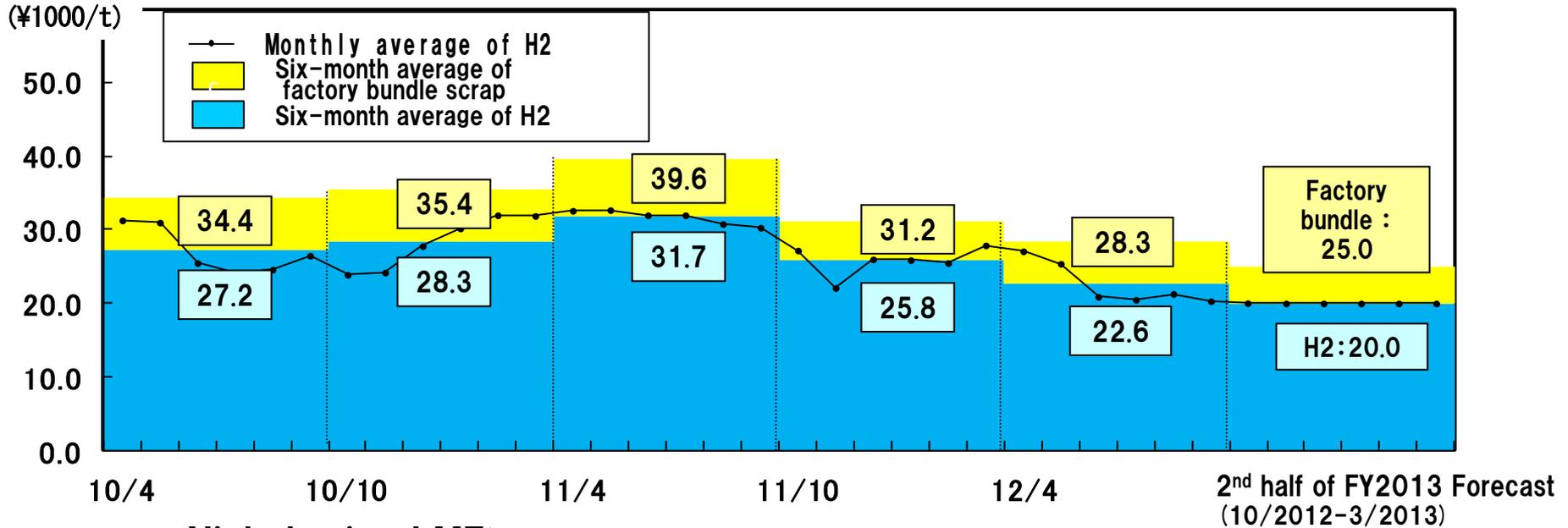
Demand Situation (2)



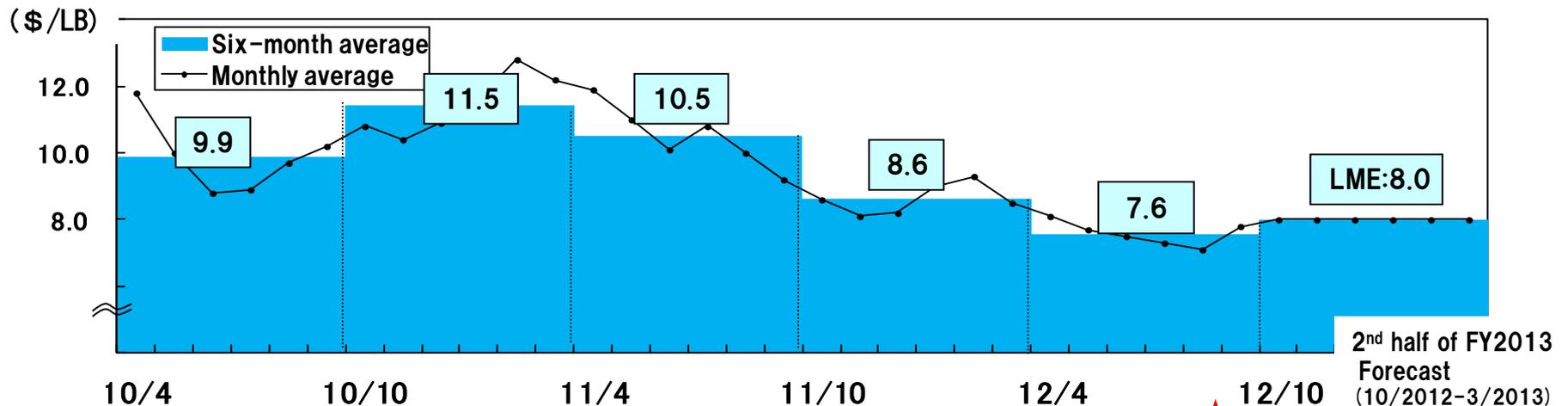
- Production of Industrial machinery and Electronic devices was declining from the beginning of 2012
- IIP was fallen by decrease of car production from 2Q

Market Trend of Raw Materials(Scrap Steel and Nickel)

< H2 and Factory bundle scrap prices in Chubu area, Japan >



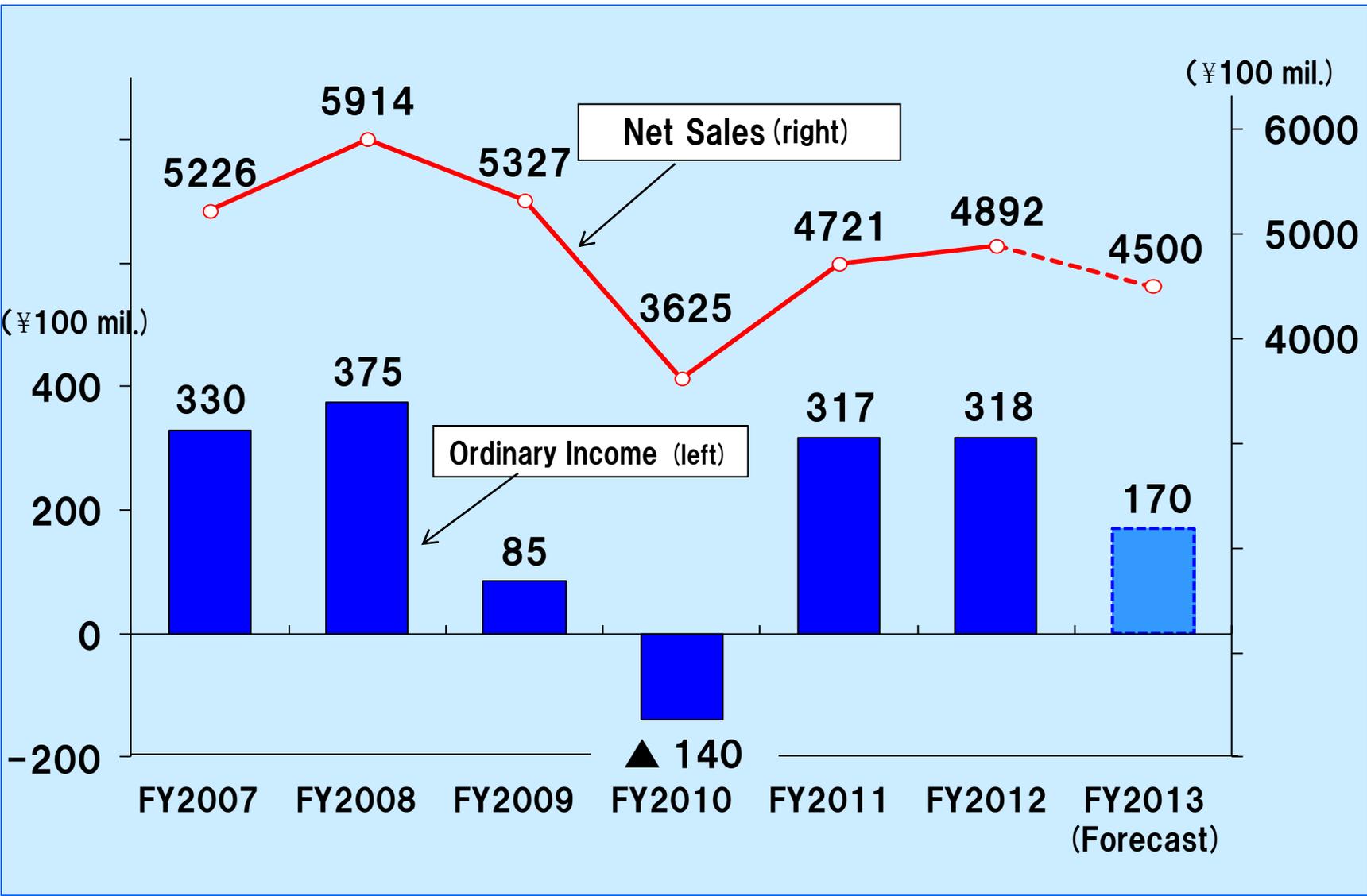
<Nickel price LME>



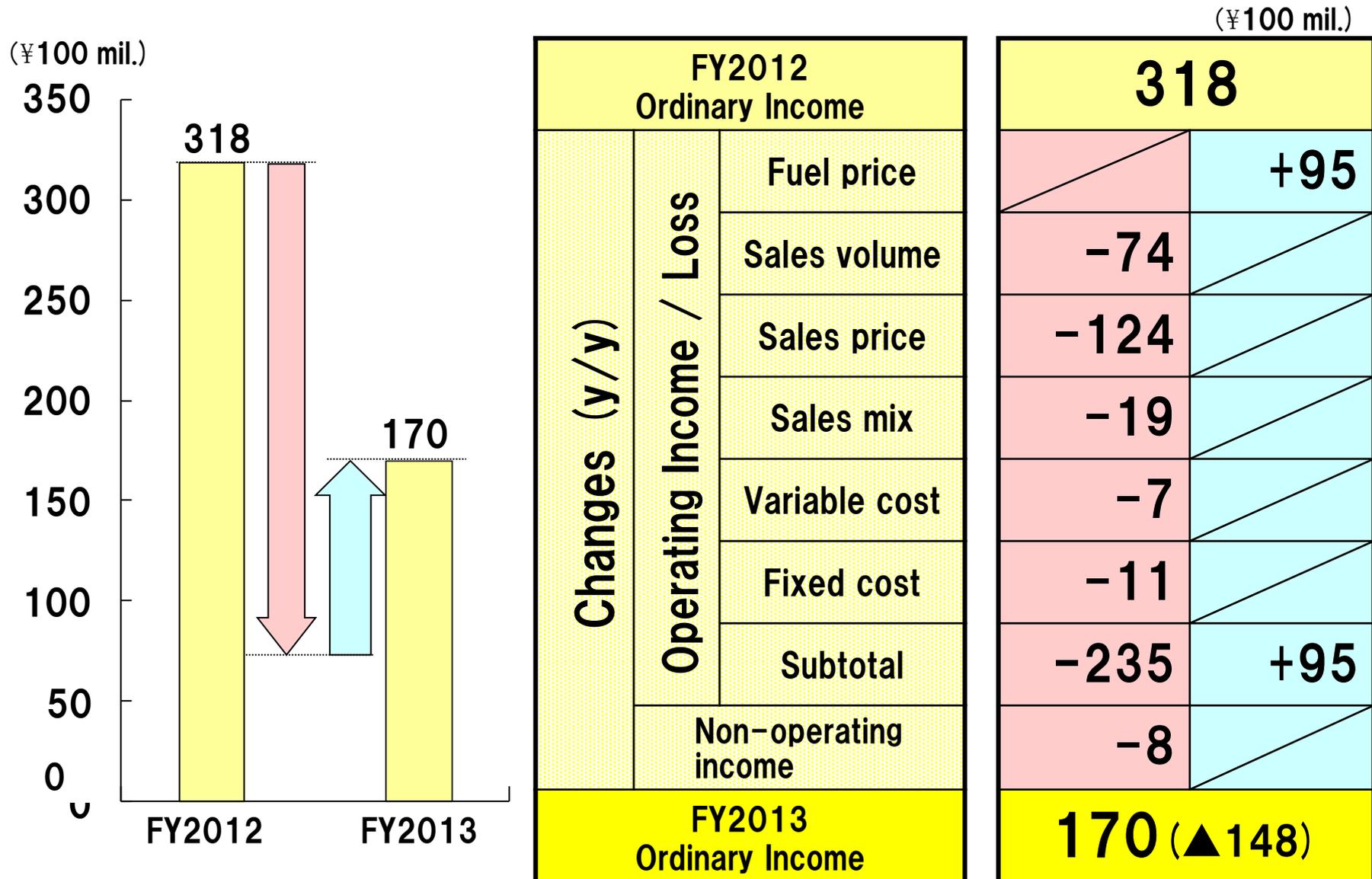
Premises of Profit Planning for FY2013 (Market Trend)

	UNIT	4-9/2012 Results (Difference from the initial forecast)	10/2012-3/2013 Premises of plan (Difference from the initial forecast)
Scrap steel Upper:H2 Lower:Factory bundle	¥thou./T	22.6 (-6.4) 28.3 (-6.7)	20.0 (-9.0) 25.0 (-10.0)
Nickel (LME)	\$/LB	7.6 (-2.4)	8.0 (-2.0)
Molybdenum (MW)	\$/LB	12.8 (-2.2)	13.0 (-2.0)
Crude oil (Dubai)	\$/B	106.3 (-8.7)	110.0 (-5.0)
Exchange rate (TTM)	¥/\$	79.0 (+1.0)	78.0 (±0)

Changes in Net Sales & Ordinary Income (Forecast for FY2013)



FY2013 Changes in Ordinary Income (y/y)



Net Sales & Operating Income by Segment(y/y)

(¥100 mil.)

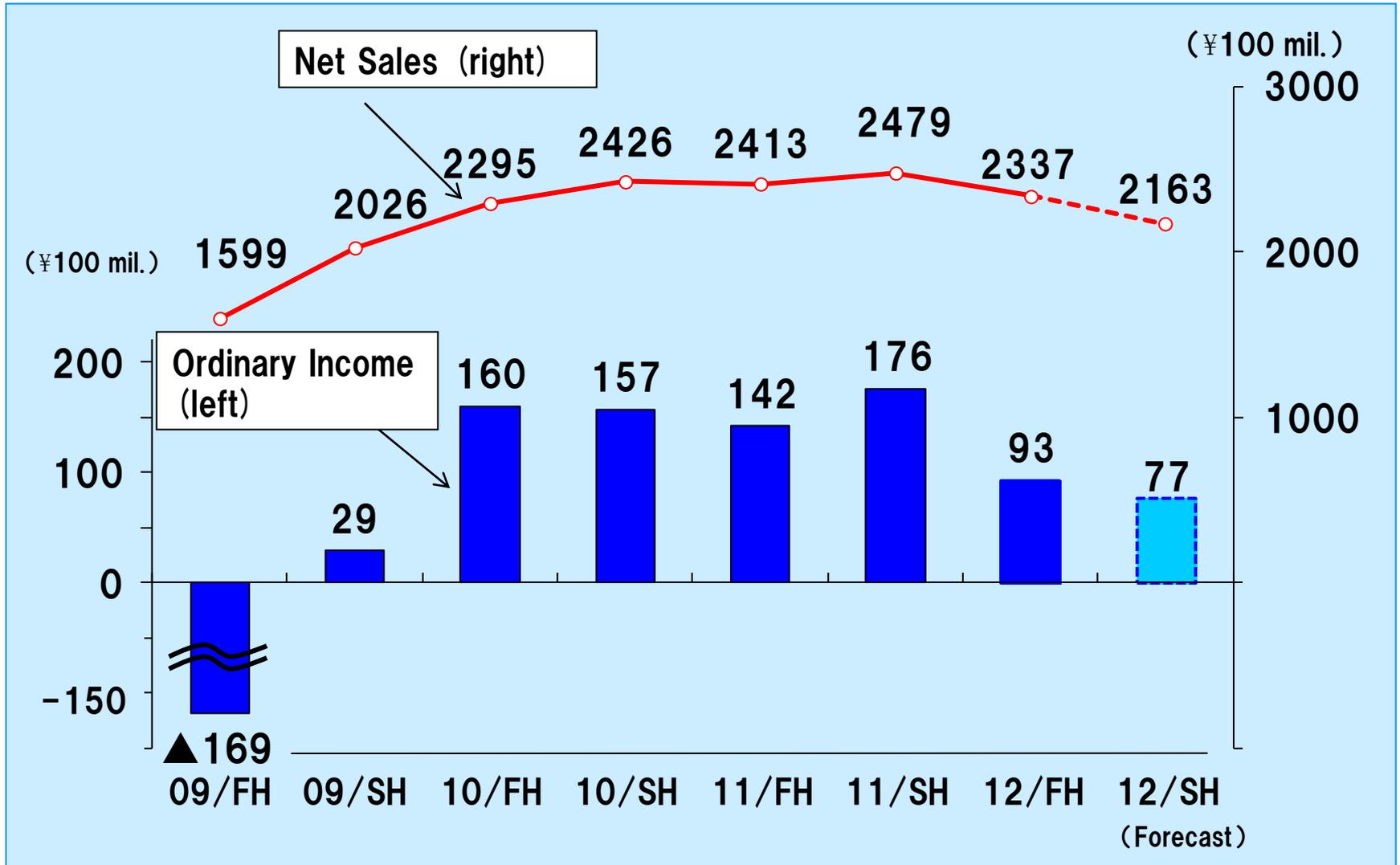
		FY2012 Results (A)	FY2013 Forecast (B)	y/y basis (B) - (A)
Specialty Steel	Net Sales	1,950	1,752	-198
	Operating Income	99	35	-64
High Performance Materials & Magnet Materials	Net Sales	1,646	1,409	-237
	Operating Income	137	75	-62
Parts for Automobile & Industrial Equipment	Net Sales	942	931	-11
	Operating Income	49	42	-7
Engineering	Net Sales	258	322	64
	Operating Income	18	13	-5
Trading & Service	Net Sales	96	86	-10
	Operating Income	12	10	-2
Total	Net Sales	4,892	4,500	-392
	Operating Income	315	175	-140

Former Net Sales of
Specialty steel

volume

1,259 thou.t 1,166 thou.t -93 thou.t

Changes in Net Sales & Ordinary Income (Interim)



Overview of Segment ①

Specialty Steel

Demand forecast of 2012SH

- Car :Demand in North America and Developing countries stays strong.
Sales decline in China is uncertain.
- Machinery:Demand stays low due to Chinese economy downturn and higher Yen.
- Tool Steel:Demand related to car production is in strong but Home appliance and IT will be weak.

Key measures

Strategic investment to Chita plant

⇒Optimum productions
(Stock management, Cost reduction)

Sales expansion of strategic products

⇒ Global sales expansion
Global leading products increase
Tool Steel sales in overseas



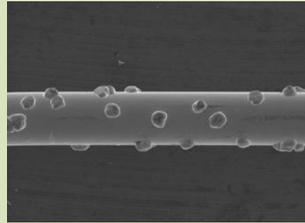
Overview of Segment ②

High Performance Materials and Magnetic Materials

Stainless•High Alloy Business

Demand mainly Industrial machinery and IT was decreased

- High performance stainless sales expansion to overseas.
- Portfolio reform of high grade strip steel business
- Diamond saw wire sales expansion



Magnet Business

Demand in mid-term is expanding (Magnet for EPS mortar and FA mortar)

- Start up and expansion of strategic business
 - Hot press magnet
 - Pressless process magnet



Titanium Business

Titanium market is recovering

- Sales expansion to medical application and IT
- Improving production competitiveness



Powder Metal

Powder metal is expanding for HEV application

- Increase of new production line of high performance powder metal
- Sales expansion of soft magnetic metal



Overview of Segment ③

Parts for Automobile & Industrial Equipment

Free Forging

Demand for airplane is strong and heavy electronic equipment stays low

- Sales expansion to energy and infrastructure market
- Providing solution sales



Die Forging

Demand from cars stays strong. Industrial machinery is decrease.

- Cost reduction
- Development of highly value-added products



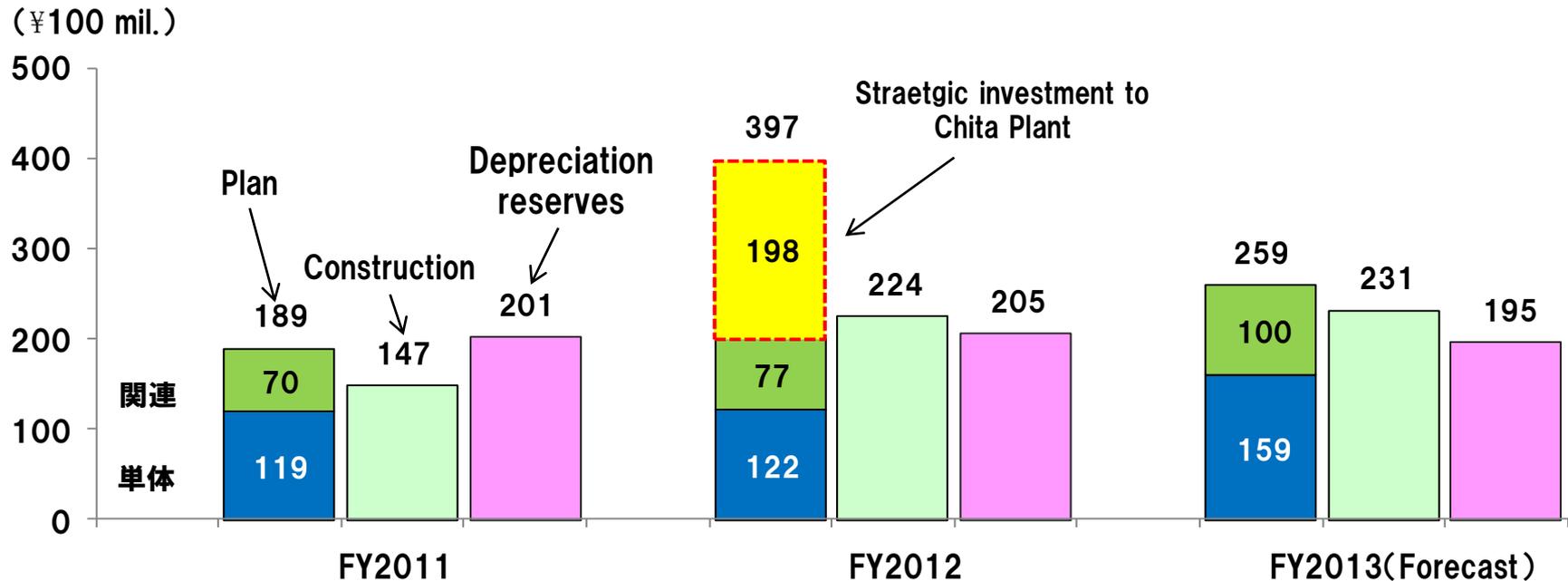
Turbo Parts

Demand is declining by European economic downturn
Demand for gas engine turbo is expanding

- New turbo plant in Nakatsugawa and China



Capital Investment and Depreciation Reserve



【Point of capital investment】

- Strategic investment to Chita Plant (Steel making plant)
 - … Improvement in quality and cost
 - … Saving electricity
- Strategic business (Magnet, Turbo parts, Powder metal)
 - … Increase capacity
- BCP

FY2013 Extraordinary Income/Loss · Net Income

(¥100 mil.)

FY2013 Ordinary income	170
Extraordinary income / loss	▲1
Income taxes and minority interest	▲69
FY2013 Net income	100

FY2013 Dividend per share

	FY2012		FY2013	
	Interim	Year-end	Interim	Year-end
Ordinary income (¥100 mil.)	142	318	93	170
Net income (¥100 mil.)	84	227	55	100
Dividend per share (¥/Share)	3.5	7.5	3.0	6.0
Payout ratio (%)	18.1	14.3	23.7	26.0

Fact Book

1. Financial highlight

Consolidation

(¥1mil.)

	07/3	08/3	09/3	10/3	11/3	12/3	08/9	09/9	10/9	11/9	12/9
Net sales	522,620	591,398	532,655	362,507	472,062	489,154	318,648	159,934	229,456	241,308	233,724
Operating income	31,700	38,441	9,115	▲14,050	32,730	31,533	13,599	▲17,015	16,316	14,562	9,604
Ordinary income	33,029	37,501	8,533	▲13,994	31,726	31,762	13,648	▲16,888	15,960	14,226	9,304
Net income	19,552	14,196	▲8,147	▲14,610	23,003	22,717	6,147	▲17,187	11,284	8,383	5,507
R & D expenses	4,313	4,447	4,244	3,909	4,253	4,360	2,223	1,911	2,042	2,143	2,065
Capital investment	24,200	20,800	13,400	7,900	18,900	39,700	11,200	3,700	9,200	11,200	10,200
Depreciation	16,544	19,586	21,809	20,303	20,072	20,463	11,011	10,071	9,871	9,807	9,390
Financial account balance	▲713	▲950	▲741	▲1,442	▲982	▲744	▲176	▲677	▲530	▲367	▲268
Total assets	525,569	559,278	496,411	464,629	491,721	512,968	570,399	453,231	479,697	487,570	500,213
Equity	187,839	188,090	166,235	159,301	178,348	198,653	189,891	153,776	165,466	181,564	196,338
Interest-bearing debt	172,732	180,295	207,123	173,790	157,445	156,336	190,076	183,848	172,045	149,489	149,129
Pay roll number	10,664	11,131	10,212	10,414	10,272	10,365	11,418	10,661	10,406	10,657	10,587
ROA (%)	6.6	6.9	1.6	▲2.9	6.6	6.3	4.8	▲7.1	6.8	5.8	3.7
ROE (%)	10.8	7.6	▲4.6	▲9.0	13.6	12.1	6.5	▲21.5	13.9	9.3	5.6
Consolidated subsidiary number	32	32	32	32	32	33	32	32	32	33	32
(Equity method affiliate number is excluded from the above)	(8)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)
Ratio of the consolidated to the non-consolidated											
Net sales	1.6	1.5	1.5	1.7	1.6	1.6					
Ordinary income	2.1	2.0	7.4	-	1.7	1.7					
Net income	1.8	0.7	-	-	1.3	1.3					

*Long-term prepaid expenses are not included in the depreciation.

2. Net Sales and Operating Income by Segment

Consolidation

<New segment (From Apr. 1st in 2012)>

(¥100 mil.)

		12/3	11/4-9	11/10-3	12/4-9
Speciality Steel	Net Sales	1,950	962	988	902
	Operating Income	99	37	62	24
High Performance Materials and Magnetic Materials	Net Sales	1,646	829	817	721
	Operating Income	137	74	63	41
Parts for Automobile & Industrial Equipment	Net Sales	942	463	479	475
	Operating Income	49	20	29	18
Engineering	Net Sales	258	109	149	193
	Operating Income	18	8	10	6
Trading & Service	Net Sales	96	50	46	46
	Operating Income	12	7	5	7
Total	Net Sales	4,892	2,413	2,479	2,337
	Operating Income	315	146	169	96

<Former segment>

		07/3	08/3	09/3	10/3	11/3	12/3	08/4-9	08/10-3	09/4-9	09/10-3	10/4-9	10/10-3	11/4-9	11/10-3
Speciality Steel	Net Sales	2,877	3,296	3,069	2,070	2,869	2,938	1,906	1,163	857	1,213	1,404	1,465	1,464	1,474
	Operating Income	117	114	8	▲ 108	210	211	44	▲ 36	▲ 128	20	106	104	96	115
Electronic & Magnetic Materials	Net Sales	645	792	647	347	399	426	385	262	149	198	192	207	213	213
	Operating Income	34	58	▲ 6	▲ 33	18	15	19	▲ 25	▲ 18	▲ 15	11	7	10	5
Parts for Automobile & Industrial Equipment	Net Sales	1,070	1,159	1,041	777	1,025	1,073	607	434	352	425	499	526	531	542
	Operating Income	105	134	46	▲ 3	65	53	47	▲ 1	▲ 23	20	32	33	23	30
Engineering	Net Sales	372	411	366	261	238	258	171	195	150	111	108	130	109	149
	Operating Income	23	29	27	20	16	18	10	17	13	7	8	8	8	10
New Materials	Net Sales	139	156	104	68	96	101	64	40	30	38	46	50	46	55
	Operating Income	23	35	4	▲ 27	6	6	9	▲ 5	▲ 20	▲ 7	0	6	2	4
Trading & Service	Net Sales	123	100	100	102	94	96	53	47	61	41	46	48	50	46
	Operating Income	15	14	12	10	12	12	7	5	6	4	6	6	7	5
Total	Net Sales	5,226	5,914	5,327	3,625	4,721	4,892	3,186	2,141	1,599	2,026	2,295	2,426	2,413	2,479
	Operating Income	317	384	91	▲ 141	327	315	136	▲ 45	▲ 170	29	163	164	146	169

※2010/3, 2009/4-9, 2009/10-3: We have reclassified some proven display. Segment of 「Electronic & Magnetic Materials」 and 「Automobile & Industrial

Segment	Company	Business Contents
Specialty steel	Tohoku Steel Co., Ltd.	* Production and sales of specialty steel secondary products / heat-treatment of metal
	Riken Seiko Co., Ltd.	* Production and sales of Specialty steel secondary products (shaft bearing), cutting tool and machine tool
	Shimomura Tokushu Seiko Co., Ltd.	Drawing of free-cutting steel & stainless steel / Production and sales of grinding processed products
	Daido Die & Mold Solutions Co., Ltd.	Sales of tool steel / Production and sales of die products and finished tool/ heat-treatment of metal
	Maruta Transport Co., Ltd.	* Transportation and warehousing business
	Kawaichi Sangyo Co., Ltd.	* Transportation and warehousing business
	Daido Shizai Service Co., Ltd.	Sales of materials for production
	Daido EcoMet Co., Ltd.	Development, production, sales of indirect materials for steel-making/ recycling of waste and by-products from steel-making-process
	Daido Technica Co., Ltd.	Seam-removing, maintenance, processing of steel
	Sakurai Kosan Co., Ltd.	* Heat treatment works, surface treatment
	Izumi Electric Industries Co., Ltd.	* Design and construction of electric work / Design and production of power distribution board
	Nippon Seisen Co., Ltd.	Production and sales of stainless steel wire, metallic fiber
	Tienwen Steel Co., Ltd.	Heat treatment, processing, sales of die products / Sales of die materials (in Taiwan)
	Daido Amistar(S) PTE Ltd.	Processing, sales of die products / Sales of die materials (in Singapore)
Daido Amistar(M) SDN. BHD.	Processing, sales of die products / Sales of die materials (in Malaysia)	
Daido PDM (Thailand) Co., Ltd.	Heat treatment, processing, sales of die products / Sales of die materials (in Thailand)	
High Performance Materials & Magnetic Materials	Daido Electronics Co., Ltd.	Production, processing and sales of magnetic materials and electronic device parts
	Daido Electronics (Thailand) Co., Ltd.	Production, processing and sales of magnetic materials and electronic device parts (in Thailand)
	Daido Electronics (Suzhou) Co., Ltd.	Production, processing and sales of magnetic materials and electronic device parts (in China)
	Daido Special Metals Ltd.	Merger with Special Metals (U.S.): Sales of Nickel alloy products

(Note) * Equity method affiliate

Segment	Company	Business Contents
Automobile & Industrial parts	Daido Precision Industries Ltd.	Production and sales of processing parts for compressor, power transmission, base-isolation device
	Fuji OOZX Inc.	Production and sales of engine valve
	Nissei Seiko Co., Ltd.	Production and sales of screw, bolt and cold-forging parts for automobile
	Toyo Sangyo Co., Ltd.	Production and sales of die forging
	Japan Drop Forge Co., Ltd.	Production and sales of die forging
	Ohio Star Forge Co.	Production and sales of precise forging (in U.S.)
	Daido Star Techno Co., Ltd.	Seam-removing, maintenance, device processing of steel and forging
	Daido Castings Co., Ltd.	Production and sales of casting, precise casting, manganese rail
Engineering	Daido Plant Industries Co., Ltd.	Design, production, sales of industrial furnace, facility equipment and ancillary facility
	Daido Machinery Ltd.	Production and sales of machine tool / Installation, maintenance and repair of machine equipment
	Daido Environment Engineering Co., Ltd.	Maintenance and repair of environment device
Trading & Service	Daido Kogyo Co., Ltd.	Trading company specializing in specialty steel, equipments, steel-making materials
	Daido Steel(America)Inc.	Export & import of DAIDO group products / Group's front company for U.S. (in U.S.)
	Daido Life Service Co., Ltd.	Dealing and subdivision of real estate / Management of welfare provision / Insurance agent travel agent, printing
	Life Support., Ltd.	Cleaning, security, food-service operating, management of facility, tree-planting, labor dispatch service
	Kisokomakogen Kankokaiatsu Co., Ltd.	Management of golf course / management of land for vacation house / minor water project
	Star Info Tech Co., Ltd.	Planning, design, development, maintenance of information system / Development and sale of software
	Daido Bunseki Research, Inc.	Analysis, research, consulting regarding iron, steel, cast metal, ceramics

(Note)

Figures such as the business forecasts described in this document are based on specific assumptions which are predictable under the present state.

However, changes in circumstances could lead to different business outcomes, so blind reliance on this data as decision criterion is not recommended.

Also predicted figures can be changed in the future without prior notice. All use of this document is at the volition and discretion of the user. Please be aware that our company shall not assume any responsibility for the results of using the information in this document.