

Fiscal Year ending March 2016 1st Quarter Results (Apr. 1 – JUN.30 / 2015)

July 28, 2015



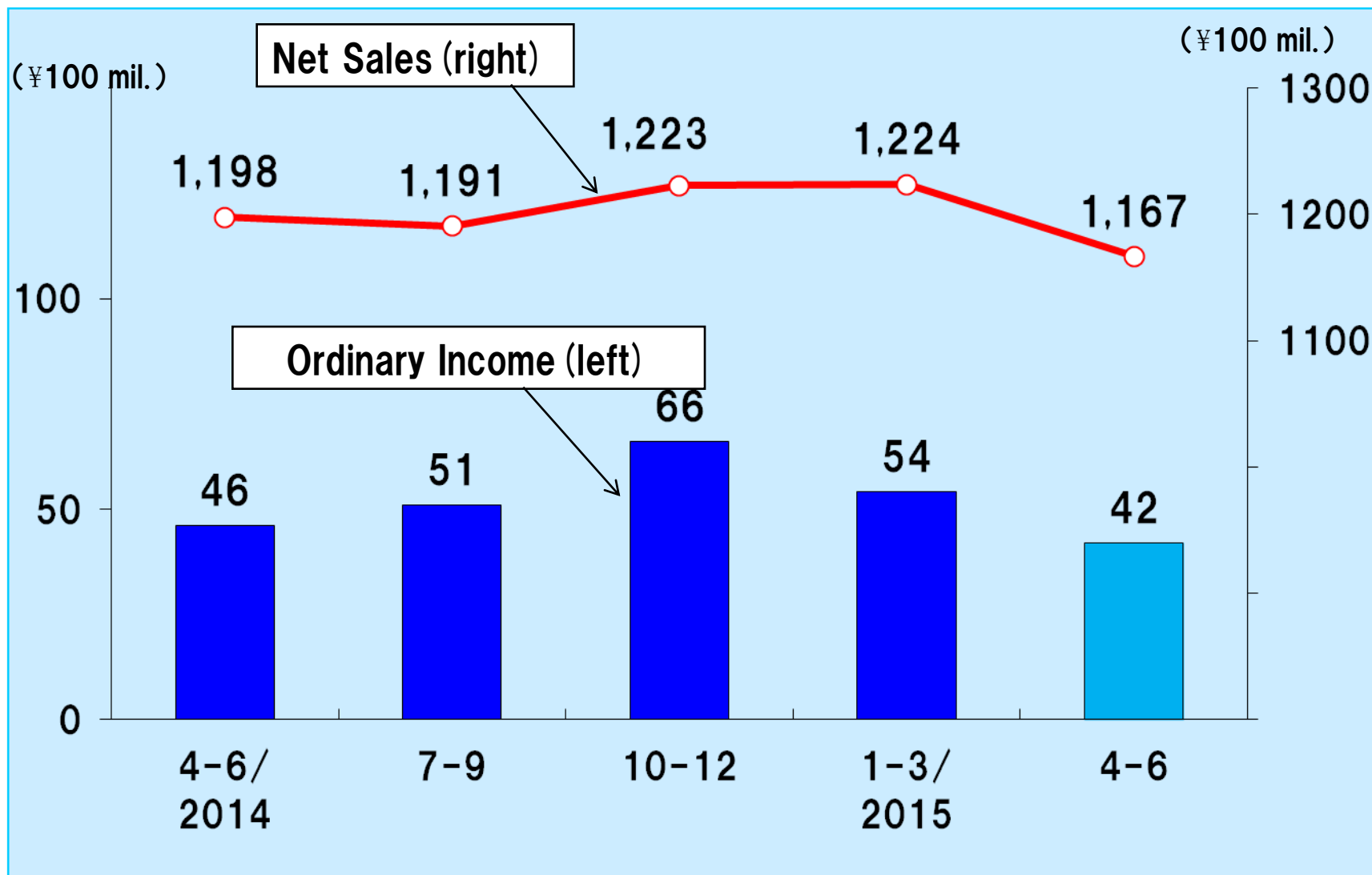
Overview of the FY2016 1st quarter results

(¥100 mil.)	FY2015 1Q	FY2016 1Q	y/y basis
Net Sales	1,198	1,167	-31
Operating income	42	40	- 2
Ordinary income	46	42	- 4
Net income (*)	26	18	- 8

- **Net sales declined because of the decrease in our automobile products' sales volume due to the effects of the prolonged inventory adjustment in the automotive industry and reductions in selling prices due to the effects of the scrap surcharge.**
- **Net income (*) dropped by 800 million yen due to the loss on the devaluation of securities.**

※: The net income that is attributable to stockholders of the parent company.

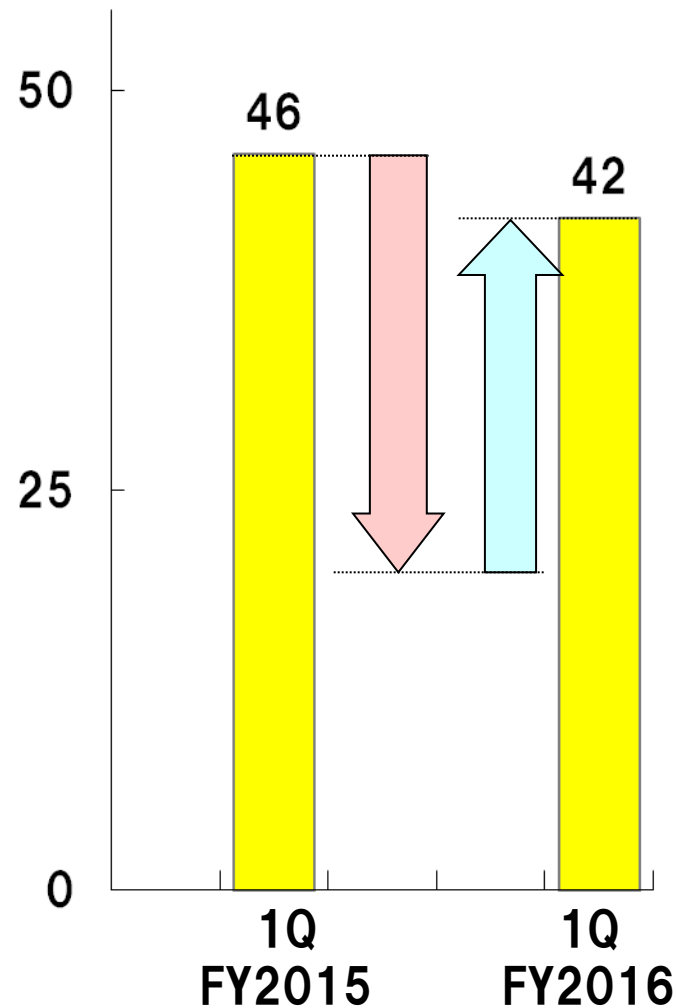
Changes in Net Sales & Ordinary Income (Quarterly)



1Q/FY2016 Changes in Ordinary Income (y/y)

(¥100 mil.)

(¥100 mil.)



1Q/FY2015 Ordinary Income	
Changes (y/y)	Operating Income / Loss
	Raw material price
	Sales volume
	Sales price
	Sales mix
	Variable cost
	Fixed cost
	Subtotal
Non-Operating income	
1Q/FY2016 Ordinary Income	

46	
	+12
-9	
-10	
	+6
	+3
-4	
-23	+21
-2	
42 (-4)	

FY2016 Net Sales & Operating Income by Segment

(¥100 mil.)

		1Q/FY2015	1Q/FY2016	
		Results (A)	Results (B)	y/y basis (B) - (A)
Specialty Steel	Net Sales	490	433	-57
	Operating Income	4	3	-1
High Performance Materials and Magnetic Materials	Net Sales	386	409	23
	Operating Income	34	28	-6
Parts for Automobile and Industrial Equipment	Net Sales	248	246	-2
	Operating Income	1	3	2
Engineering	Net Sales	51	58	7
	Operating Income	0	3	3
New Materials	Net Sales	23	21	-2
	Operating Income	3	3	0
Trading and Service	Net Sales	1,198	1,167	-31
	Operating Income	42	40	-2

Former Net Sales of
Specialty steel

volume

305thou.t

286thou.t

-19thou.t

FY2016 Net Sales & Operating Income by Segment (Quarterly)

(¥100 mil.)

		FY2015				FY2016 1Q Results
		1Q Results	2Q Results	3Q Results	4Q Results	
Specialty Steel	Net Sales	490	461	475	465	433
	Operating Income	4	2	9	17	3
High Performance Materials and Magnetic Materials	Net Sales	386	401	411	420	409
	Operating Income	34	33	36	32	28
Parts for Automobile and Industrial Equipment	Net Sales	248	244	252	250	246
	Operating Income	1	3	4	2	3
Engineering	Net Sales	51	56	58	64	58
	Operating Income	0	3	2	12	3
Trading and Service	Net Sales	23	29	27	25	21
	Operating Income	3	4	3	0	3
Total	Net Sales	1,198	1,191	1,223	1,224	1,167
	Operating Income	42	45	54	63	40

Former Net Sales of
Specialty steel

volume

305thou.t

295thou.t

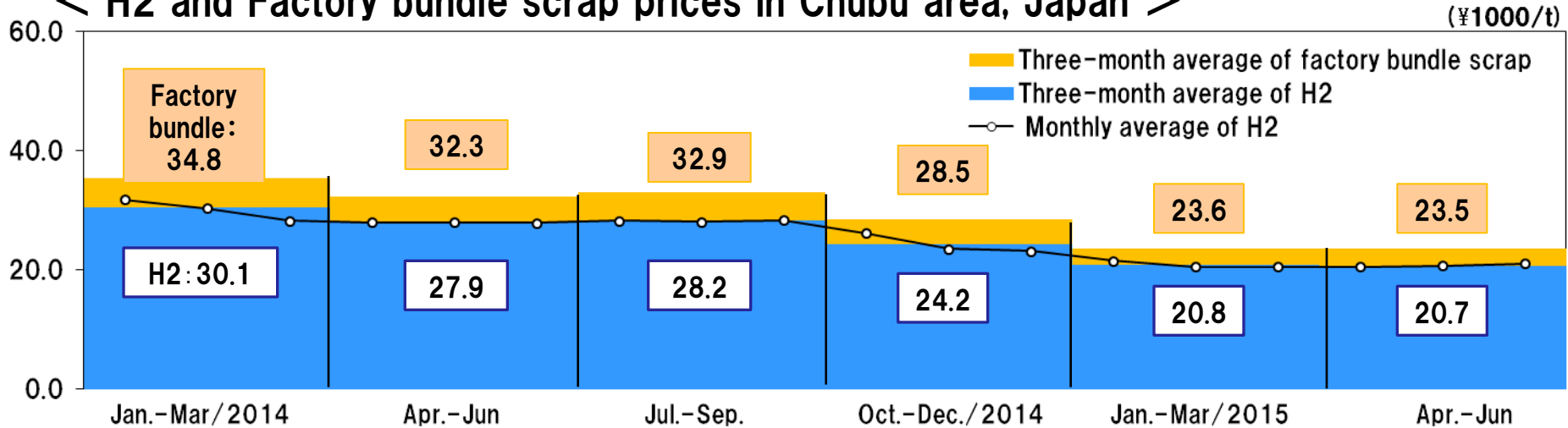
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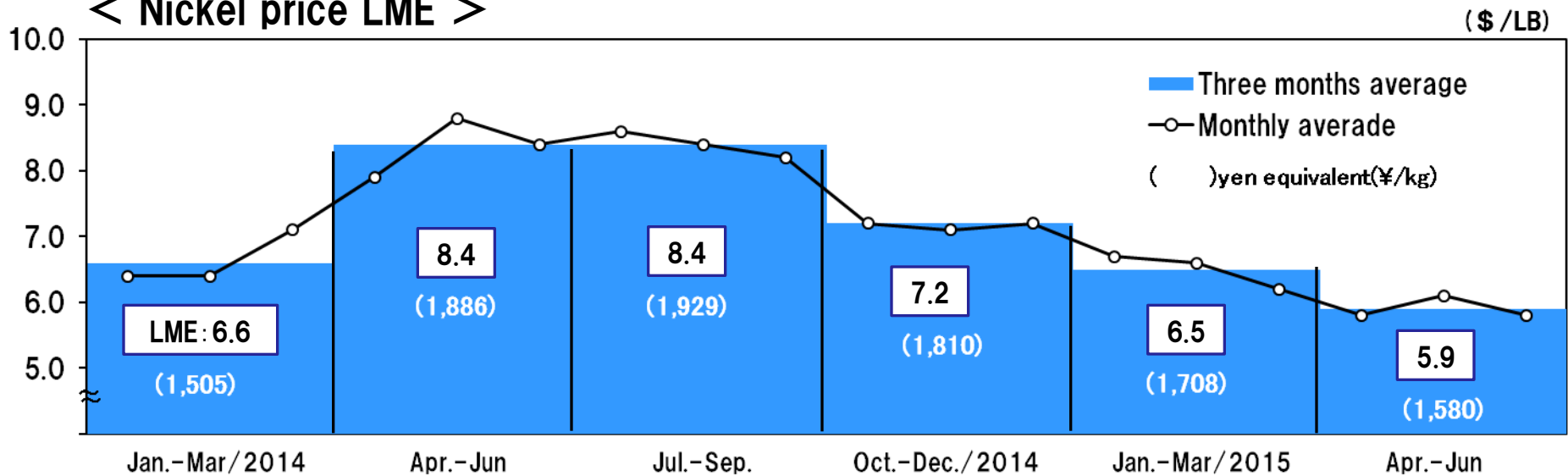
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Market Trend of Raw Materials(Scrap Steel and Nickel)

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



< Nickel price LME >



1Q/FY2016 Market Trend

	UNIT	FH of FY2016 Premises of plan	1Q/FY2016 Results (Difference)
Scrap steel Upper:H2 Lower:Factory bundle	¥thou./T	22.0 25.0	20.7 (-1.3) 23.5 (-1.5)
Nickel (LME)	\$/LB	7.0	5.9 (-1.1)
Molybdenum (MW)	\$/LB	9.0	7.5 (-1.5)
Crude oil (Dubai)	\$/B	65.0	61.3 (-3.7)
Exchange rate (TTM)	¥/\$	120.0	121.4 (+1.4)

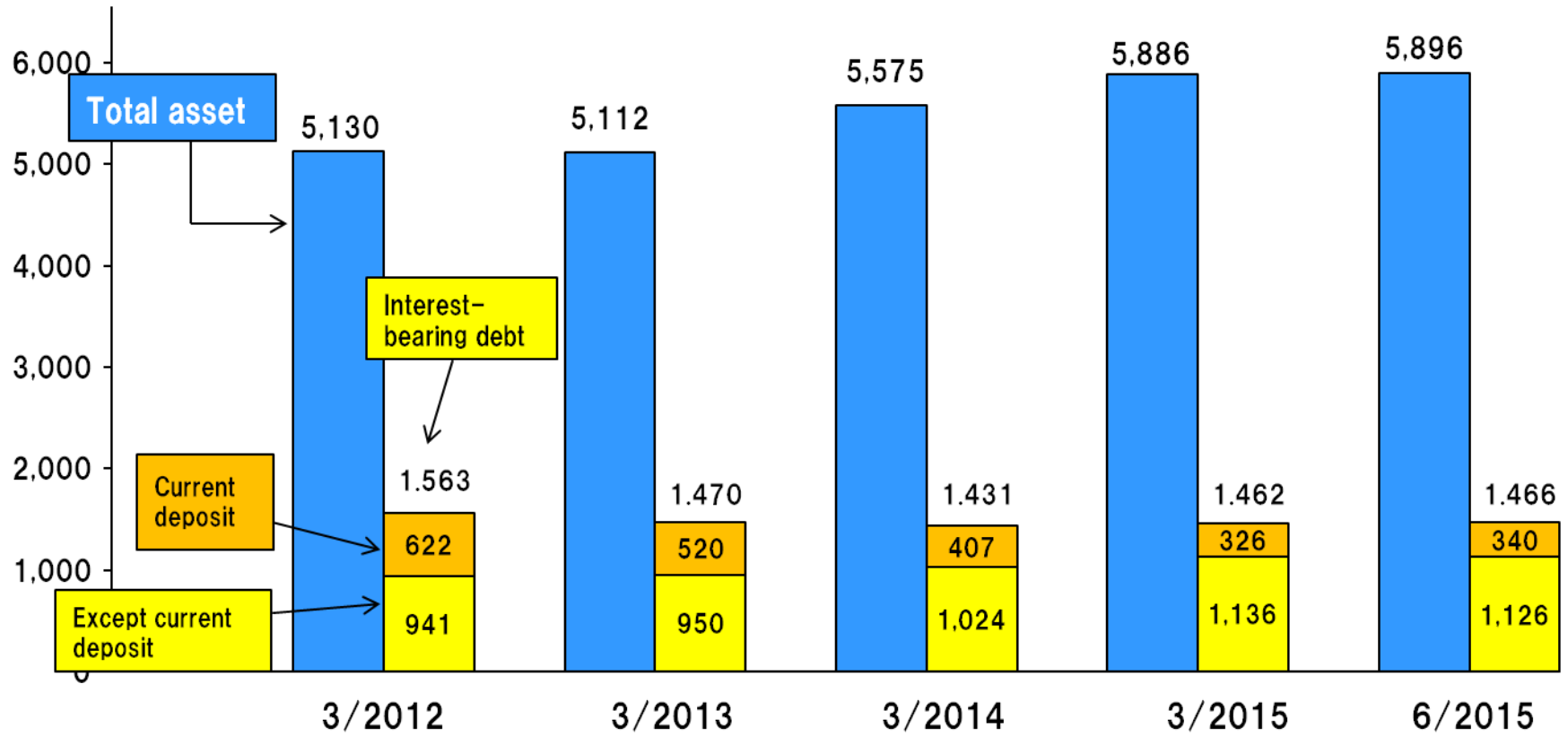
FY2016 Extraordinary Income/Loss and Net Income

(¥100 mil.)

FY2016 Ordinary income	42
Extraordinary income / loss	▲6
Income taxes	▲18
FY2016 Net income	18

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

(¥100 mil.)



	3/2012	3/2013	3/2014	3/2015	6/2015
ROA	6.3%	3.2%	3.8%	3.8%	2.9%
D/E	0.79	0.69	0.62	0.57	0.56

(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.

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