

Fiscal Year ending March 2017 1st Quarter Results (Apr.1 – JUN.30 / 2016)

July 29, 2016



Overview of the FY2017 1st quarter results

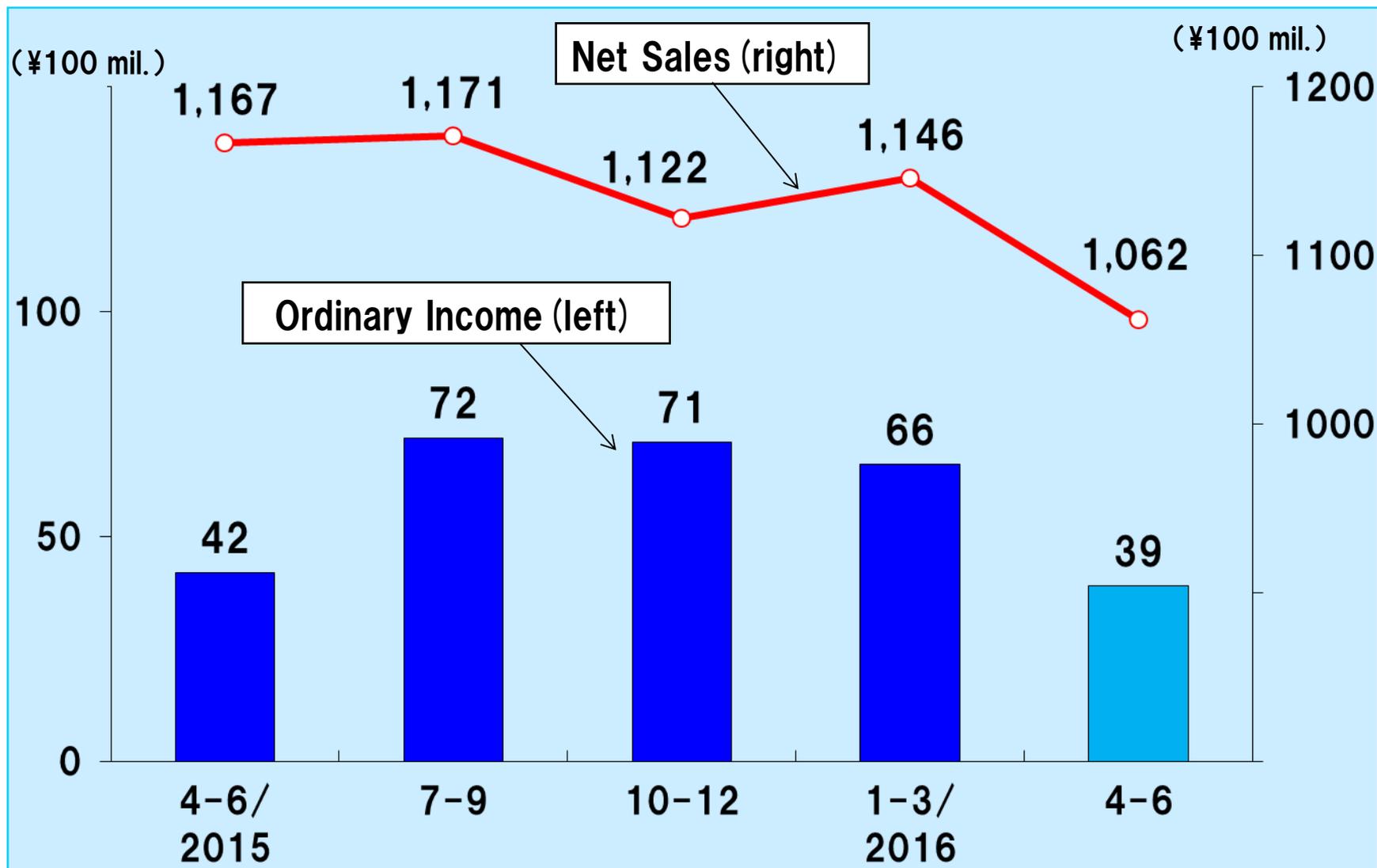


(¥100 mil.)	FY2016 1Q	FY2017 1Q	y/y basis
Net Sales	1,167	1,062	- 105
Operating income	40	41	+ 1
Ordinary income	42	39	- 3
Net income (※)	18	23	+ 5

※: Quarterly net income that is profit attributable to owners of parent

- Net sales declined because the selling prices were reduced due to effects of the MPS (materials price surcharge) on nickel and scrap iron.
- Operating income was on a par with the previous year's figure. Ordinary income dropped due to foreign exchange losses that resulted from the yen's appreciation.

Changes in Net Sales & Ordinary Income (Quarterly)

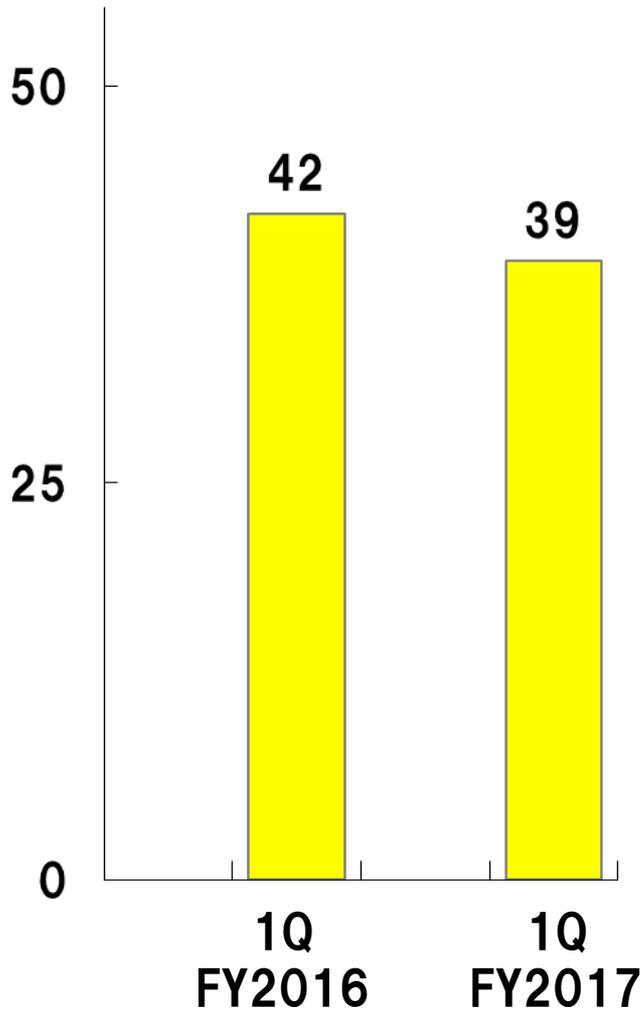


1Q/FY2017 Changes in Ordinary Income (y/y)



(¥100 mil.)

(¥100 mil.)



1Q/FY2016 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/FY2017 Ordinary Income	

42	
	+73
-6	
-60	
-2	
	+2
-6	
-74	+75
-4	
39 (-3)	

FY2017 Net Sales & Operating Income by Segment



(¥100 mil.)

		1Q/FY2016 Results (A)	1Q/FY2017 Results (A)	y/y basis (B) - (A)
Specialty Steel	Net Sales	433	394	-39
	Operating Income	3	8	5
High Performance Materials and Magnetic Materials	Net Sales	409	355	-54
	Operating Income	28	36	8
Parts for Automobile and Industrial Equipment	Net Sales	246	231	-15
	Operating Income	3	▲ 7	-10
Engineering	Net Sales	58	55	-3
	Operating Income	3	0	-3
Trading and Service	Net Sales	21	27	6
	Operating Income	3	4	1
Total	Net Sales	1,167	1,062	-105
	Operating Income	40	41	1

Former Net Sales of
Specialty steel

volume

286thou.t

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1Q/FY2017 Changes in Operating Income of Major Segments (y/y)



(¥100 mil.)

Segment			Specialty Steel	High Performance Materials & Magnetic Materials	Parts for Automobile & Industrial Equipment	Engineering
1Q/FY2016 Operating Income			3	28	3	3
Changes (y/y)	Operating Income / Loss	Raw material price	+41	+26	+6	
		Sales volume	+3	-1	-8	
		Sales price	-35	-22	-3	
		Sales mix	-4	+4		-3
		Variable cost	+2	+2	-2	
		Fixed cost	-2	-1	-3	
		Total	-41	+32	-16	+6
1Q/FY2017 Operating Income			8 (+5)	36 (+8)	▲7 (-10)	0 (-3)

FY2017 Net Sales & Operating Income by Segment (Quarterly)



(¥100 mil.)

		FY2016				FY2017 1Q Results
		1Q Results	2Q Results	3Q Results	4Q Results	
Specialty Steel	Net Sales	433	426	418	428	394
	Operating Income	3	18	28	26	8
High Performance Materials and Magnetic Materials	Net Sales	409	398	378	368	355
	Operating Income	28	35	30	30	36
Parts for Automobile and Industrial Equipment	Net Sales	246	248	247	256	231
	Operating Income	3	5	2	3	▲7
Engineering	Net Sales	58	74	57	72	55
	Operating Income	3	7	5	6	0
Trading and Service	Net Sales	21	25	22	22	27
	Operating Income	3	3	3	3	4
Total	Net Sales	1,167	1,171	1,122	1,146	1,062
	Operating Income	40	68	68	68	41

Former Net Sales of
Specialty steel

volume

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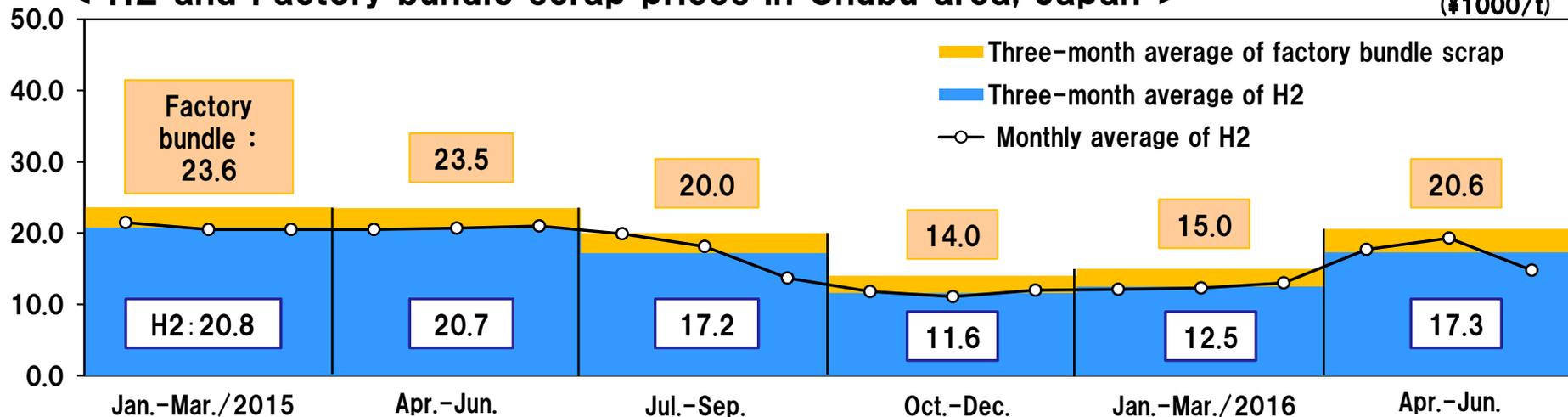
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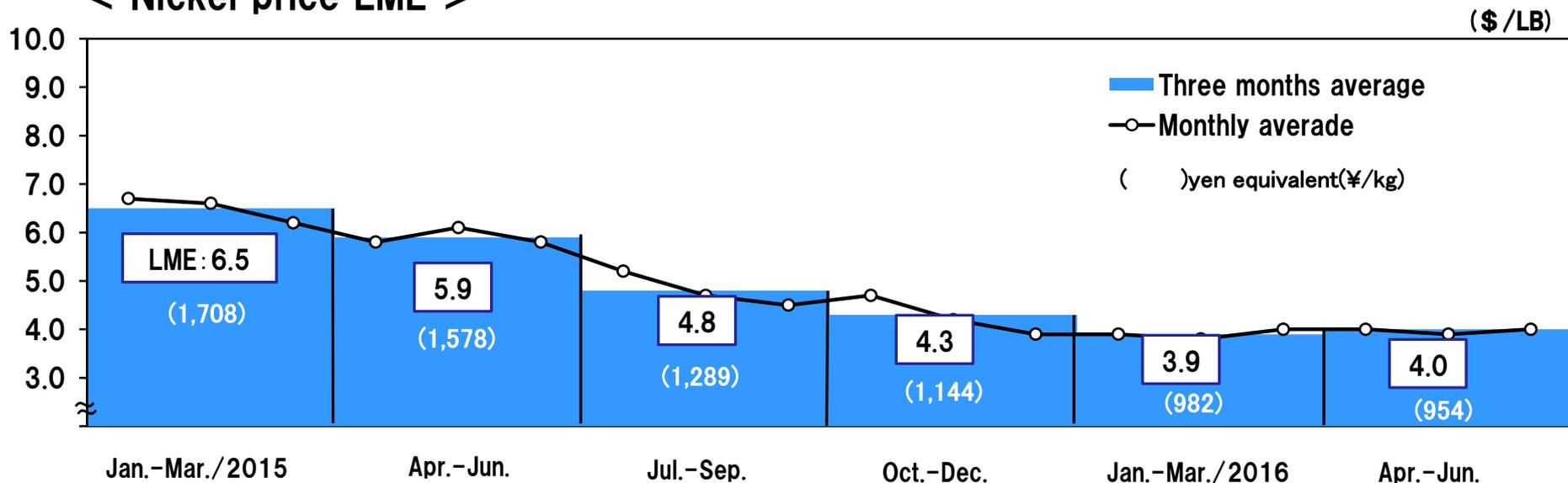
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< H2 and Factory bundle scrap prices in Chubu area, Japan >



< Nickel price LME >



Jan.-Mar./2015

Apr.-Jun.

Jul.-Sep.

Oct.-Dec.

Jan.-Mar./2016

Apr.-Jun.

1Q/FY2017 Market Trend



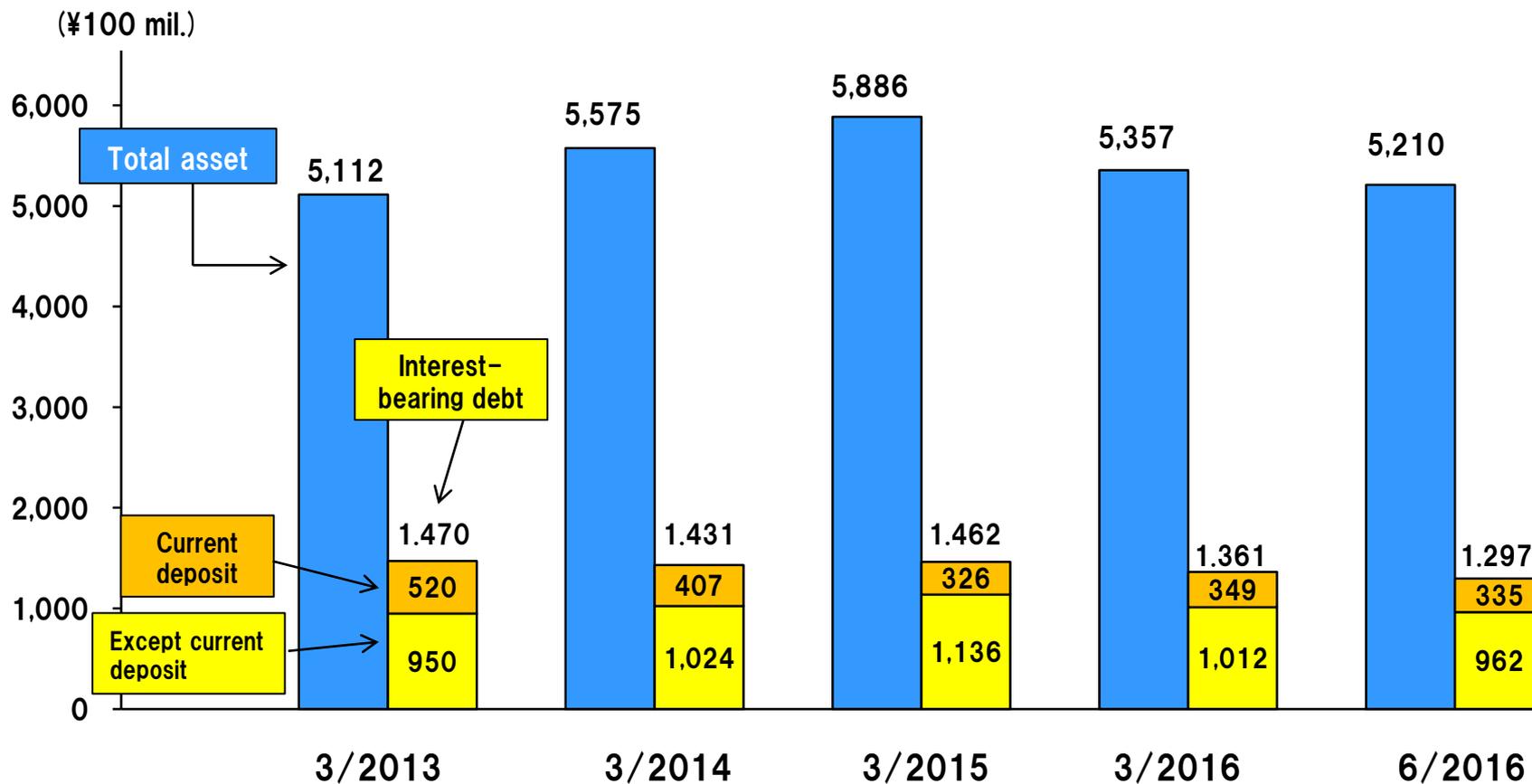
	UNIT	FH of FY2017 Premises of plan	1Q/FY2017 Results (Difference)
Scrap steel Upper:H2 Lower:Factory bundle	¥thou./T	17.0	17.3 (+0.3)
		20.0	20.6 (+0.6)
Nickel (LME)	\$/LB	4.5	4.0 (-0.5)
Molybdenum (MW)	\$/LB	5.5	7.0 (+1.5)
Crude oil (Dubai)	\$/B	40.0	43.1 (+3.1)
Exchange rate (TTM)	¥/\$	110.0	108.1 (-1.9)

(¥100 mil.)

FY2017 Ordinary income	39
Extraordinary profit and loss	▲ 1
Income taxes	▲ 16
FY2017 Net income (※)	23

※: Quarterly net income that is profit attributable to owners of parent

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



	3/2013	3/2014	3/2015	3/2016	6/2016
ROA	3.2%	3.8%	3.8%	4.5%	3.0%
D/E	0.69	0.62	0.57	0.58	0.57

(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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