

Fiscal Year 2020
(Apr.1 / 2020–Mar.31 / 2021)
Results Briefing

April 30, 2021



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FY2020 Results

(Apr.1 / 2020 – Mar.31 / 2021)

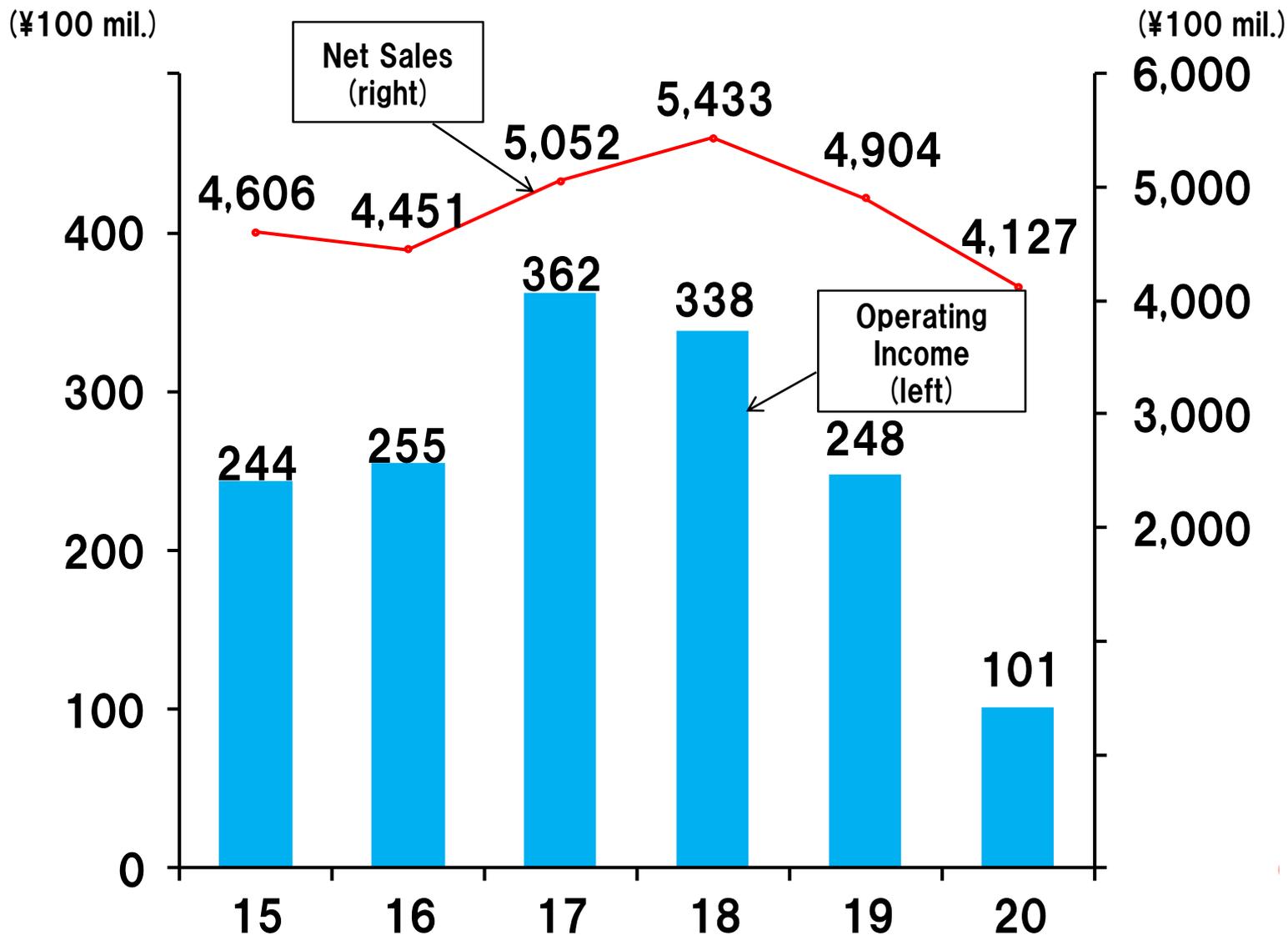
Overview of the FY2020 Financial Results

(¥100 mil.)	FY2019 results	FY2020 results	y/y basis
Net Sales	4,904	4,127	△777
Operating income	248	101	△147
Ordinary income	243	126	△117
Net income (※)	110	45	△65

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

- Both income and profits declined from the previous year, due to the COVID-19 pandemic.
- Our factories are now in full operation, thanks to the recovery of automobile production in Japan.

Net Sales & Operating Income (FY2020 Results)



FY2020 Changes in Operating Income (y/y)

(¥100 mil.)

FY2019 Operating income		248	
Changes (y/y)	Raw material/ Fuel price		+120
	Sales volume	-162	
	Sales price	-107	
	Sales mix	-79	
	Variable cost		+2
	Fixed cost		+79
	Total	-348	+201
FY2020 Operating income		101 (-147)	

Breakdown of changes

Raw materials and fuel prices

- Alloys and energy costs declined, but scrap iron costs remained at the same level as the previous year.

Sales volume

- Demand declined substantially, including that from automobile-related industries. After hitting bottom in the April to June quarter, the number of orders has recovered to a higher level than that during the same period in the previous year.

Sales prices

- Selling prices went down due to the effects of scrap and alloy surcharges.
- Operating income decreased 4.4 billion yen due to the effects of the sliding scale pricing system.

Sales mix

- Sales of semiconductor-related products recovered, while the sales volumes of tool steel and open die forgings dropped. Our engineering business was also sluggish.

Fixed costs

- Thorough cost-cutting efforts were carried out throughout the company to reduce SGA expenses.

(Non-operating expenses)

We took maximum advantage of the Japanese government's employment subsidy system.

FY2020 Net Sales & Operating Income by Segment (y/y)

(¥100 mil.)

		FY2019 Results (A)	FY2020 Results (B)	y/y (B) - (A)
Specialty Steel	Net Sales	1,817	1,458	-359
	Operating Income	52	▲26	-78
High Performance Materials & Magnetic Materials	Net Sales	1,674	1,494	-180
	Operating Income	136	122	-14
Parts for Automobile & Industrial Equipment	Net Sales	973	808	-165
	Operating Income	4	▲21	-25
Engineering	Net Sales	266	202	-64
	Operating Income	30	8	-22
Trading & Service	Net Sales	174	165	-9
	Operating Income	26	18	-8
Total	Net Sales	4,904	4,127	-777
	Operating Income	248	101	-147

Sales volume of specialty steel

1,176 thou.t

978 thou.t

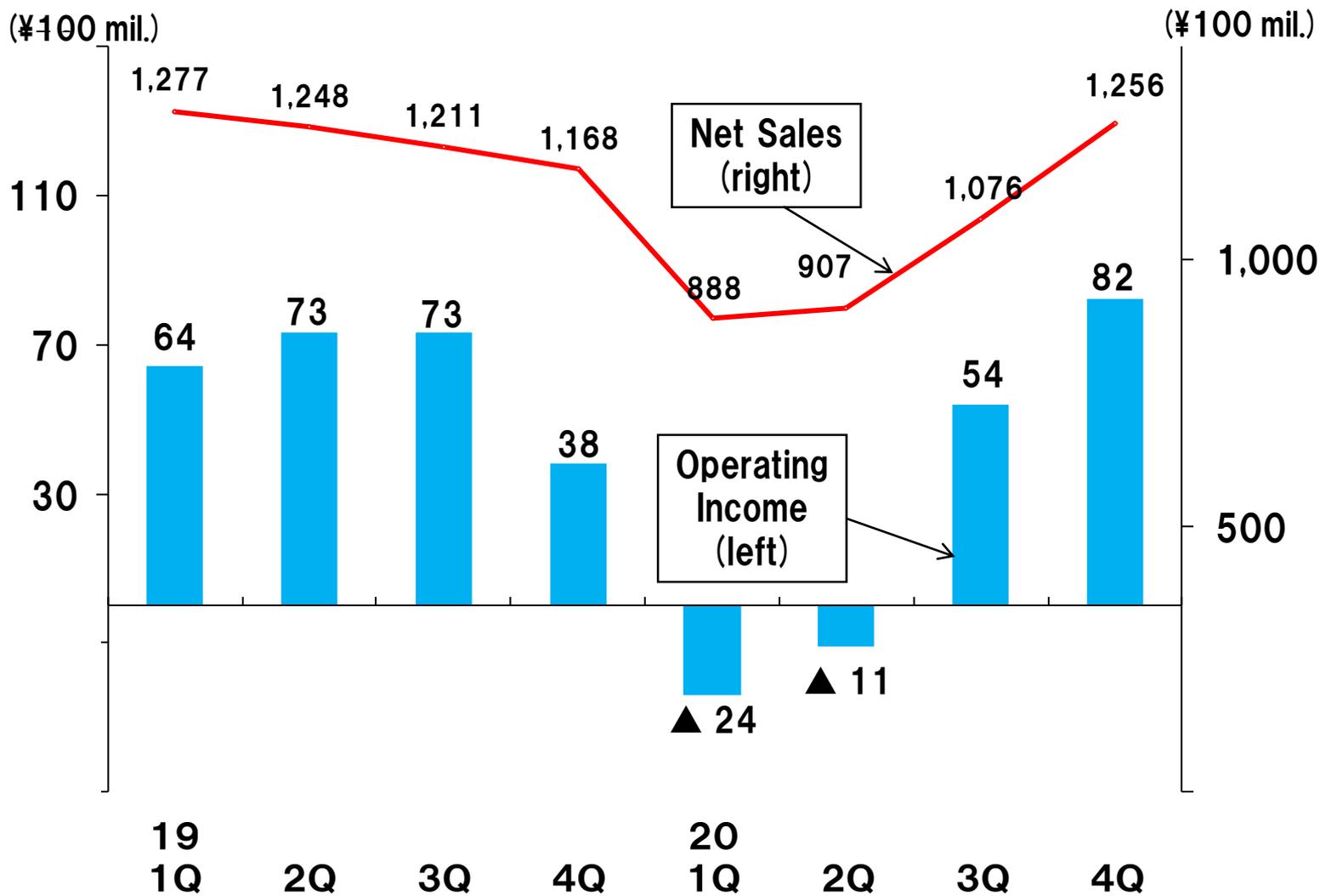
198 thou.t

FY2020 Changes in Operating Income of Major Segment (y/y)

(¥100 mil.)

Segment			Specialty Steel	High Performance Materials & Magnetic Materials	Parts for Automobile & Industrial Equipment	Engineering
FY2019 Operating Income			52	136	4	30
Changes (y/y)	Operating Income / Loss	Raw material/ Fuel price	+73	+30	+17	
		Sales volume	-46	-66	-50	
		Sales price	-94	-9	-4	
		Sales mix	-45	+17	-21	-22
		Variable cost	-1	+1	+2	
		Fixed cost	+35	+13	+31	
		Total	-186	-75	-75	-22
		FY2020 Operating income			▲26 (-78)	122 (-14)

Net Sales & Operating Income (Quarterly)



Net Sales & Operating Income by Segment (Difference between 3Q and 4Q)

(¥100 mil.)

		3Q (Results)	4Q (Results)	Difference
Specialty Steel	Net Sales	392	468	+76
	Operating Income	9	▲5	-14
High Performance Materials & Magnetic Materials	Net Sales	387	459	+72
	Operating Income	35	65	+30
Parts for Automobile & Industrial Equipment	Net Sales	219	228	+9
	Operating Income	6	14	+8
Engineering	Net Sales	44	55	+11
	Operating Income	▲0	3	+3
Trading & Service	Net Sales	34	46	+12
	Operating Income	4	5	+1
Total	Net Sales	1,076	1,256	+180
	Operating Income	54	82	+28

Sales volume of specialty steel

275 thou.t

325 thou.t

+50 thou.t

Specialty steel:

Sales volumes increased firmly, including that for automotive parts. Tool steel was also on a recovering trend. However, operating income declined, owing to a surge in the price of scrap iron and the loss (1.3 billion yen) that resulted from the review of projected retirement benefit calculations.

High-performance materials:

Operating income increased, due to the recovery in sales volume of SUS. Sales of high-alloy and metal powders also remained firm.

Automotive parts:

Sales volumes of automotive parts increased, including turbocharger components and engine valves. Variable costs also improved.

Net Sales & Operating Income by Segment

(Difference between the forecast on Jan. 29 and results for 4Q)

(¥100 mil.)

		4Q (Forecast)	4Q (Results)	Difference
Specialty Steel	Net Sales	404	468	+64
	Operating Income	▲19	▲5	+14
High Performance Materials & Magnetic Materials	Net Sales	415	459	+44
	Operating Income	48	65	+17
Parts for Automobile & Industrial Equipment	Net Sales	229	228	▲1
	Operating Income	8	14	+6
Engineering	Net Sales	52	55	+3
	Operating Income	2	3	+1
Trading & Service	Net Sales	29	46	+17
	Operating Income	2	5	+3
Total	Net Sales	1,129	1,256	+127
	Operating Income	41	82	+41

Sales volume of specialty steel

303 thou.t

325 thou.t

+22 thou.t

Specialty steel:

Sales volumes increased, including those for bearing steels and industrial equipment-related products. The sales mix also improved.

High-performance materials:

Operating income topped the forecast, owing to an increase in sales volume, including that of SUS.

Automotive parts:

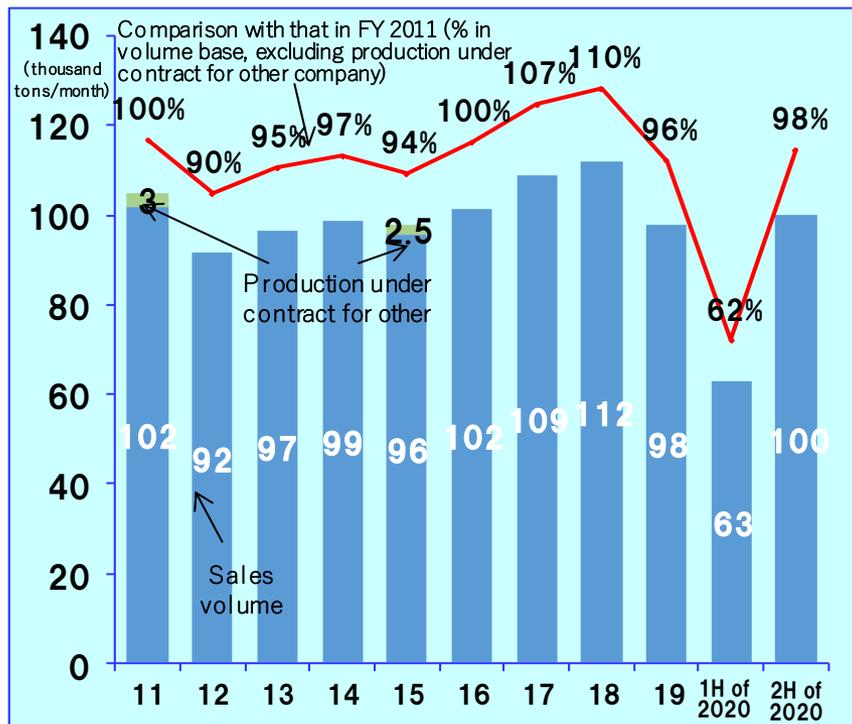
The sales mix of open die forgings changed and the variable costs of turbocharger components and engine valves improved.

Overview of Our Major Products in FY 2020 ①

Specialty steel

<Demand environment>

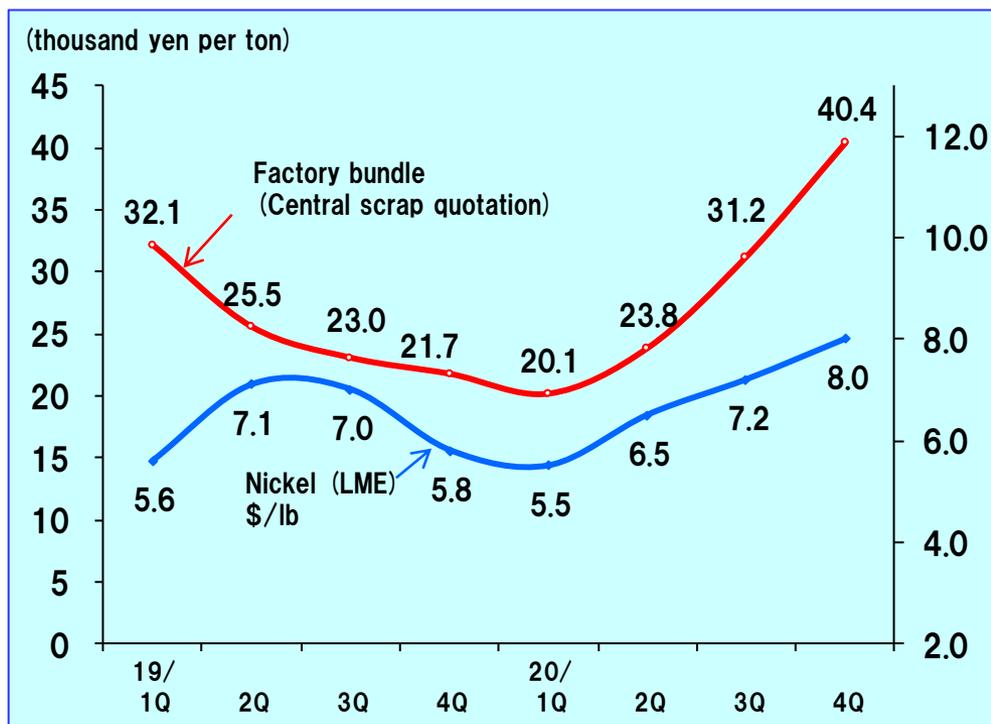
Sales volume of specialty steel (non-consolidated)



- Sales volume declined substantially in the first half of fiscal year 2020 due to the COVID-19 pandemic, but there was a sharp recovery in the second half, including for automotive parts.

<Market conditions of raw materials>

Changes in scrap iron and nickel prices



- Scrap: Scrap prices remained high owing to an increase in the production of crude steel in Japan and a steep rise of export prices.
- Nickel: Nickel prices rose due to the recovery of global demand.

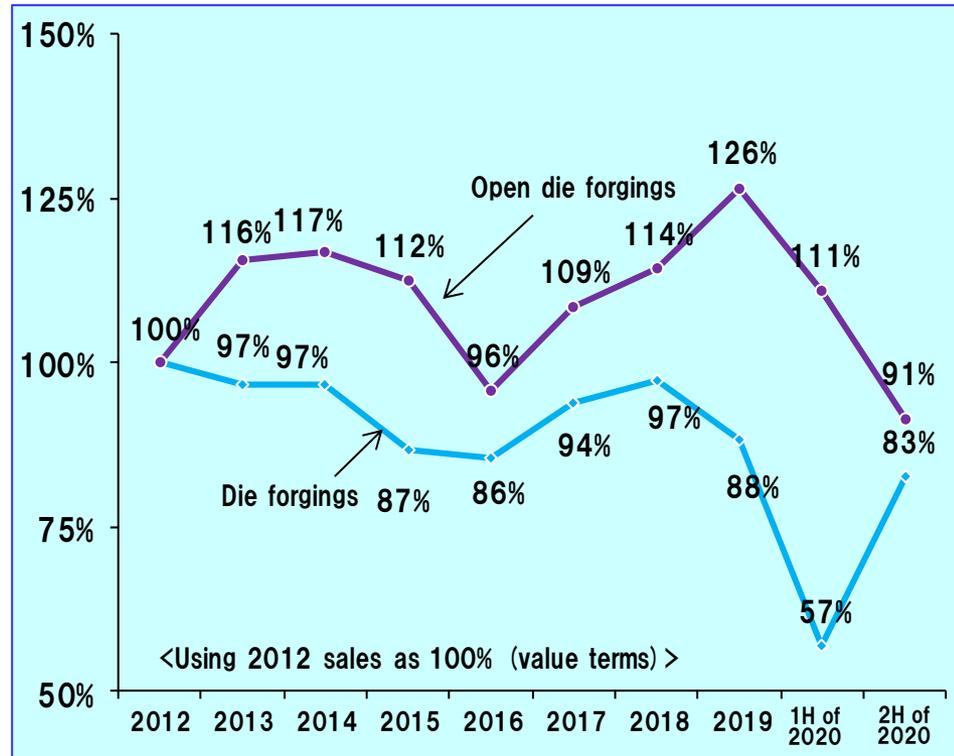
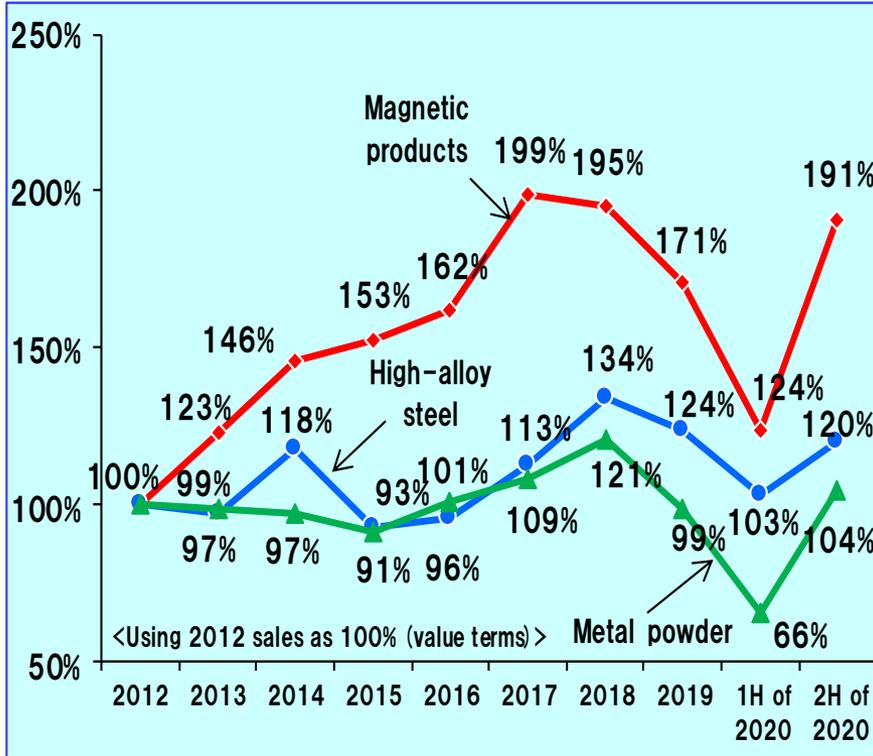
Overview of Our Major Products in FY 2020 ②

High-performance and magnetic materials

Parts for automobile and industrial equipment

<High-alloy, magnetic products and metal powder>

<Die forging and open die forging>



- **Magnetic products:** Demand, including drive-motor-related items, recovered as automobile production picked up rapidly.
- **Metal powder:** Demand recovered, including that from the automotive industry.

- **Open die forging:** Demand from aircraft and offshore drilling industries declined.
- **Die forging:** Demand, including automotive parts, recovered rapidly.

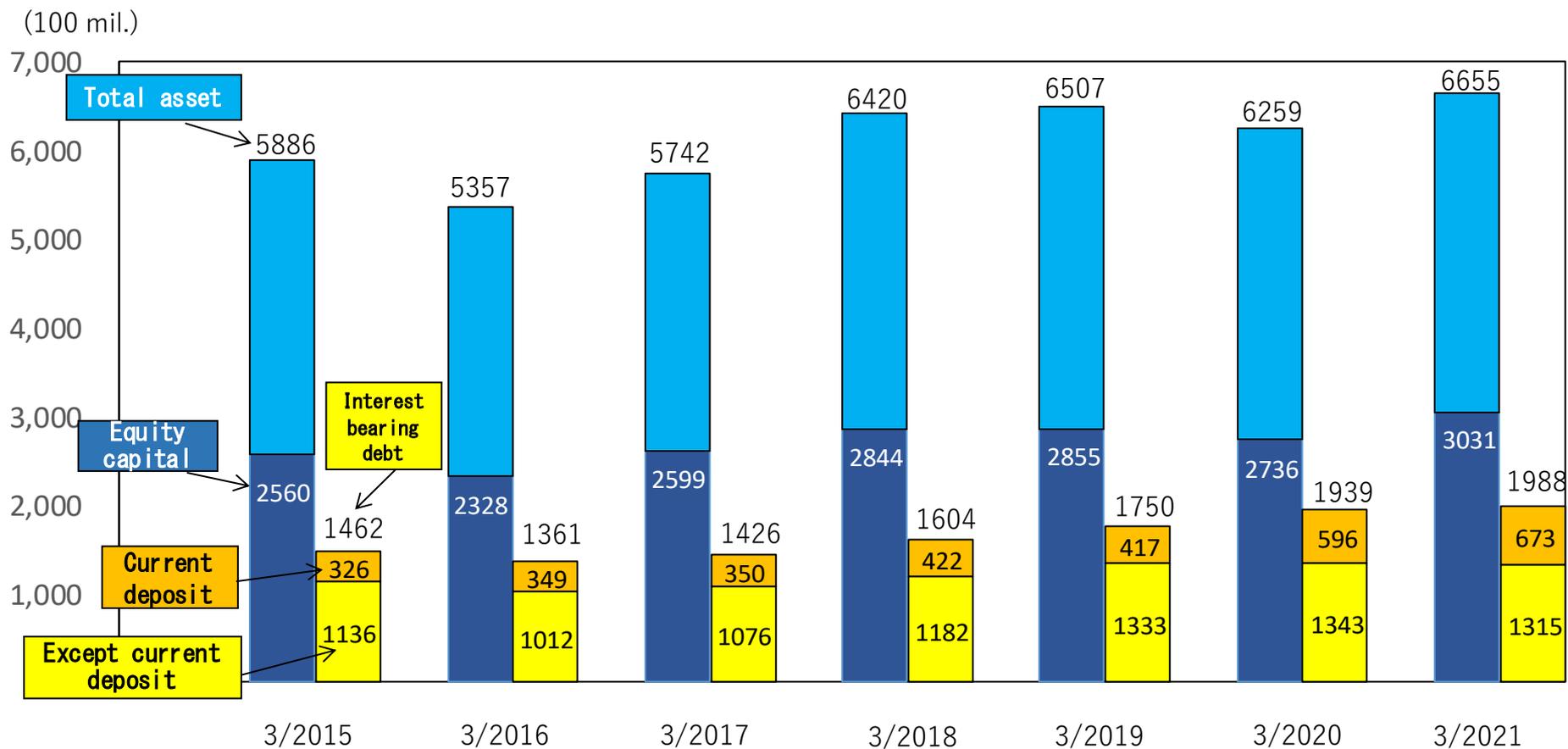
FY2020 Ordinary Income • Net Income

(¥100 mil.)

Operating income	101
Non-operating income / expense	25
Ordinary income	126
Extraordinary income / loss (※)	▲25
Corporation tax and others	▲56
Net income that is profit attributable to owners of parent	45

(*) Major breakdowns of the extraordinary income/loss of 2.5 billion yen
 Impairment loss: ▲27
 Capital gain of securities: + 1

Total Assets, Interest bearing Debt, D/E Ratio



	3/2015	3/2016	3/2017	3/2018	3/2019	3/2020	3/2021
ROA	3.8%	4.5%	4.8%	5.9%	5.3%	3.8%	2.0%
D/E	0.57	0.58	0.55	0.56	0.61	0.71	0.66

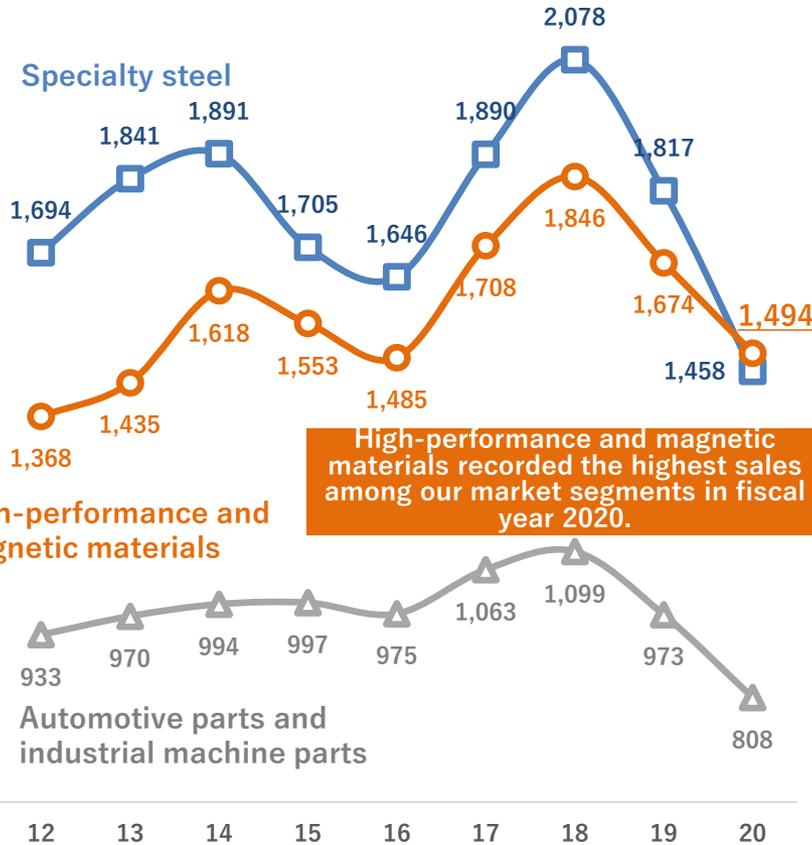
Plan for FY2021

(Apr.1 / 2021 – Mar.31 / 2022)

Evaluation of the 2020 Midterm Management Plan

【Changes in sales in major segments】

Results ○ Future issues ☆



High-performance and magnetic materials recorded the highest sales among our market segments in fiscal year 2020.

High-performance and magnetic materials

- Strategic investment in special stainless steel has been completed successfully.
- The Nakatsugawa Advanced Magnetic Materials Development Center has been launched.
- ☆ Reaping the effects of our strategic investments as soon as possible.

Specialty steel

- ☆ Profitability has been improved to some extent by raising the base price, but further efforts are needed.
- BEP has been improved thanks to reduced fixed costs.
- ☆ The ability to make profits needs to be enhanced, considering possible future reduction in demand.

Automotive parts and industrial machine parts

- The restructuring of our turbocharger business has been achieved.
- ☆ Restructuring of our die forgings business

All the segments

- ☆ Our approach to CO2 reduction (addressed later in this report)

We are moving to a new organization, designed to deal with future issues.

■ About Our New Organization

In the face of the rapidly changing external business environment, including the shift toward decarbonizing the world economy, we are changing our operations' organization so we can achieve sustainable growth.

(1) Specialty Steel Business (reorganization)

As the trend toward the spread of EVs grows, reduced demand for specialty steel is likely to occur over the medium to long term in Japan. The specialty steel business is one of our core businesses. Therefore, we will strengthen our position by abolishing the current business unit system, in which each department has its own sales unit, and reorganizing the sales units into a Sales Headquarters that supervises sales activities across the Specialty Steel Business Division. In addition, the Specialty Steel Production Division will be reorganized into a Production Headquarters that manages our multiple plants in a unified manner. Furthermore, we will launch an overseas sales department to swiftly capture the trends of specialty steel demand in the rapidly growing overseas markets.

(2) Fabricated Materials and Tool Steel Business (consolidation)

We will consolidate functions in different departments that have been dealing separately with open die forgings, to form a new department that provides improved production efficiency and enhances product cost-competitiveness. In addition, two overseas sales departments -- a high-alloy overseas one for fabricated materials business and another one for our tool steel business -- will be established to increase sales of these two types of products in overseas markets.

(3) High-performance Products Business and our new Next-Generation Products Development Center

Demand for high-performance products (metal powder, steel strips, and electronic-use materials) is expected to increase in the CASE in the automotive, advanced health care, and the next-generation energy fields. To cope with this increase, we will launch a next-generation products development center to stimulate new demand for high-performance products and commercialize products that are still in embryo. Moreover, our new high-performance products business division will promote the conduct of functional products business across the board.

A meeting on the new Mid-Term Management Plan under the new organization will be held June 25, 2021, starting at 11:00.

Overview of the FY2021's Plan

Perspectives on our business environment

- ◆ It is expected that sales volumes will recover to some extent in fiscal year 2021. However, there is a mountain of risk factors that affects our earnings, including the COVID-19 pandemic, China's hegemonic behaviors, rises in raw material prices, and the semiconductors shortage.
 - ⇒ Continue to make efforts to reduce fixed costs and complete our efforts to raise product prices.
- ◆ It is also expected that the trend toward the spread of EVs will grow, due to the accelerated shift to a decarbonized world economy. In addition, it is inevitable that production costs will increase in connection with global demand for CO₂ reduction (an investment that inevitably has a low rate of return).
 - ⇒ Make and implement plans for CO₂ reduction.

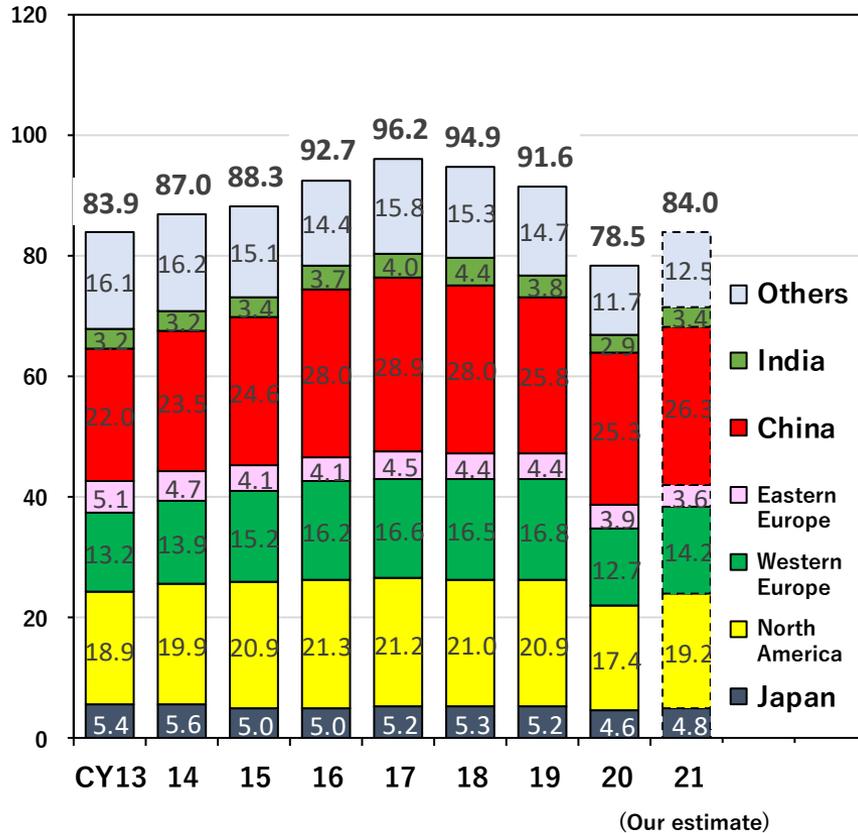
Fiscal year 2021's plan was established and based on the following assumptions:

- The COVID-19 pandemic will be gradually brought to an end, thanks to the spread of vaccination.
- Despite a sense of uncertainty due to the world-wide shortage of semiconductors, car production by Japanese auto manufacturers will rebound to the 2019 level, because demand for automobiles is recovering around the world.
Steel sales volumes: 1,176 thousand tons for 2019, 978 thousand tons for 2020, and 1,255 thousand tons for 2021.
- Demand for semiconductor manufacturing equipment-related products will grow. Fabricated products business will be on a trend toward recovery, including in the fields of heavy electric machinery and semiconductor manufacturing equipment, although aircraft-related demand is expected to remain sluggish.

Outlook for the Major Markets <Automobile-Related Demand>

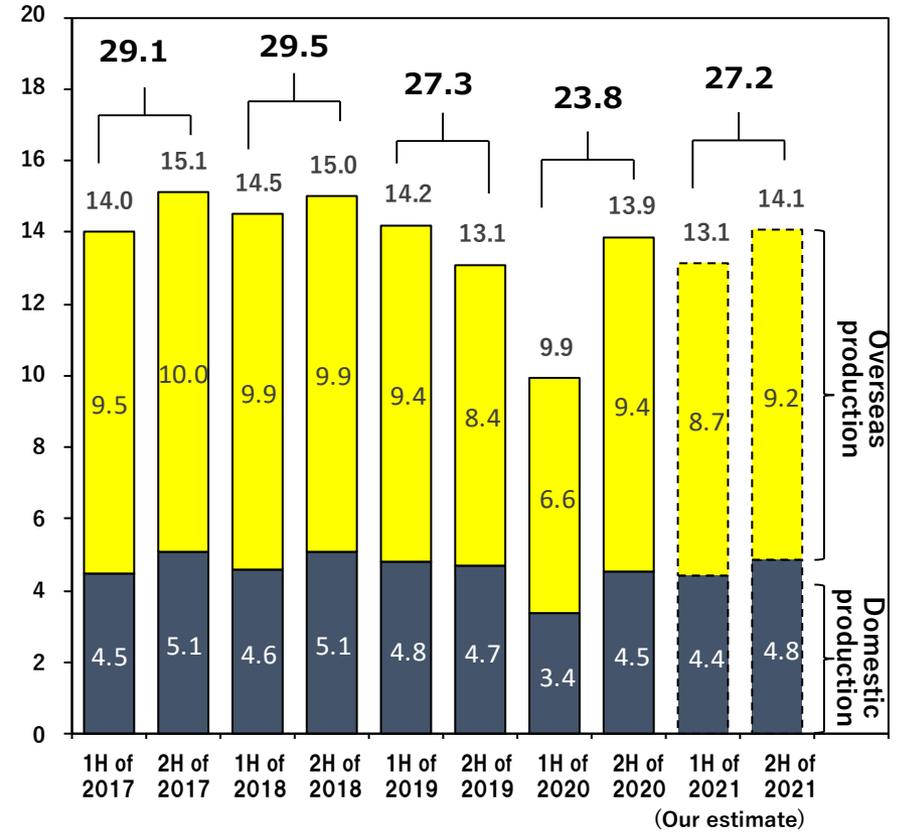
< Estimated global demand for automobiles >

(million units)



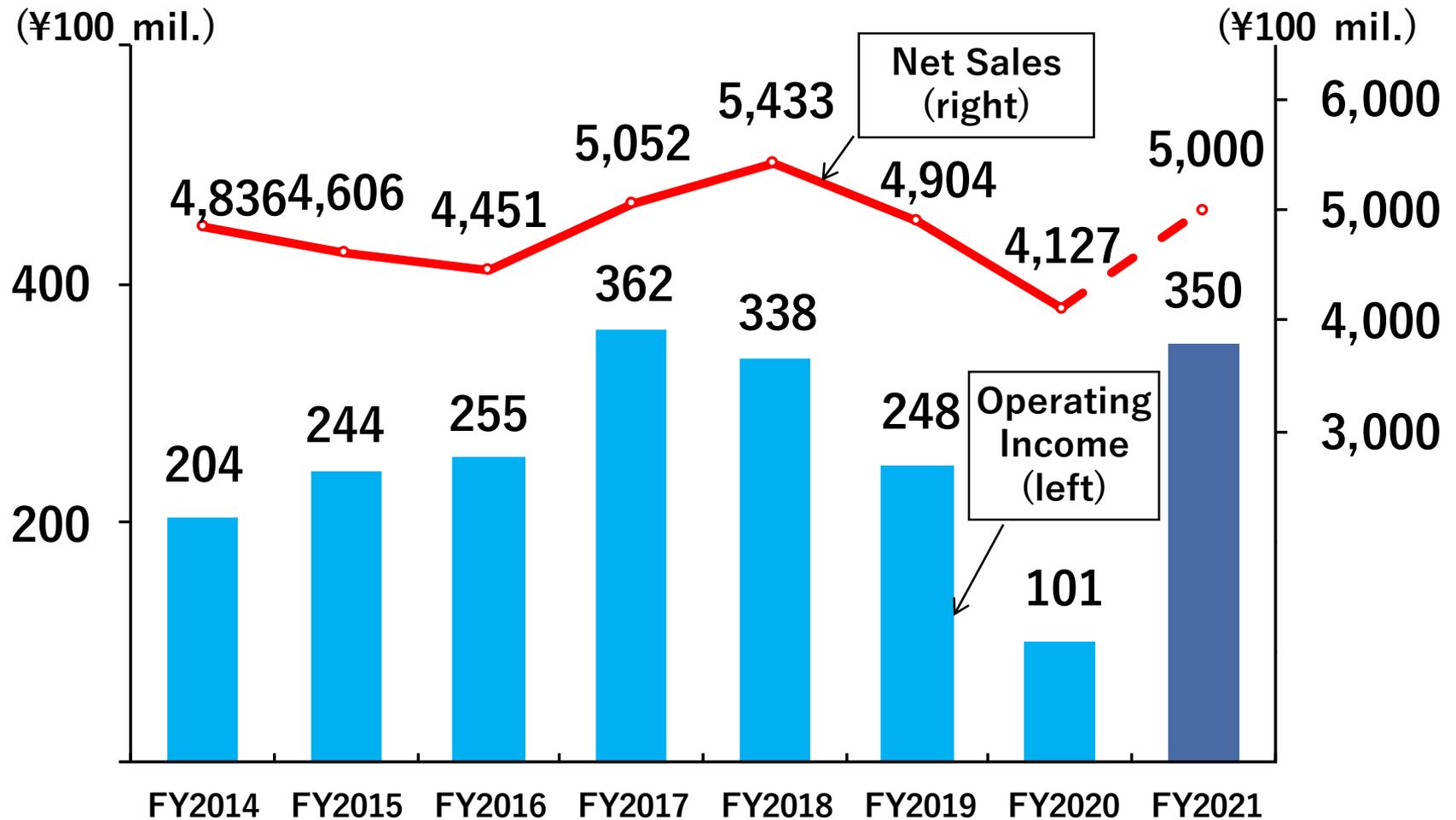
< Prospective car production by Japanese car manufacturers >

(million units)



- Global demand: Stronger than the previous year, thanks to recovery in the conduct of business and consumption.
- Japanese car manufacturers' levels of production: The current situation is uncertain due to the shortage of semiconductors, but production did recover in the second half of fiscal year 2020 and thereafter.

Changes in Net Sales & Operating Income (Forecast for FY2021)



(Forecast)

Changes in Operating Income (Forecast for FY2021)

(¥100 mil.)

FY2020		101	
Operating income			
Changes (y/y)	Raw material/ Fuel price	-264	
	Sales volume		+253
	Sales price		+162
	Sales mix		+91
	Variable cost		+49
	Fixed cost	-51	
	Change of the settlement period		+9
	Total	-315	+564
FY2021		350	
Operating income		(+249)	

Breakdown of changes

Raw materials and fuel prices

- The costs of iron scrap and alloys will increase. Those of energy and steel materials will remain unchanged from the previous year.

Sales volume

- The sales volumes of all product groups will increase, thanks to the recovery in automobile production.

Sales prices

- Selling prices will go up, due to the effects of scrap and alloy surcharges.
- Operating income will increase by 1 billion yen, due to the effects of sliding-scale pricing.

Sales mix

- Sales of semiconductor-related products will increase. The volume of tool steel sales will also recover.
- Severe market conditions will continue for our engineering business.

Fixed costs

- Costs will increase due to production recovery. Cost-reduction efforts will be continued.



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

(¥100 mil.)

		FY2020 Results (A)	FY2021 Forecast (B)	y/y (B) - (A)
Specialty Steel	Net Sales	1,458	1,820	362
	Operating Income	▲26	40	66
High Performance Materials & Magnetic Materials	Net Sales	1,494	1,820	326
	Operating Income	122	230	108
Parts for Automobile & Industrial Equipment	Net Sales	808	970	162
	Operating Income	▲21	55	76
Engineering	Net Sales	202	210	8
	Operating Income	8	0	-8
Trading & Service	Net Sales	165	180	15
	Operating Income	18	25	7
Total	Net Sales	4,127	5,000	873
	Operating Income	101	350	249

Sales volume of specialty steel

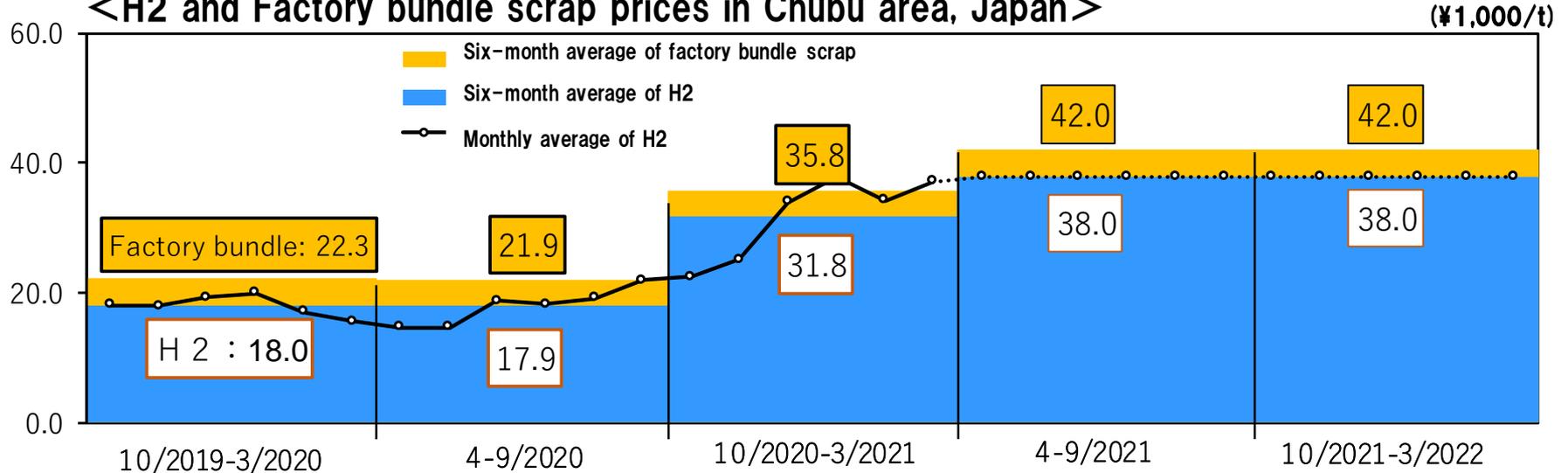
978 thou.t

1,255 thou.t

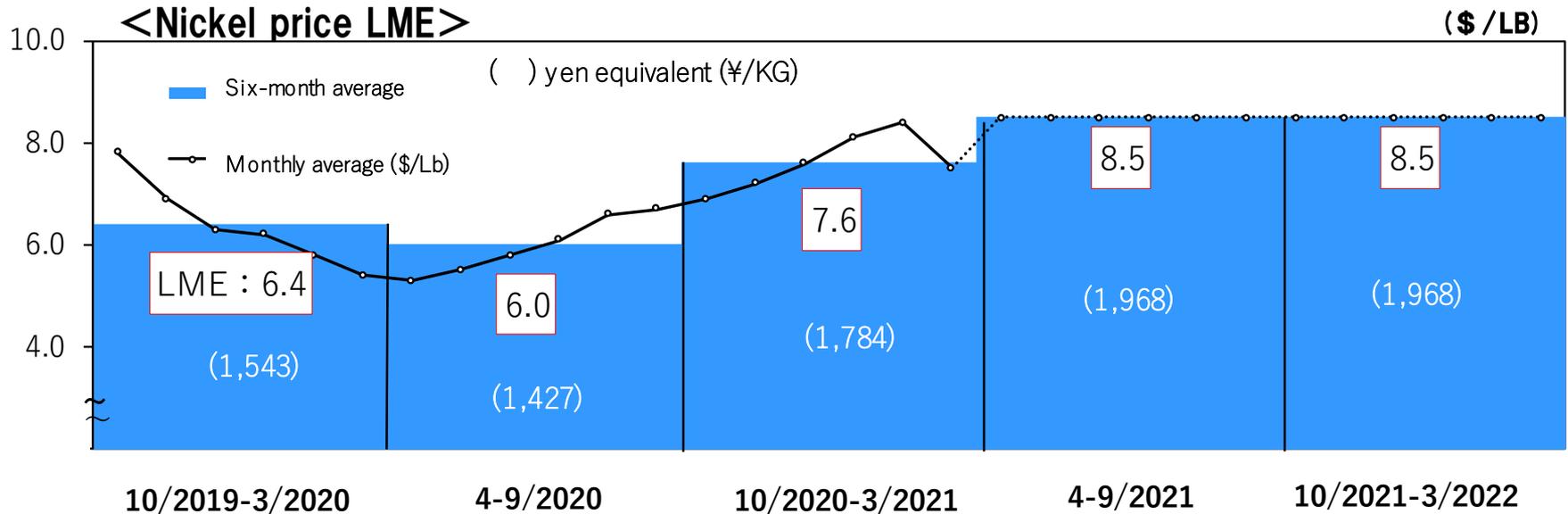
277 thou.t

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 FY2021 (Market Trend)

	UNIT	FY2020 Results	FY2021 Premises of plan (Changes from the previous year)	
Scrap steel Upper: H2 Lower: Factory bundle	¥thou./t	24.9	38.0	(+13.1)
		28.9	42.0	(+13.1)
Nickel (LME)	\$/LB	6.8	8.5	(+1.7)
Crude oil (Dubai)	\$/B	45.8	60.0	(+14.2)
Exchange rate (TTM)	¥/ \$	107.1	105.0	(-2.1)

FY2021 Ordinary Income • Net Income

(¥100 mil.)

Operating income	350
Non-operating income / expense	10
Ordinary income	360
Extraordinary income / loss	0
Corporation tax and others	▲125
Net income that is profit attributable to owners of parent	235

FY2020 Dividend Per Share

	FY2020		FY2021 (Forecast)	
	Interim	Year-end	Interim	Year-end
Ordinary income (100 mil.)	▲ 2 1	1 2 6	1 8 5	3 6 0
Net income ※(100 mil.)	▲ 2 3	4 5	1 1 5	2 3 5
Dividend per share (¥/Share)	1 0 . 0	3 5 . 0 (End of Term 25.0)	7 5 . 0	1 5 0 . 0 (End of Term 75.0)
Payout ratio (%)	—	3 3 . 0	2 7 . 8	2 7 . 2

※ Net income that is profit attributable to owners of parent

We will announce our official dividend payment policy for fiscal year 2021 and thereafter in the new Mid-Term Management Plan.

Cash Flow

- In fiscal year 2020, our working capital remained at the same level as the previous year, although orders recovered rapidly in the second half of the year, leaving a positive 33.8 billion yen as free cash flow. The final free cash flow was a positive 4.4 billion yen after the subtraction of an investment cash flow of 29.4 billion yen.
- In fiscal year 2021, we expect that the amount of operating cash flow will be 34 billion yen, the same level as that of fiscal year 2020. By selecting capital investment targets carefully, we are planning to suppress investment cash flow and return to a normal level the cash position that had to be increased to secure at-hand liquidity. We also plan to reduce our interest-bearing debts by 25 billion yen (annualized).

		FY2020 Results	FY2021 Forecast	
Operating CF	Ordinary income	126	360	
	Depreciation expenses	259	267	
	Increase or decrease in working funds	Accounts receivable	-76	-50
		Accounts payable	-12	-140
		Inventory	87	-50
			-1	-240
Tax and other	-46	-47		
		338	340	
Investment CF	Capital investment	-278	-220	
	Other	-16	-20	
		-294	-240	
	Free cash flow	44	100	
Financial CF	Interest-bearing debts	49	-250	
	Dividend payment	-19	-50	
		30	-300	

(Reference) Balance sheet at the end of March, 2021

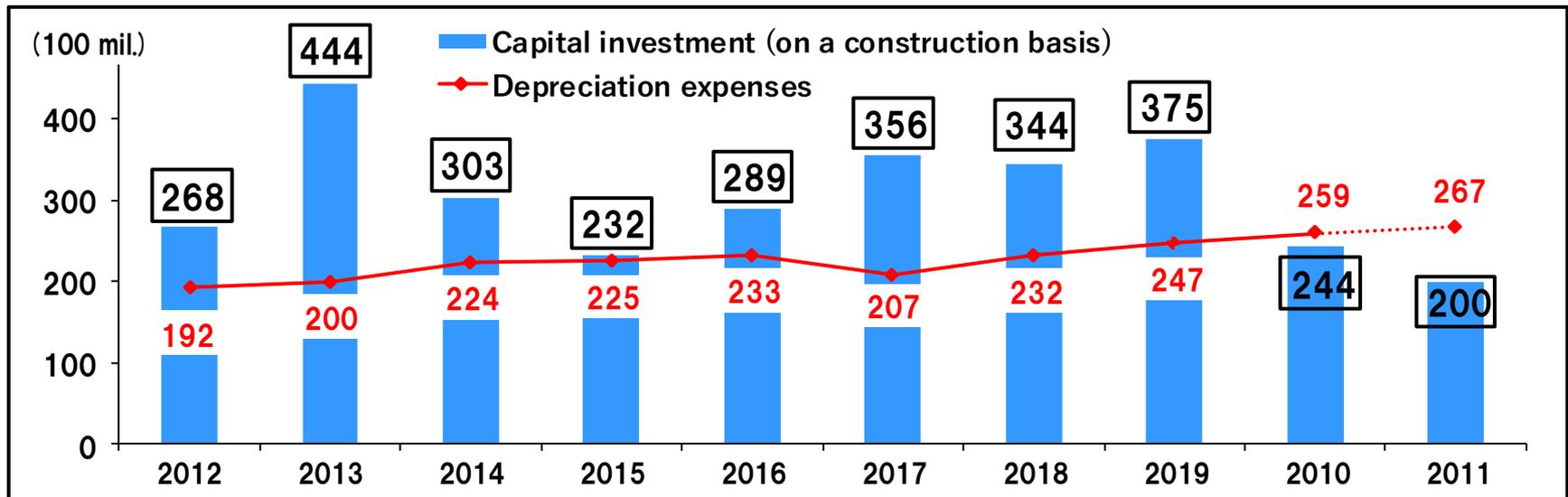
(¥100 mil.)

Item	20/3	21/3	Increase/ decrease	Item	20/3	21/3	Increase/ decrease
Current assets	3106	3194	88	Debt	3168	3262	94
Cash instruments	596	673	77	Operating payable	668	656	-12
Operating receivables	1183	1259	76	Interest-charging debt	1939	1988	49
Inventory	1272	1185	-87	Other	561	618	57
Other	55	77	22				
Fixed assets	3153	3461	308	Net assets	3091	3393	302
Tangible fixed assets	2375	2318	-57	Share capital	2761	2803	42
Intangible fixed assets	16	27	11	Other accumulated comprehensive income	-25	228	253
Investments and other assets	762	1116	354	Non-controlling interest	355	362	7
Total of assets	6259	6655	396	Total of assets	6259	6655	396

Capital Investment

- In fiscal year 2021, we will promote capital investments, focusing on the reorganization of our business foundations and achievement of the SDGs. However, capital investment targets will be carefully selected, as they were in the previous year.
⇒ Our efforts to lower the amount of investment below the total amount of depreciation expenses will continue.
- The depreciation expenses of fiscal year 2021 will increase from the previous year, partly because of the effects (300 million yen) that the settlement period was changed.

Changes in capital investment and depreciation expenses



Our Approach to CO₂ Reduction



Daido Carbon Neutral Challenge

- Pursuing the potential of materials to support our future -

■ CO₂ Emission Reduction Target

Target for 2030

Cutting CO₂ emissions by 50% by 2030

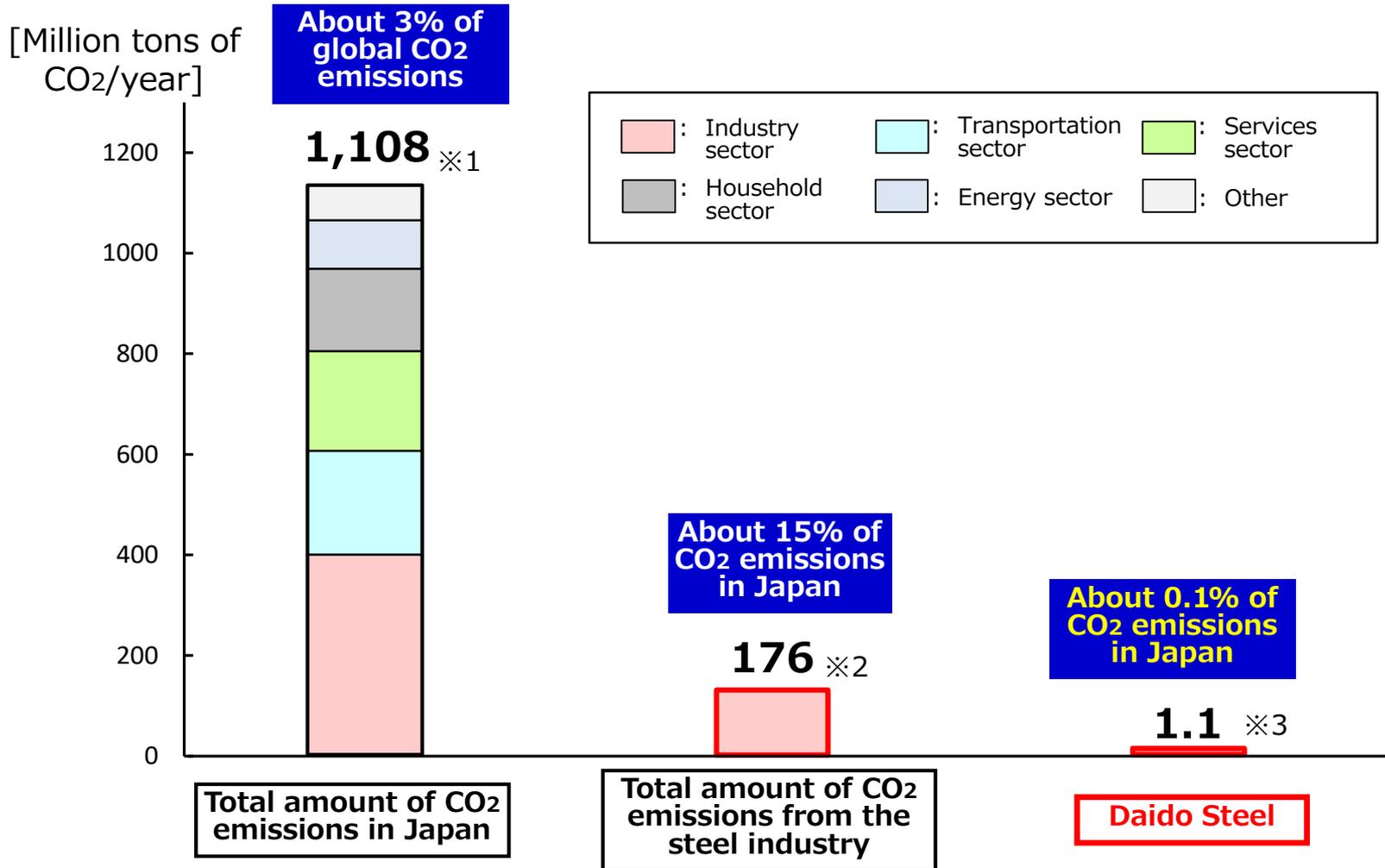
(as compared with the 2013 level)

Target for 2050

Aiming to achieve carbon neutrality

(in line with the development of decarbonizing technologies and infrastructure)

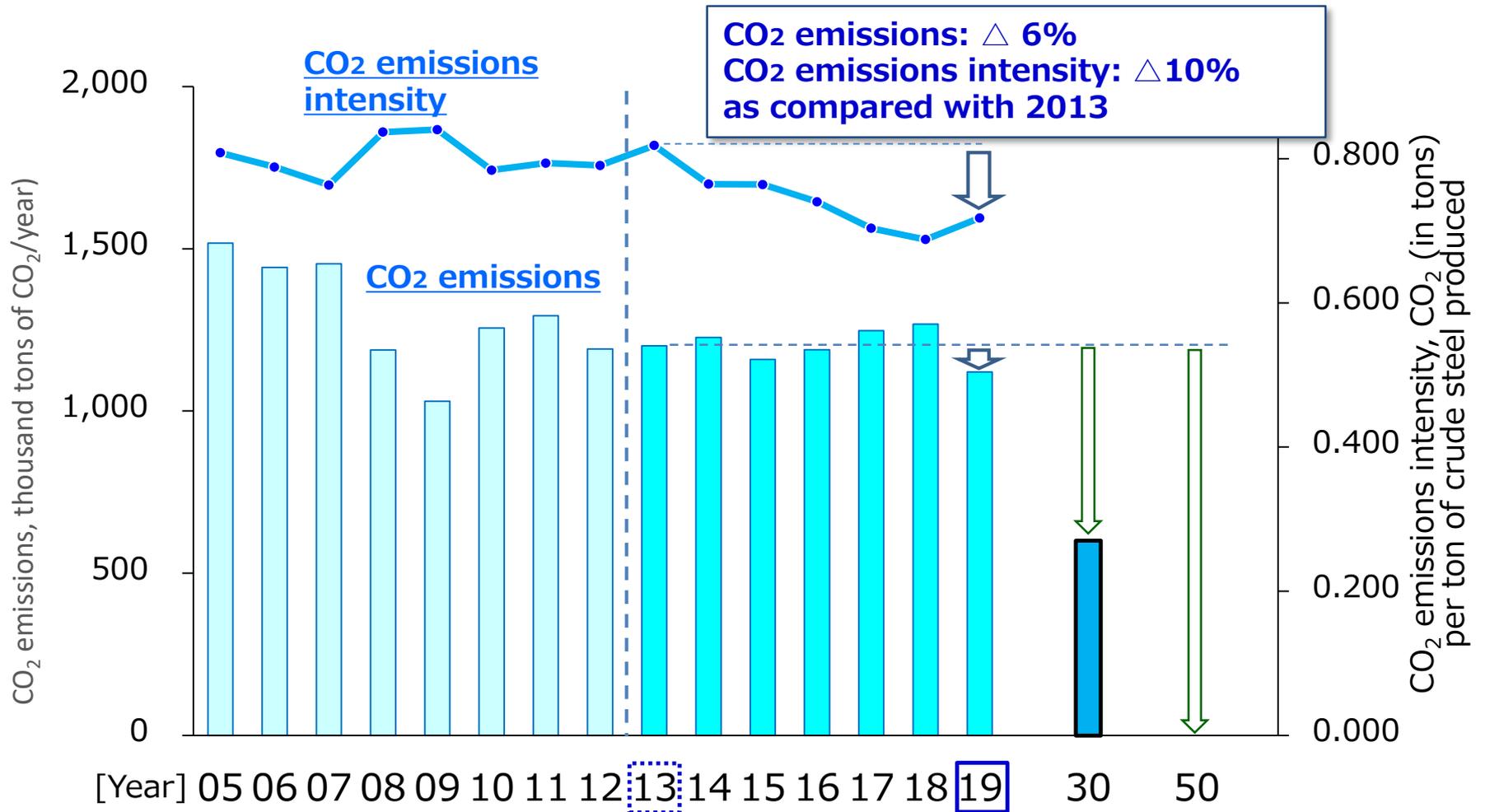
Daido Steel's Position Regarding CO₂ Reduction Activities in Japan



- ※1 Source: Japan Greenhouse Gas Inventory Office of Japan from the National Institute for Environmental Studies, Data on CO₂ Emissions (as a share of CO₂ emissions from public electricity and heat production, in 2019) (from the website of the Ministry of the Environment)
- ※2 Source: Report of JISF's Commitment to a Low Carbon Society (data in 2019) (on the website of the Japan Iron and Steel Federation)
- ※3 Source: Daido Steel - Results of fiscal year 2019 (energy-derived CO₂ emissions)

CO₂ Reduction Activities Made So Far at Daido Steel (Results in 2019)

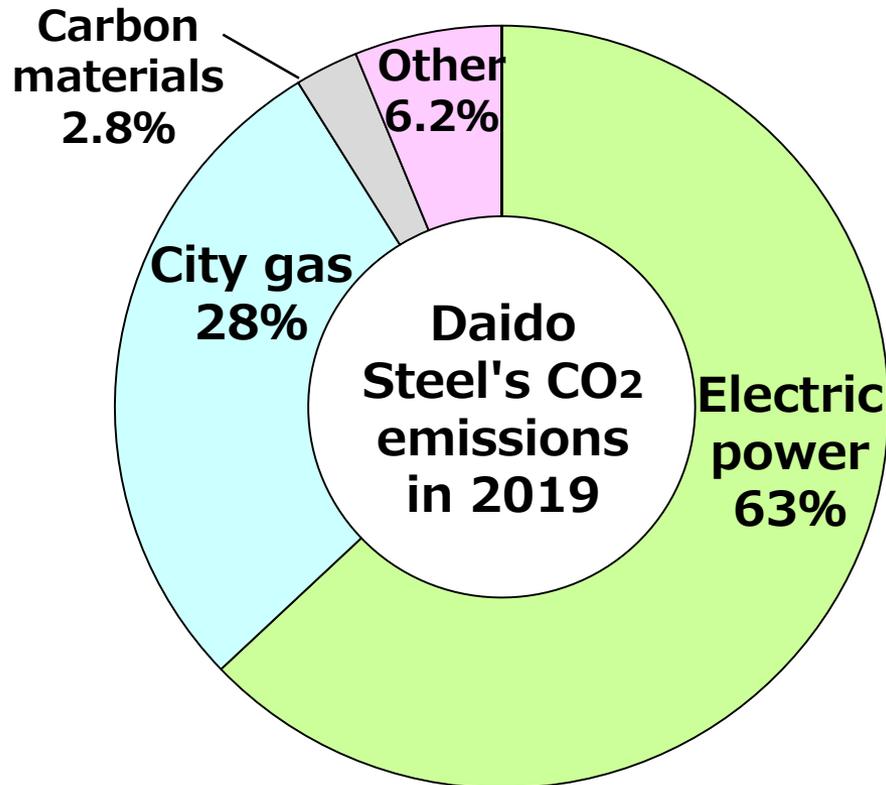
- Changes in CO₂ emissions and CO₂ emission intensity at Daido Steel (Coefficient for energy-derived, electric power CO₂ emissions: 0.452 kg-CO₂/kWh)



CO₂ Emissions at Daido Steel

• Breakdown of Daido Steel's CO₂ emissions

(Coefficient for energy-derived, electric power CO₂ emissions: 0.452 kg-CO₂/kWh)



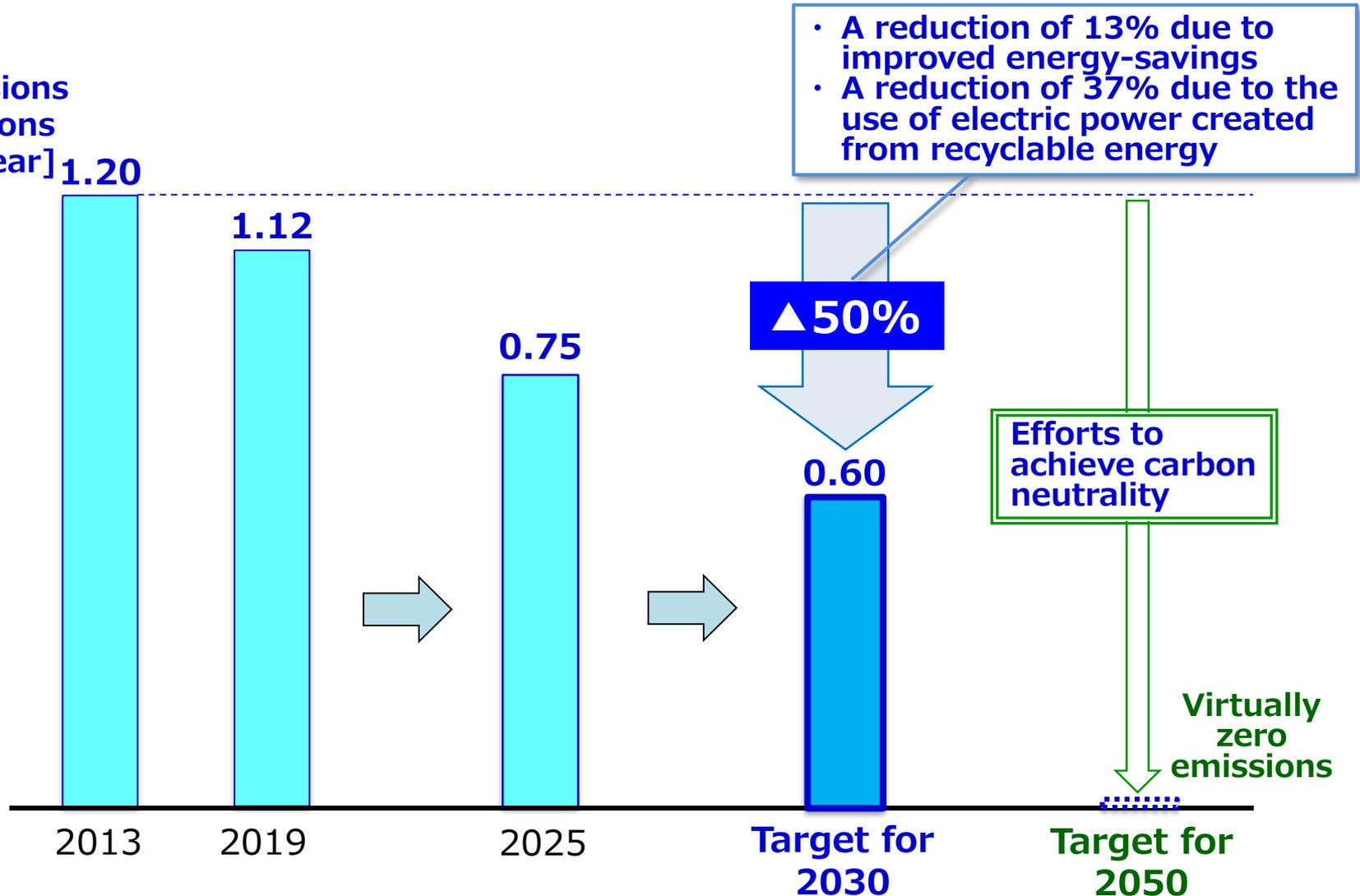
※ Electric power CO₂ emissions are calculated using CO₂ emissions factors calculated by the relevant electricity company. The amount is defined as the CO₂ emitted by a business operator that receives electricity distributed by that electricity company to conduct its business activities.

- ◇ CO₂ emissions due to the consumption of electric power and city gas account for about 90% of the total CO₂ emissions from Daido Steel.
⇒ It is most important to reduce the use of electric power and city gas, as ways to promote decarbonization.

■ Daido Steel's CO₂ Reduction Target for 2030

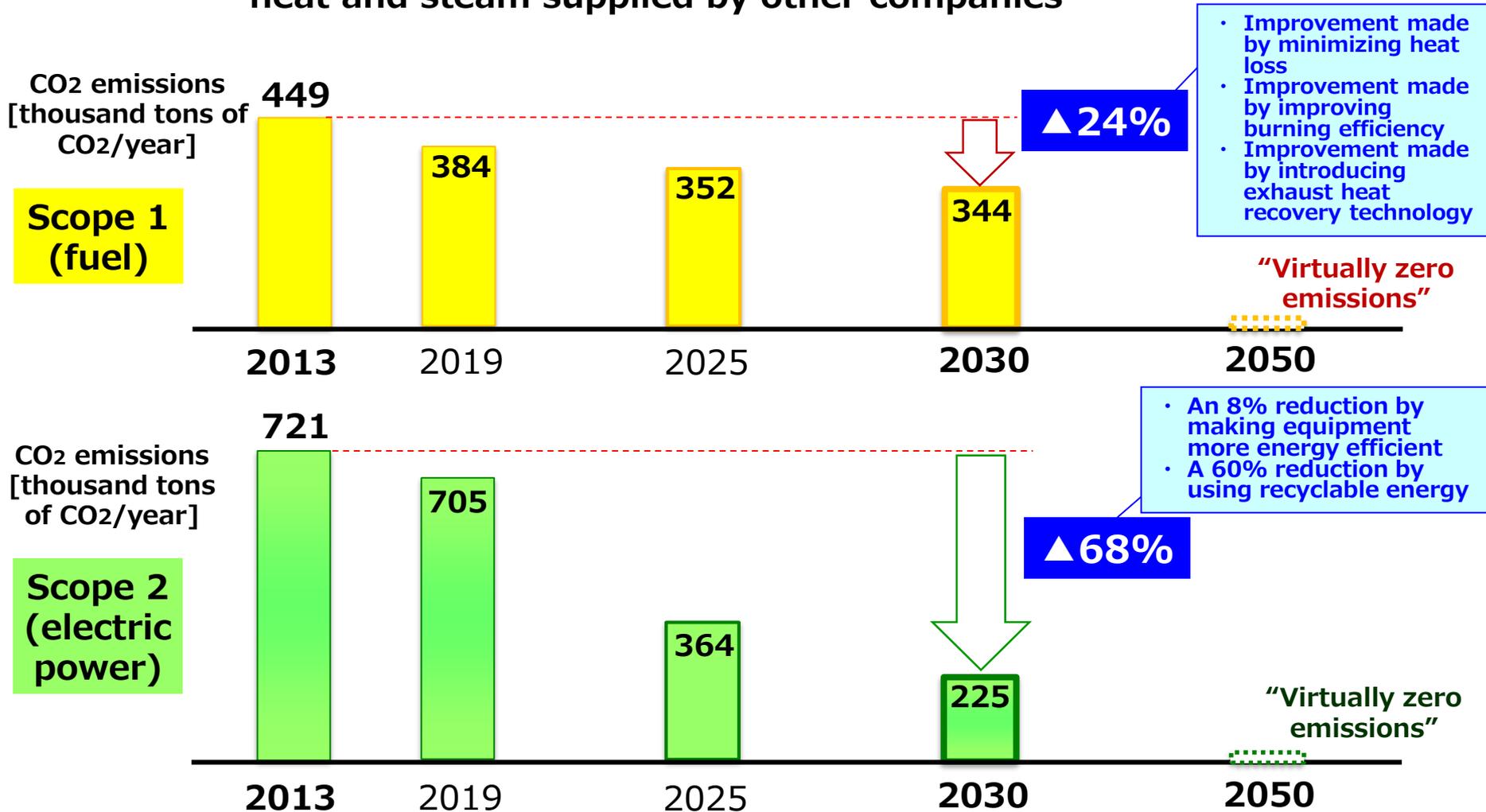
(Coefficient for energy-derived, electric power CO₂ emissions: 0.452 kg- CO₂/kWh)

CO₂ emissions
[million tons
of CO₂/year]



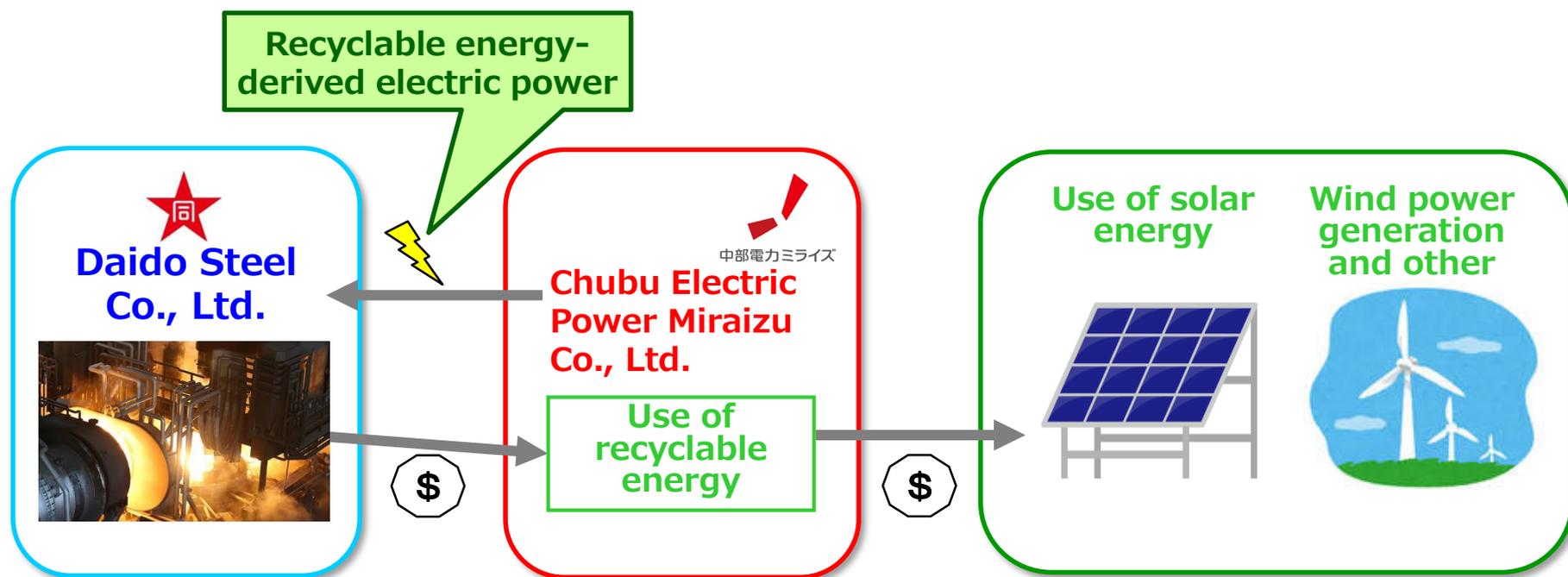
Our Approach to CO₂ Reduction for 2030 (by Scope)

- **Scope 1: Fuel** ⇒ Direct emission from the business operator
- **Scope 2: Electric power** ⇒ Indirect emission caused by using electricity, heat and steam supplied by other companies



■ Our Contribution to Promoting the Use of Recyclable Energy in Local Communities

- In addition to accelerating energy-saving efforts, such as reducing power consumption at our factories, in fiscal year 2021 we started to use recyclable energy-derived electric power (CO₂-free electric power). We will increase the purchase of CO₂-free electric power as we move toward 2030.



- We are committed to cutting our CO₂ emissions by using recyclable energy-derived CO₂-free electric power, in cooperation with Chubu Electric Power Miraizu. We are also accelerating the use of recyclable energy and improving the infrastructure for recyclable energy-derived electric power, in order to achieve green society in the future.

Roadmap for Achieving Carbon Neutrality for 2050

The Daido Carbon Neutral Challenge

3 policies for carbon neutrality

- ① Thorough energy-saving efforts made by taking full advantage of existing technologies
- ② Use of decarbonized power sources
- ③ Introduction of decarbonizing technology



① Expanding highly-efficient combustion technology

Scope 1
Fuel
decarbonization

③ Verifying hydrogen-combustion technology → Development of a new burner
→ Put to use in industrial furnaces

③ Introduction of on-site CO₂ recovery and utilization technology
(hydrogen electrolysis and methanation technology)

① Full use of existing energy-saving technologies, including our own.

Scope 2
Decarbonization
of electric power

② Switching to CO₂-free electric power [Chita Factory →
Offices in Nagoya → Entire company]

② Introduction of recyclable energy (solar power) to be used in the head
office and factories and local offices

**Improvement
of basics**

Thorough improvement by reducing energy waste and loss and raising production yields

■ Social Contribution Made by Selling Our Machine Division's Energy-Saving Products

• Contribution to CO₂ reduction at customers' sites by selling our machine division's energy saving products

<STARQ®>

Energy-saving arc furnace with a rotation drive (rotates the furnace body)

- Overview of the product
The rotation of the furnace body eliminates the production of hot spots (causes of heat loss) due to uneven dissolution of scrap in the furnace. This contributes to conserving energy.
- Product and service
Steel making companies and arc furnace manufacturers
- Amount of CO₂ reduction: 8,000 tons /year



<DINCS®>

High-efficiency energy-saving combustion system

- Overview of the product
A highly efficient heat exchanger, molded using a 3-D printer, achieves air preheating in a limited space, using combustion exhaust gas.
- Product and service
Heat treatment of steel parts
- Amount of CO₂ reduction: 1,900 tons/year



<Module Thermo®>

Energy-saving vacuum carburizing furnace

- Overview of the product
This carburizing furnace takes advantage of non-converted gas for use in its atmosphere and has automatic function recipes. The first provides energy-conservation and the second permits operation by non-specialized personnel.
- Product and servicing
Carburizing and quenching automotive parts
- Amount of CO₂ reduction: 21,000 tons /year.



Fact Book

Fact Book Financial highlight

Consolidation

	'17/3	18/3	19/3	20/3	21/3	'16/9	'17/9	'18/9	'19/9	'20/9
Net sales	445,122	505,219	543,255	490,421	412,722	213,010	241,119	269,643	252,476	179,490
Operating income	25,513	36,218	33,815	24,768	10,070	9,643	18,726	16,752	13,711	▲3,531
Ordinary income	26,373	36,130	34,343	24,298	12,642	9,023	18,320	17,569	13,711	▲2,112
Net income	16,386	23,920	21,182	10,987	4,516	5,363	11,890	10,759	11,257	▲2,318
R & D expenses	6,206	5,419	5,638	6,002	4,722	3,158	2,770	2,788	2,896	2,185
Capital investment(Plan)	32,800	38,600	37,200	25,300	12,500	15,800	20,300	18,800	15,100	7,500
Capital investment(Construction)	28,940	35,605	34,413	37,529	24,448	15,791	14,899	15,027	22,092	13,955
Depreciation	23,275	20,740	23,171	24,662	25,912	11,087	10,023	11,453	12,022	12,794
Financial account balance	904	995	1,606	1,297	806	432	429	584	656	459
Total assets	574,169	642,021	650,697	625,899	665,506	523,304	614,828	661,998	651,112	621,997
Equity	259,851	284,435	285,508	273,561	303,143	231,600	274,221	291,948	293,276	276,815
Interest-bearing debt	142,599	160,352	174,998	193,881	198,812	133,172	157,201	174,928	185,536	207,302
Pay roll number	11,498	11,873	12,421	13,436	13,109	11,574	11,843	12,559	13,775	13,474
ROA(%)	4.8	5.9	5.3	3.8	2.0	3.4	6.2	5.4	4.2	▲0.7
ROE(%)	6.7	8.8	7.4	3.9	1.6	4.6	8.9	7.5	7.8	▲1.7
Consolidated subsidiary number	34	36	38	65	66	35	36	38	65	68
(Equity method affiliate number is excluded from the above)	(6)	(6)	(6)	(9)	(9)	(6)	(6)	(6)	(9)	(9)
Ratio of the consolidated to the non-consolidated										
Net sales	1.7	1.6	1.6	1.6	1.7					
Ordinary income	1.5	1.7	1.4	1.2	1.4					
Net income	1.1	1.6	1.3	1.0	0.7					

(¥1 mil.)

*Long-term prepaid expenses are not included in the depreciation. Net income after 2015 belongs to stockholder of parent company.

Fact Book Net Sales & Operating Income by Segment

Consolidation

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

(¥100 mil.)

		'17/3	'18/3	'19/3	'20/3	'21/3
Speciality Steel	Net Sales	1,631	1,868	2,078	1,817	1,458
	Operating Income	58	65	60	52	▲ 26
High Performance Materials & Magnetic Materials	Net Sales	1,485	1,708	1,846	1,674	1,494
	Operating Income	174	222	207	136	122
Parts for Automobile & Industrial Equipment	Net Sales	975	1,063	1,099	973	808
	Operating Income	▲ 5	30	23	4	▲ 21
Engineering	Net Sales	239	249	275	266	202
	Operating Income	12	18	23	30	8
Trading and Service	Net Sales	121	164	135	174	165
	Operating Income	16	27	25	26	18
Total	Net Sales	4,451	5,052	5,433	4,904	4,127
	Operating Income	255	362	338	248	101

(¥100 mil.)

		'16/4-9	'16/10-3	'17/4-9	'17/10-3	'18/4-9	'18/10-3	'19/4-9	'19/10-3	'20/4-9	'20/10-3
Speciality Steel	Net Sales	780	851	903	965	1,020	1,058	971	846	598	860
	Operating Income	26	32	48	17	21	39	32	20	▲ 30	4
High Performance Materials & Magnetic Materials	Net Sales	711	774	811	897	927	919	847	827	648	846
	Operating Income	75	99	108	114	114	93	70	66	22	100
Parts for Automobile & Industrial Equipment	Net Sales	467	508	517	546	554	545	499	474	361	447
	Operating Income	▲ 16	11	11	19	11	12	6	▲ 2	▲ 41	20
Engineering	Net Sales	115	124	105	144	126	149	124	142	103	99
	Operating Income	3	9	7	11	8	15	15	15	5	3
Trading and Service	Net Sales	57	64	75	89	69	66	84	90	85	80
	Operating Income	8	8	13	14	14	11	14	12	9	9
Total	Net Sales	2,130	2,321	2,411	2,641	2,696	2,737	2,525	2,379	1,795	2,332
	Operating Income	96	159	187	175	168	170	137	111	▲ 35	136

(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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