

Fiscal Year ending March 2022 Interim Results Briefing (Apr.1 - Sept.30/2021)

October 28, 2021



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FY 2021 Interim Results (Apr.1 - Sep.30/2021)

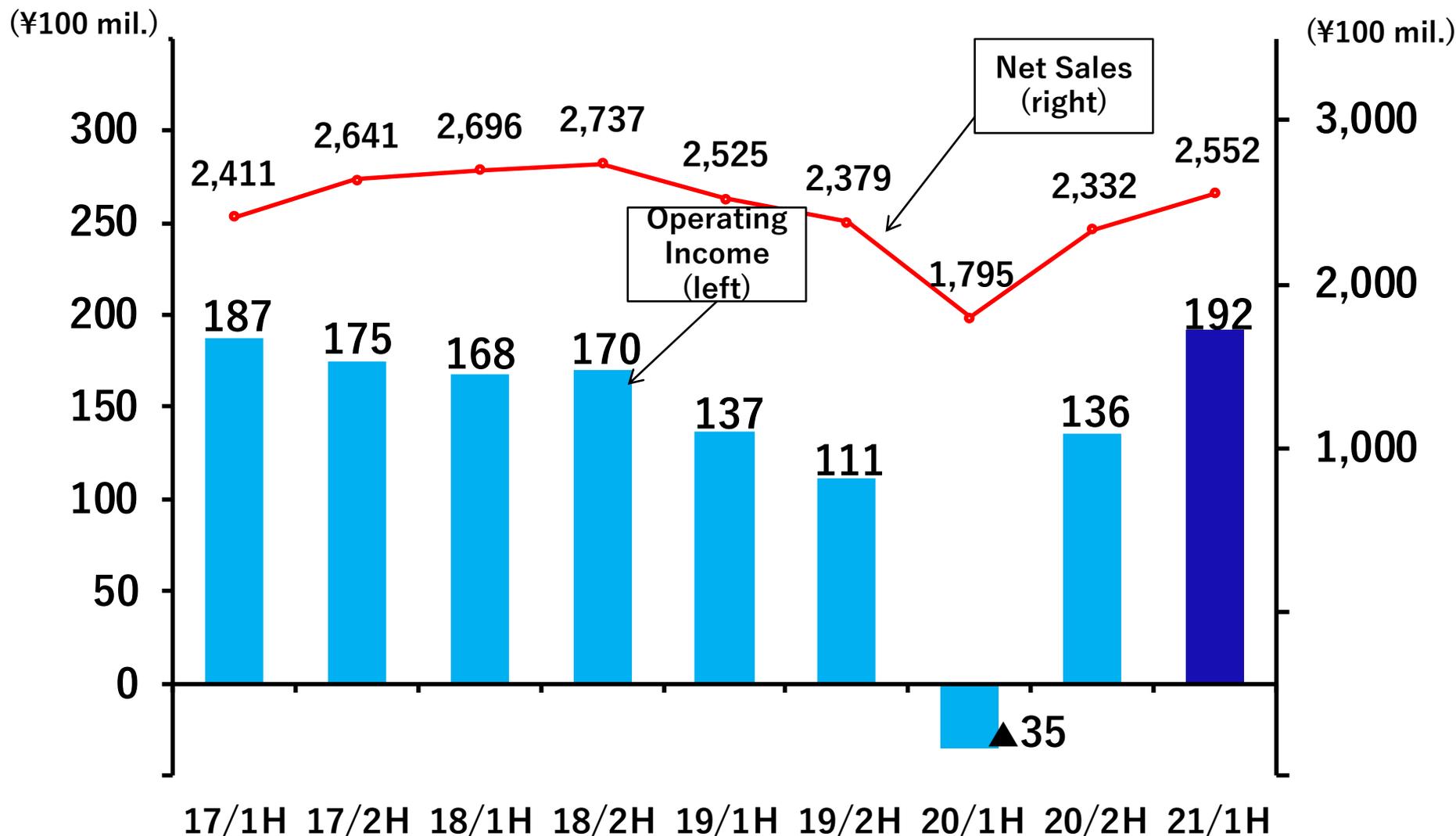
Overview of the FY 2021 2nd Quarter Results

(¥100 mil.)	4-9/ 2020	4-9/ 2021	y/y basis
Net sales	1,795	2,552	+757
Operating income	▲35	192	+227
Ordinary income	▲21	206	+227
Net income (*)	▲23	128	+151

* Quarterly net income that is profit attributable to owners of parent

- Demand, including from the automobile-related industry, recovered from last year during which demand substantially decreased due to the economic downturn caused by COVID-19, and the second quarter results of the fiscal 2021 gained an increase in both revenue and profits. However, the recovery pace became less vigorous because of the lack of semiconductors and disrupted supply chains.
- The raw material and fuel prices, including that of scrap steel, escalated to cause a temporary deterioration in earnings.

Changes in Net Sales & Operating Income (FY 2021 2nd Quarter Results)



4-9/2021 Changes in Operating Income (y/y)

(¥100 mill.)

4-9/2020 Operating income		▲35	
Changes (y/y)	Raw material/ Fuel price	-188	
	Sales volume		+241
	Sales price		+93
	Sales mix		+55
	Variable cost		+41
	Fixed cost	-24	
	Change in settlement period		+9
	Total	-212	+439
4-9/2021 Operating income		192 (+227)	

Breakdown of changes

Raw materials and fuel price

- Costs of scrap iron and alloys surged while energy costs decreased.

Sales volume

- Sales volumes of all items, including specialty steel, recovered.

Sales price

- Selling prices went up due to the effects of scrap and alloy surcharges.
- Operating income decreased 3.3 billion yen due to the effects of sliding scale pricing system.

Sales mix

- Sales of tool steel recovered and those of semiconductor-related products increased. Severe market conditions continued for our engineering business.

Fixed costs

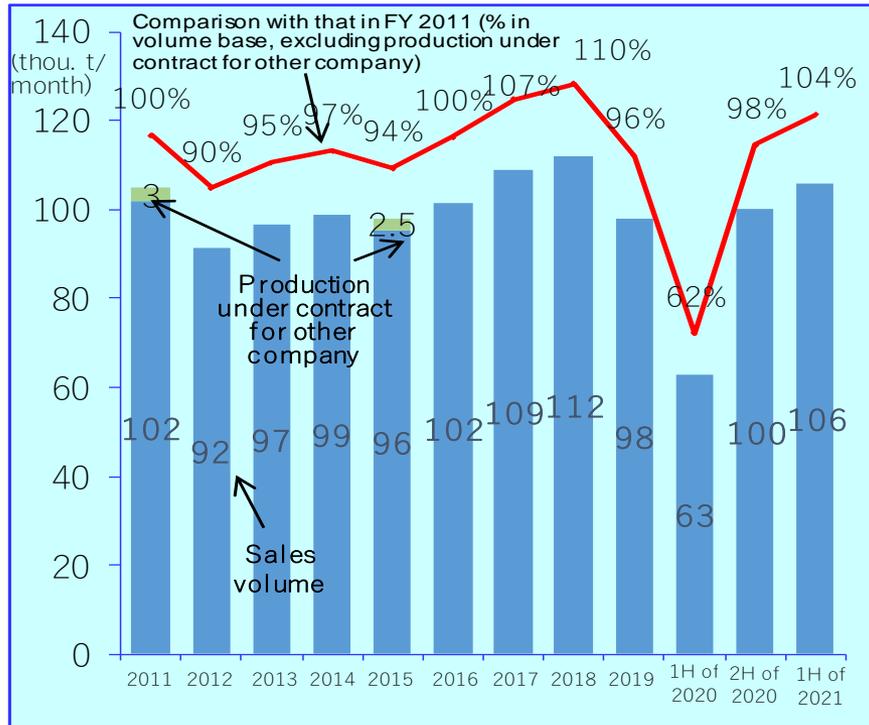
- Costs increased due to production recovery.

Overview of Our Major Products in FY 2021 ①

Specialty steel

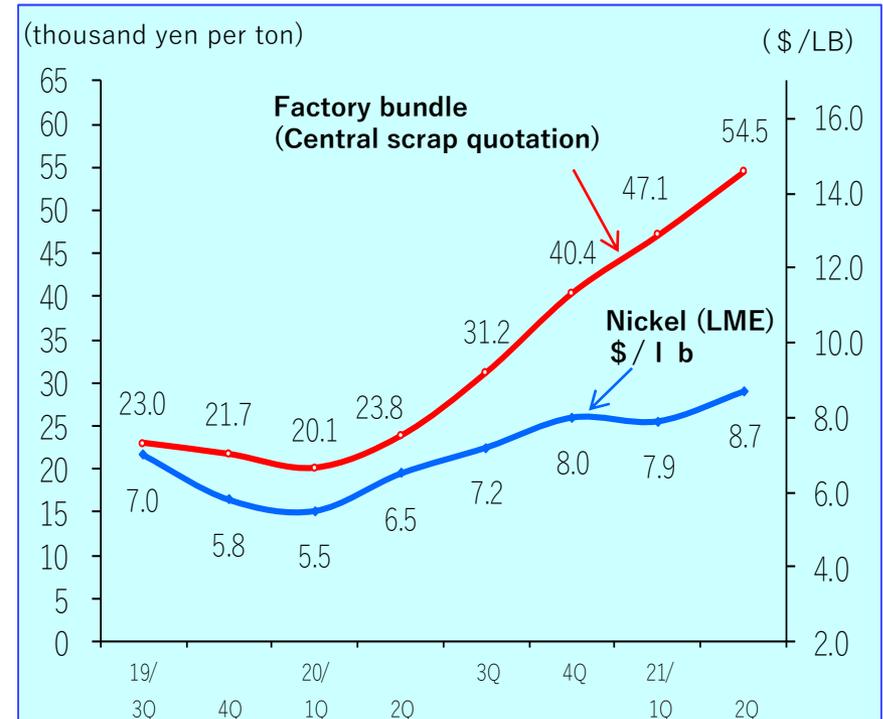
< Demand environment >

Sales volume of specialty steel (non-consolidated)



< Market conditions of raw materials >

Changes in scrap iron and nickel prices



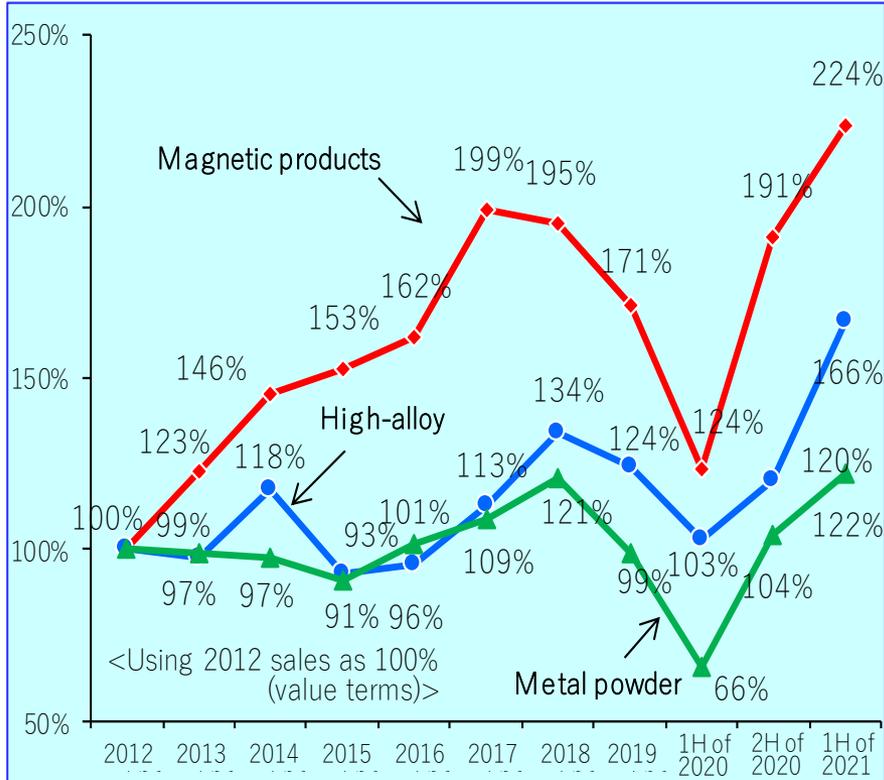
➤ Orders, including those from the automobile industry, have increased rapidly since the second half of the FY 2020. Sales volume of structural steel, stainless steel and tool steel further increased in the first half of the FY2021.

➤ Scrap iron: Supply and demand conditions further tightened due to reduced supply of scrap iron attributable to reduction in automobile production.
 ➤ Nickel: Nickel prices rose further due to strong demand.

Overview of Our Major Products in FY 2021 ②

High-performance and magnetic materials

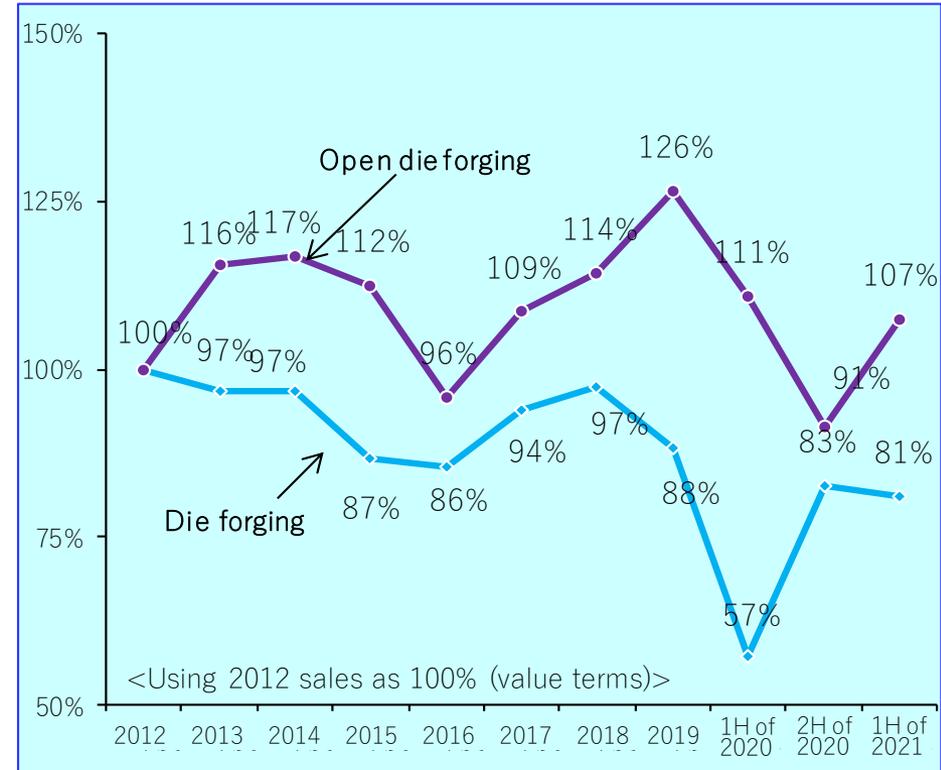
<High-alloy, magnetic products and metal powder>



- **Magnetic products:** Demand, including that for magnetic products from the FA industry, remained strong despite the adjustment phase in drive-motor-related items.
- **Metal powder:** Demand recovered, including that from the automotive industry

Parts for automobile and industrial equipment

<Die forging and open die forging>



- **Open die forging:** Aircraft-related demand continued to be weak, but demand from the field of heavy electricity machinery and semiconductors increased.
- **Die forging:** Demand remained high, including that from the automotive industry.

4-9/2021 Net Sales & Operating Income by Segment

(¥100 mil.)

		4-9/2020 Results (A)	4-9/2021 Results (B)	y/y basis (B) - (A)
Specialty Steel	Net Sales	598	932	334
	Operating Income	▲ 30	15	45
High-Performance Materials & Magnetic Materials	Net Sales	648	948	300
	Operating Income	22	139	117
Parts for Automobile & Industrial Equipment	Net Sales	361	465	104
	Operating Income	▲ 41	31	72
Engineering	Net Sales	103	87	-16
	Operating Income	5	▲ 7	-12
Trading & Service	Net Sales	85	120	35
	Operating Income	9	14	5
Total	Net Sales	1,795	2,552	757
	Operating Income	▲ 35	192	227

Sales volume of specialty steel

378 thou.t

634 thou.t

256 thou.t

4-9/2021 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	
4-9/2020 Operating Income			▲30	22	▲41	5	
Changes (y/y)	Operating Income / Loss	Raw material/ Fuel price	-144	-37	-7		
		Sales volume		+94	+95	+52	
		Sales price		+60	+29	+4	
		Sales mix		+39	+20	+5	
		Variable cost		+17	+16	+8	
		Fixed cost	-22	-7	+5		
		Change of settlement period		+1	+1	+5	
		Total	-166	+211	-44	+161	-7
4-9/2021 Operating Income			15 (+45)	139 (+117)	31 (+72)	▲7 (-12)	

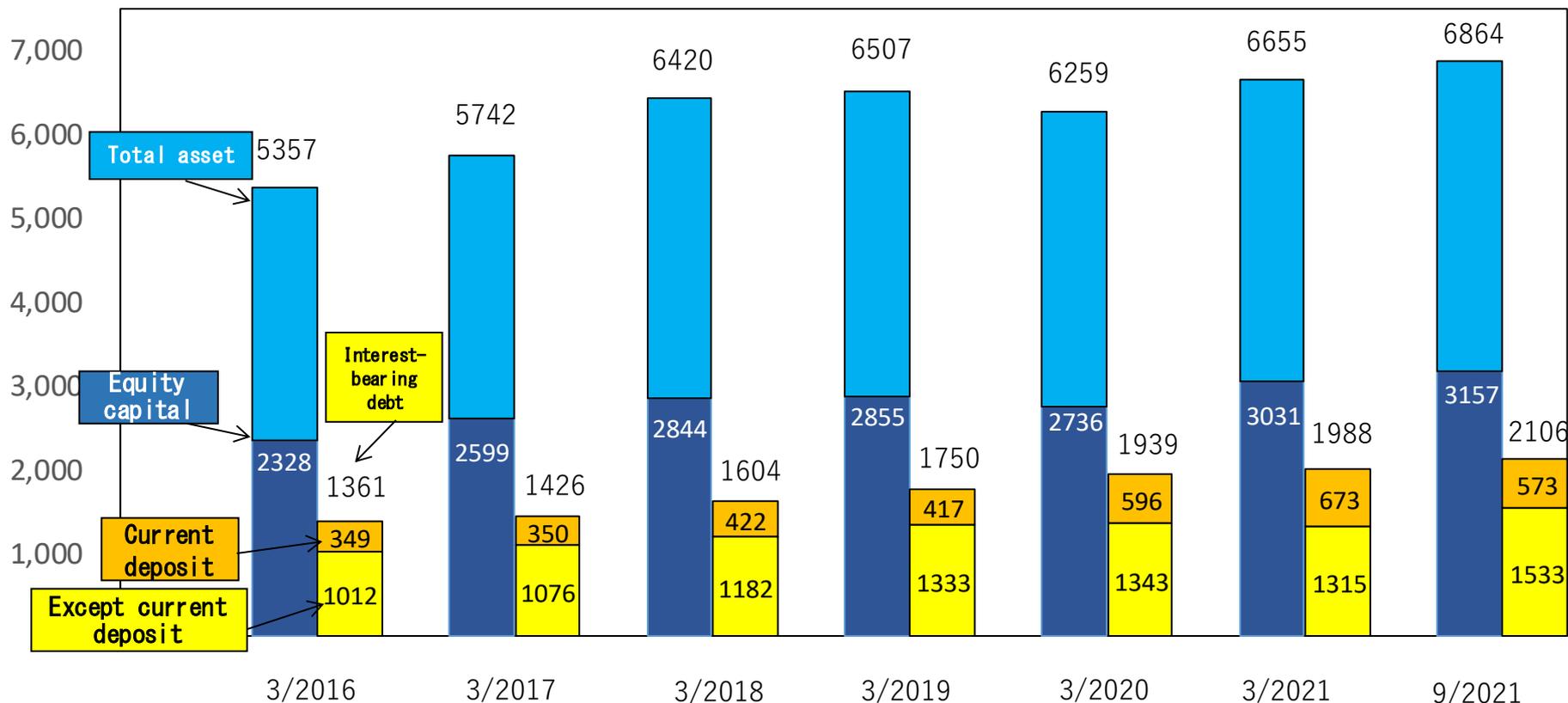
■ 4-9/2021 Ordinary Income & Net Income

(¥100 mil.)

Operating income	1 9 2
Non-operating income / expense	1 4
Ordinary income	2 0 6
Extraordinary income / loss	▲ 4
Income taxes	▲ 7 4
Net income that is profit attributable to owners of parent	1 2 8

Total Assets, Interest-Bearing Debt, and D/E Ratio

(¥100 mil.)



	16/3	17/3	18/3	19/3	20/3	21/3	21/9
ROA	4.5%	4.8%	5.9%	5.3%	3.8%	2.0%	6.1%
ROE	2.8%	6.7%	8.8%	7.4%	3.9%	1.6%	8.3%
D/E	0.58	0.55	0.56	0.61	0.71	0.66	0.67

Plan for FY 2021 (Apr.1/2021 - Mar.31/2022)

Overview of the FY 2021 Plan

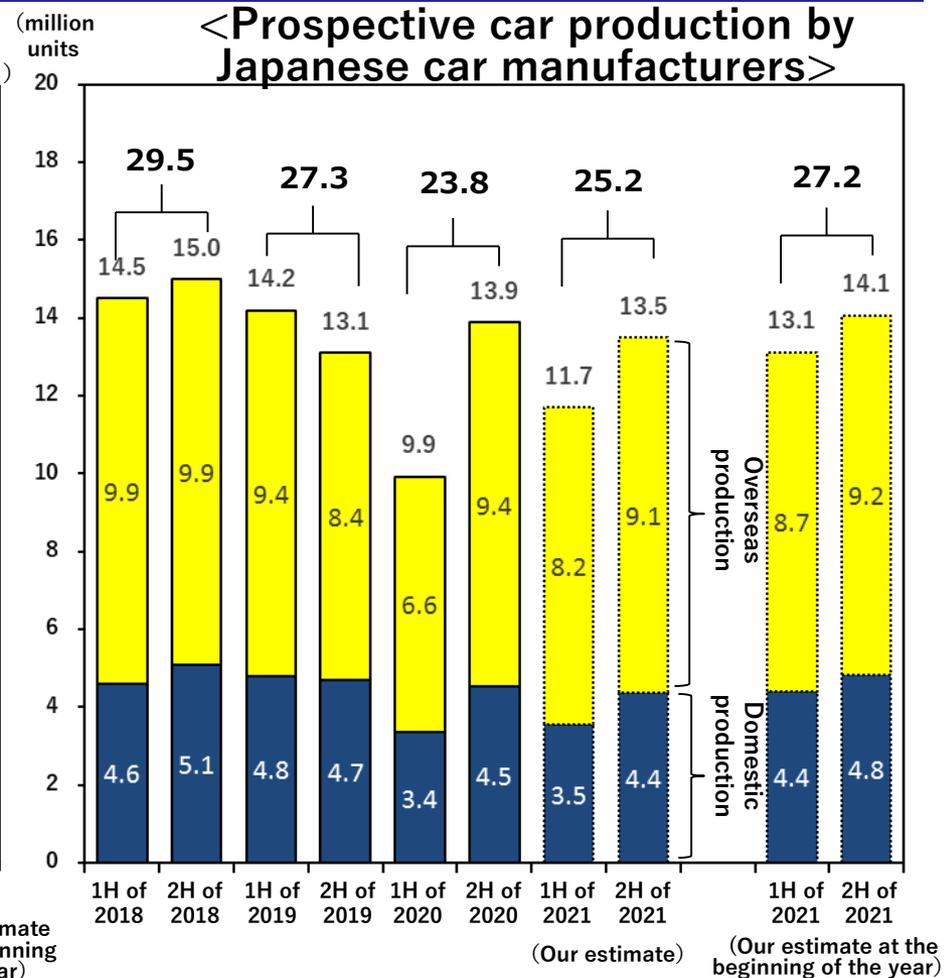
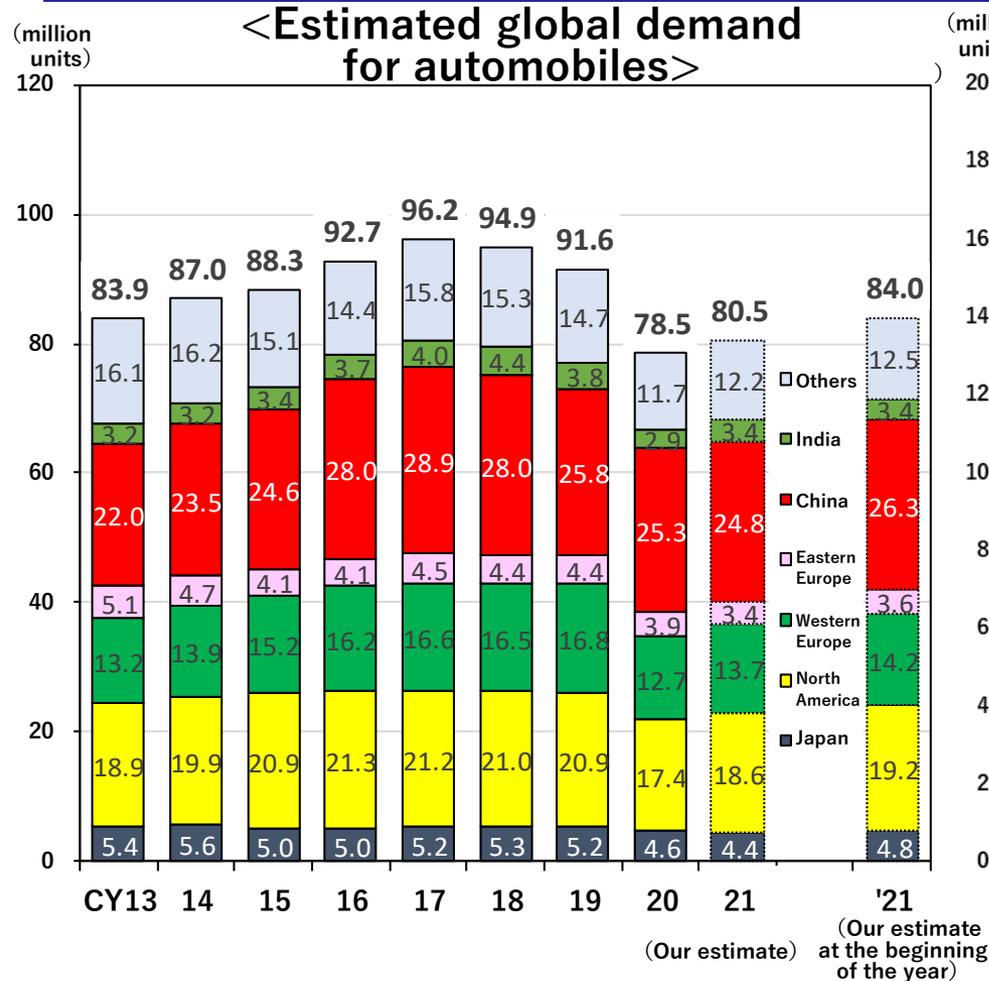
Perspectives on our business environment

- ◆ Global car sales in CY 2021 are expected to remain on the order of 80 million units, a slight increase from CY 2020, but still lower than desired, due to the semiconductor shortage and the reduction in production caused by disrupted supply chains in Southeast Asia.
→ We need to keep an eye on the possibility of further reductions in automobile production and size up when production seems likely to begin to increase and recover to a normal level.
- ◆ Demand from the machine tool industry will remain high, due to recovery of capital investment both in Japan and abroad. Demand for semiconductor-related products will also be strong because demand in various industries will expand.
- ◆ Prices of raw materials, including scrap steel, will rise and remain high.
→ We will need to improve our margins by passing price increases on, through inclusion in the sales prices of our products.

Premises of the plan

- Car production by Japanese auto manufacturers will increase slightly, as compared with FY 2020. However, the steel sales volume is assumed to be around 1,262 thousand tons because orders, including those for machine-tool-related products, are high.
Steel sales volumes: 1,176 thousand tons for 2019, 978 thousand tons for 2020, and 1,262 thousand tons for 2021.
- Demand for semiconductor manufacturing equipment-related products will remain high. Business in fabricated products will remain active, including in the fields of heavy electrical machinery and semiconductor manufacturing equipment, although aircraft-related demand is expected to remain sluggish. We will need to be in full-operation mode in order to meet demand.

■ Outlook for the Major Markets <Automobile-Related Demand>



- Global demand: Sales were revised down from the estimate we made at the beginning of the year, because of a global reduction in production.
- Production by Japanese car manufacturers: Production in the first half of FY 2021 was adjusted downward due to the lack of semiconductors and automobile parts. However, it is expected that production will be normalized gradually during the second half of the year.

■ Premises of Profit Planning for FY 2021 (Market Trend)

	UNIT	4-9/2021 Results (Difference with the original premise)	10/2021 to 3/2022 Premises of plan (Difference with the original premise)
Scrap steel Upper: H2 Lower: Factory bundle	¥thou./t	4 4 . 0 (+6.0)	5 4 . 0 (+10.0)
		5 0 . 8 (+8.8)	6 0 . 0 (+9.2)
Nickel (LME)	\$/LB	8 . 3 (-0.2)	9 . 0 (+0.7)
Crude oil (Dubai)	\$/B	6 8 . 3 (+8.3)	7 0 . 0 (+1.7)
Exchange rate (TTM)	¥/\$	1 1 0 . 8 (+5.8)	1 1 5 . 0 (+4.2)

Market Trend of Raw Materials (Scrap Steel and Nickel)

Scrap steel and nickel prices are at the highest levels during the past 10 years

<Factory bundle (Central scrap quotation)>



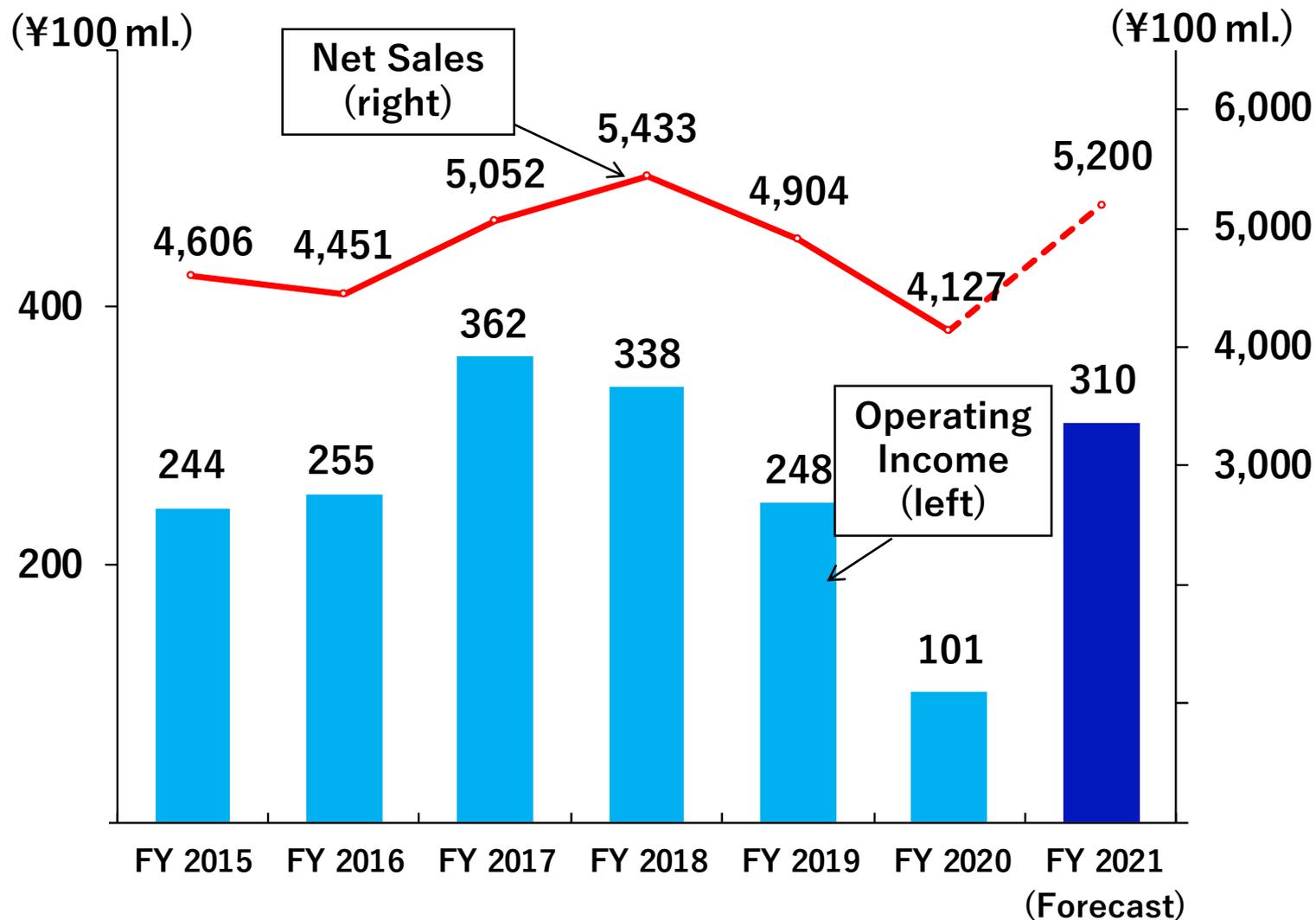
(Forecast)

<Nickel price LME>



(Forecast)

Changes in Net Sales & Operating Income (Forecast for FY 2021)



FY 2021 Changes in Operating Income (y/y)

(¥100 mil.)

FY2020		101	
Operating Income			
Changes (y/y)	Raw material/ Fuel price	-511	
	Sales volume		+263
	Sales price		+356
	Sales mix		+101
	Variable cost		+48
	Fixed cost	-57	
	Change of settlement period		+9
	Total	-568	+777
FY 2021		310	
Operating Income		(+209)	

Breakdown of changes

Raw materials and fuel price

- Scrap steel and alloy costs will rise and energy costs will also be on the rise.

Sales volume

- Sales volumes, including that of specialty steel, will recover, but the pace of recovery will become less vigorous because of restrictions on the supply of parts.

Sales price

- Selling prices will go up due to the effects of scrap steel and alloy surcharges.
- Operating income will decrease by 4.2 billion yen due to the effects of the sliding scale pricing system (3.3 billion yen in the first half and 0.9 billion yen in the second half).

Sales mix

- Sales of tool steel and open die forgings will recover and demand for semiconductor-related products will also be strong. However, our engineering business will be sluggish.
- A review of the calculation of projected retirement benefit obligations will result in a decrease of 0.1 billion yen. (a decrease of 1.3 billion yen for the previous year and a decrease of 1.4 billion yen for this year)

Fixed costs

- Costs will increase due to increased production, but cost-cutting efforts will be carried out to reduce the amount of SGA as was achieved in the previous year.

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	1,950	492
	Operating Income	▲ 26	29	55
High-Performance Materials & Magnetic Materials	Net Sales	1,494	1,920	426
	Operating Income	122	232	110
Parts for Automobile & Industrial Equipment	Net Sales	808	940	132
	Operating Income	▲ 21	38	59
Engineering	Net Sales	202	185	-17
	Operating Income	8	▲ 15	-23
Trading & Service	Net Sales	165	205	40
	Operating Income	18	26	8
Total	Net Sales	4,127	5,200	1,073
	Operating Income	101	310	209

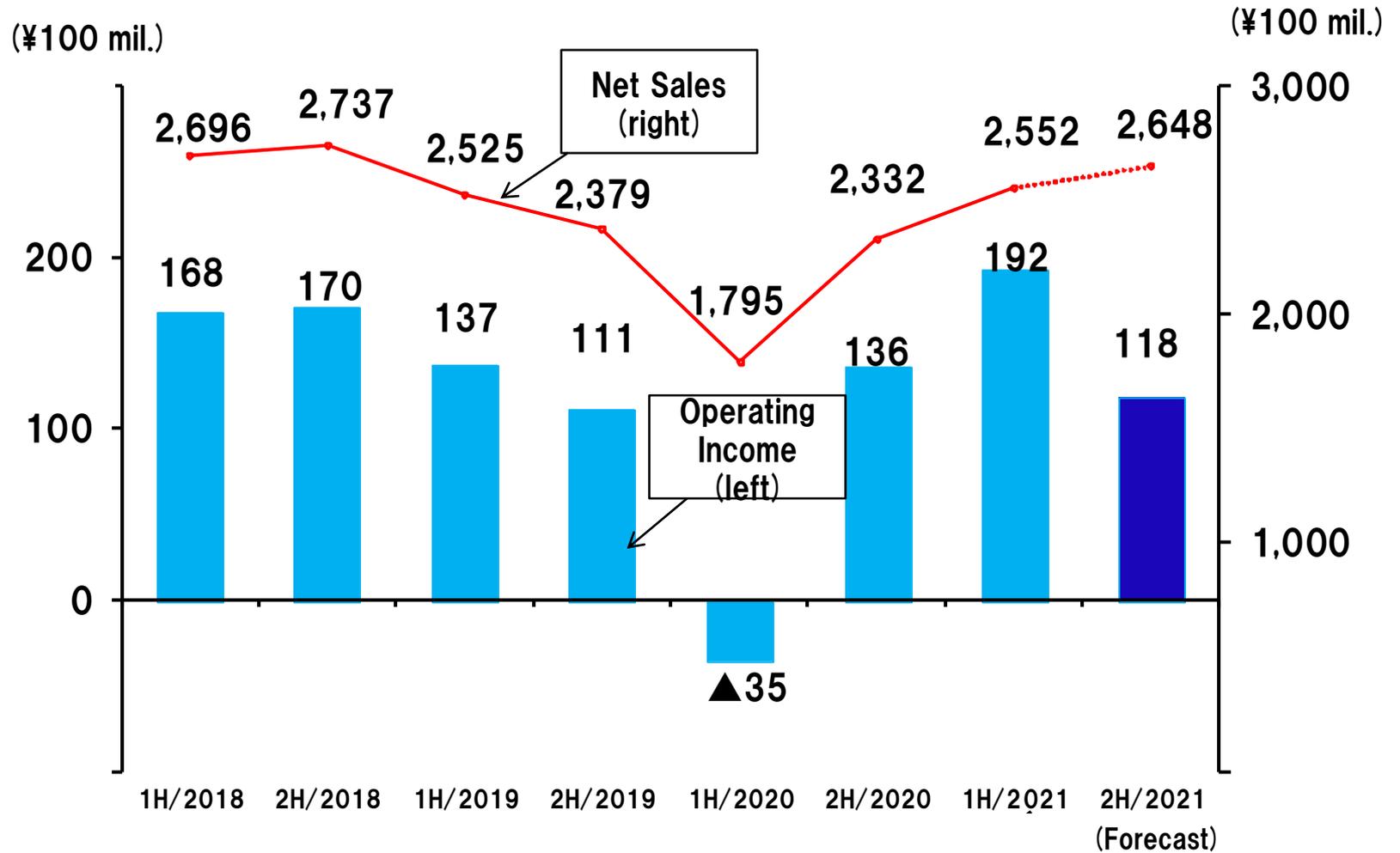
Sales volume of specialty steel

978 thou.t

1,262 thou.t

284 thou.t

Changes in Net Sales & Operating Income (Interim)



Sales and Operating Income by Segment (Difference between the First and Second Halves)

(¥100 mil.)

		4-9/2021 (A)	10/2021- 3/2022 Forecast (B)	FY2021 Forecast (A) + (B)	FY2021 Difference between the 1H and the 2H (B) - (A)
Specialty Steel	Net Sales	932	1,018	1,950	86
	Operating Income	15	14	29	-1
High-Performance Materials & Magnetic Materials	Net Sales	948	972	1,920	24
	Operating Income	139	93	232	-46
Parts for Automobile & Industrial Equipment	Net Sales	465	475	940	10
	Operating Income	31	7	38	-24
Engineering	Net Sales	87	98	185	11
	Operating Income	▲ 7	▲ 8	▲ 15	-1
Trading & Service	Net Sales	120	85	205	-35
	Operating Income	14	12	26	-2
Total	Net Sales	2,552	2,648	5,200	96
	Operating Income	192	118	310	-74

Sales volume of specialty steel

634 thou.t

628 thou.t

1,262 thou.t

-6 thou.t

Specialty steel:

The effects of the sliding-scale pricing system will be reduced, but fixed costs will increase in association with the recovery of production. We will offset the increase in fuel and alloy prices by raising the base price. However, it will take energetic sales activities to get further price increases effected.

High-performance materials:

Sales of SUS steel will increase slightly, but sales volumes of other items will drop. Raw materials and fixed costs will also increase.

Automobile parts:

While demand for open die forgings is expected to increase, sales volumes of turbocharger components and engine valves will decrease. Fixed costs will also increase.

Temporary factors:

Operating income will be affected by temporary factors other than actual operations: the changed settlement period in the first half of the year (+ 0.9 billion yen) and an increase in the cost of retirement benefits payments in the second half (-1.4 billion yen).

FY 2021 Ordinary Income & Net Income

(¥100 mil.)

Operating income	3 1 0
Non-operating income / expense	2 0
Ordinary income	3 3 0
Extraordinary income / loss	▲ 4
Income taxes	▲ 1 0 6
Net income that is profit attributable to owners of parent	2 2 0

FY 2021 Dividend Per Share

	FY 2020		FY 2021 (Forecast)	
	Interim	Year-end	Interim	Year-end
Ordinary income (¥ 100 mill.)	▲ 2 1	1 2 6	2 0 6	3 3 0
Net income * (¥ 100 mill.)	▲ 2 3	4 5	1 2 8	2 2 0
Dividend per share (¥/Share)	1 0 . 0	3 5 . 0 (End of term: 25.0)	8 0 . 0	1 6 0 . 0 (End of term: 80.0)
Payout ratio (%)	—	3 3 . 0	2 6 . 6	3 1 . 0

* Net income attributable to owners of parent

We will use a dividend payout ratio of 30% as a guide according to the mid-term management policy for FY 2023.

Cash Flow

- Free cash flow was a substantial negative by 20 billion yen in the first half of FY 2021, primarily due to the effects of a notable deterioration of our working capital caused by the soaring scrap steel price and a recovery in the number of orders.
- Accounts receivable are expected to increase in the second half of FY 2021, mainly because of increased selling prices resulting from the effects of the MPS (material price surcharge). We expect that the free cash flow amount will go up 5 billion yen by the end of the year, if we continue to have success in our efforts to reduce asset increases (such as in inventory).

(Reference) Balance sheet at the end of September, 2021 (¥100 mil.)

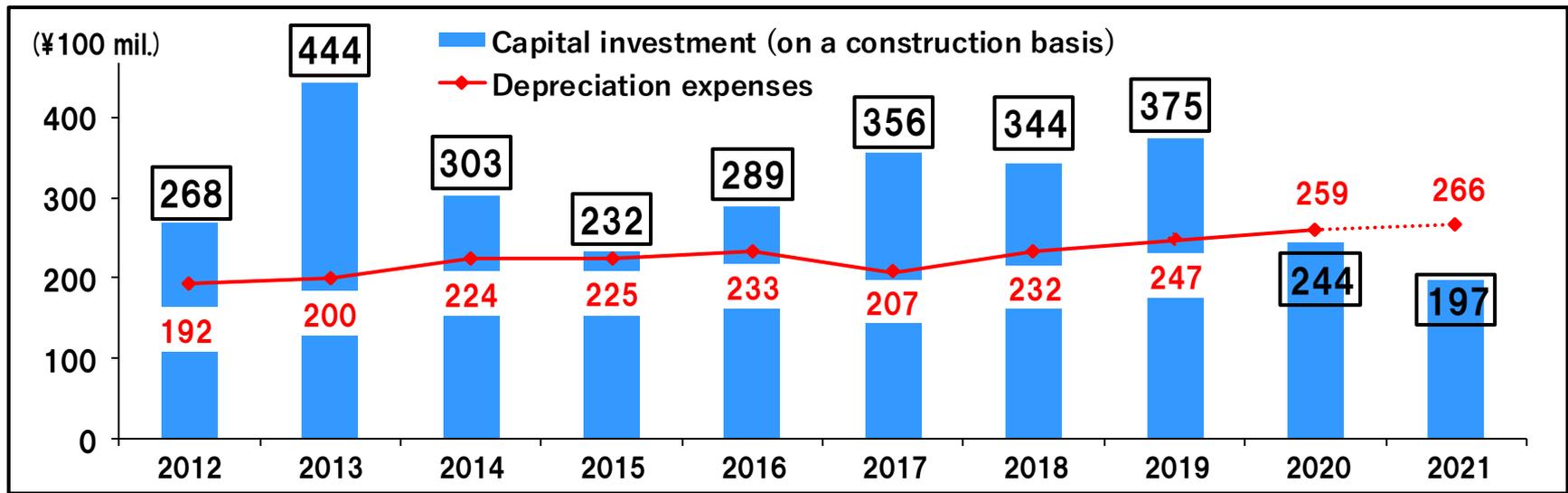
		4-9/2021 Results	10/2021 - 3/2022 Forecast	Estimate at the end of the year	
Operating CF	Ordinary income	206	124	330	
	Depreciation expenses	135	131	266	
	Increase or decrease in working funds	Accounts receivable	-90	-120	-210
		Accounts payable	-49	50	1
		Inventory	-256	0	-256
		-395	-70	-465	
Tax and other	-38	-30	-68		
	-92	155	63		
Investment CF	Capital investment	-94	-95	-189	
	Other	-14	-10	-24	
	-108	-105	-213		
Free cash flow		-200	50	-150	

Item	21/3	21/9	Increase/ decrease	Item	21/3	21/9	Increase/ decrease
Current assets	3194	3437	243	Debt	3262	3338	76
Cash instruments	673	573	-100	Operating payable	656	607	-49
Operating receivable	1259	1349	90	Interest-bearing debt	1988	2106	118
Inventory	1185	1441	256	Other	618	625	7
Other	77	74	-3				
Fixed assets	3461	3427	-34	Net assets	3393	3526	133
Tangible fixed assets	2318	2286	-32	Share capital	2803	2922	119
Intangible fixed assets	27	30	3	Other accumulated comprehensive income	228	235	7
Investment and other assets	1116	1111	-5	Non-controlling interest	362	369	7
Total of assets	6655	6864	209	Total of assets	6655	6864	209

Capital Investment

- There has been no substantial change made from the amount set at the beginning of the term. We will continue to promote capital investments, focusing on the reorganization of our operational capabilities and achievement of the SDG's. 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.

Changes in capital investment and depreciation expenses



Our Approach to ESG

Roadmap for Achieving Carbon Neutrality for 2050 (from the 2023 mid-term management plan)

3 policies for carbon neutrality

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

to 2030

to 2050

Scope 1

Fuel decarbonization

Expanding highly-efficient combustion technology

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

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

Scope 2

Decarbonization of electric power

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

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

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

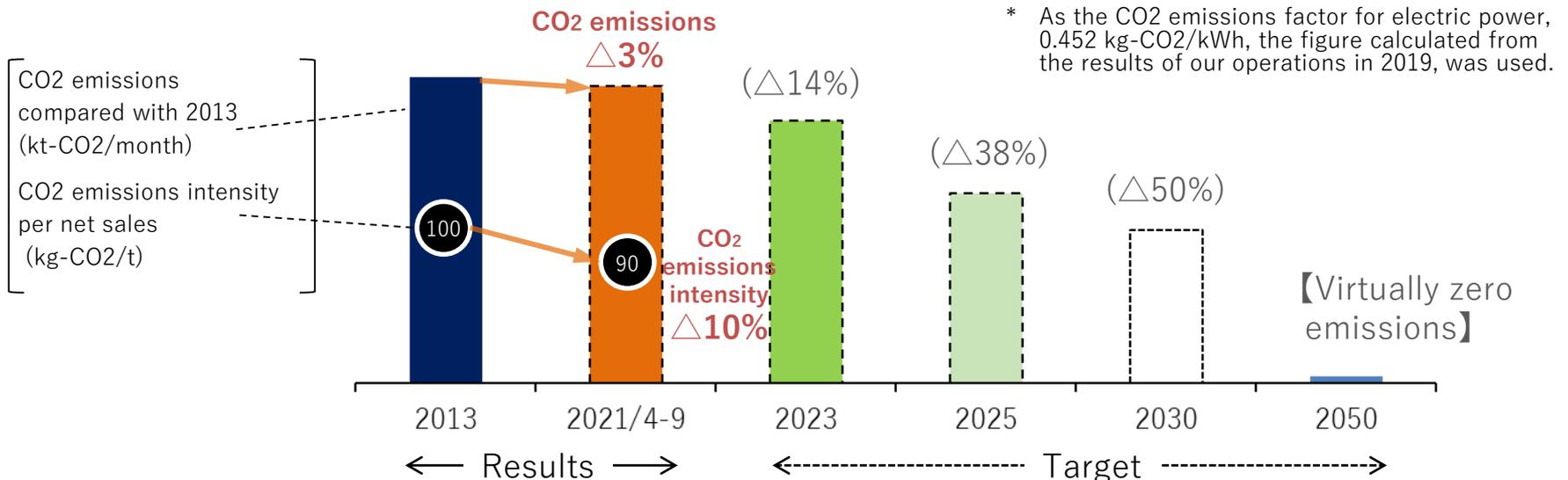
Improvement of basics

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

Our Approach to ESG

The present status of our approach for achieving carbon neutrality

	Theme	Results obtained up to September 2021
Scope 1 Fuel decarbonization	Highly-efficient combustion technology	: The installation of an exhaust gas analyzer and an oxygen-rich burner in Chita Plant was determined (to be completed in August 2022).
	Hydrogen-combustion technology	: The hydrogen-mixed combustion test in the STC furnace was started.
Scope 2 Decarbonization of electric power	CO ₂ -free electric power	: Started switching 10% of the electric power in use to CO ₂ -free electric power (Starting in May 2021)
	Renewable energy	: The installation of roof-top solar power generation units in Shibukawa Plant and Chita Second Plant was determined. (to be completed in July 2022 in Shibukawa Plant)



Our Approach to ESG

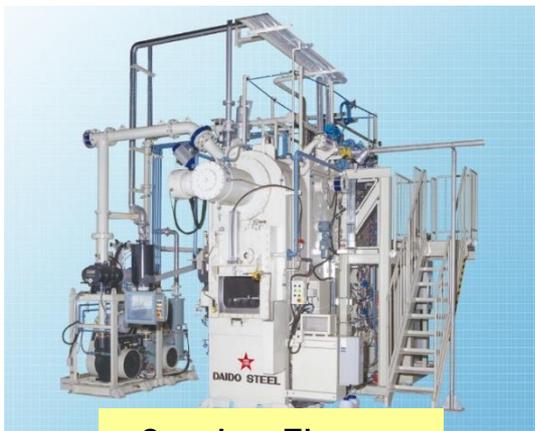
Our Machine Division's products were recognized as the "2021 Advanced Energy-Saving Technology Investment Promotion Project*1" and "Equipment Eligible for Subsidy*2" (9 items, the most in the industry)

- *1 A subsidy program created by the Agency for Natural Resources and Energy that supports investments in energy-saving technologies, with a view to achieving carbon neutrality for 2050.
- *2 Equipment eligible for subsidy that are announced as advanced equipment and system by the SII (Sustainable Open Innovative Initiative).

<p>1. Module-Thermo</p>	<p>A vacuum carburizing furnace that provides energy-conservation and permits operation by non-specialized personnel. The amount of combustible gas was substantially reduced compared with the conventional carburizing process.</p>
<p>2. Synchro-Thermo</p>	<p>A vacuum carburizing furnace that offers very small-lot production, about 1/10 of conventional lot scale. The amount of combustible gas was substantially reduced compared with the conventional carburizing process.</p>
<p>3. Arc furnace equipped with a movable scrap preheater on its top</p>	<p>An electric furnace that is equipped with a preheater (exhaust gas recovery) which makes high-temperature exhaust gas at the melting phase into contact with additionally charged scrap for preheating.</p>
<p>4. STARQ (Arc furnace with a rotation drive)</p>	<p>An arc furnace that conserves energy by rotating the furnace body to eliminate the possibility of uneven dissolution of scrap in the furnace.</p>



Module-Thermo



Synchro-Thermo



STARQ (Arc furnace with a rotation drive)

Our Approach to ESG

Our Machine Division's products were recognized as the "2021 Advanced Energy-Saving Technology Investment Promotion Project*1" and "Equipment Eligible for Subsidy*2" (9 items, the most in the industry)

- *1 A subsidy program created by the Agency for Natural Resources and Energy that supports investments in energy-saving technologies, with a view to achieving carbon neutrality for 2050.
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5. Atmospheric gas flow rate precision control unit

The atmospheric gas control unit that controls the atmospheric gas in the annealing furnace precisely to reduce the amount of combustible gas as well as achieve the safety of operation.

6. High-efficiency energy-saving combustion system (DINCS)

A radiant-tube burner with a heat exchanger which preheats combustion air with high-temperature combustion exhaust gas.

7. Scrap preheater

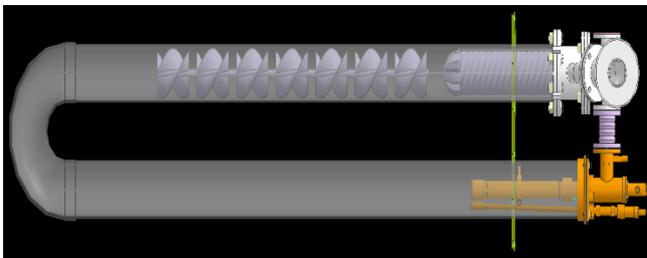
A highly-efficient scrap preheater that makes use of high-temperature exhaust heat inside the arc furnace.

8. Non-water-cooled atmosphere heat treatment furnace

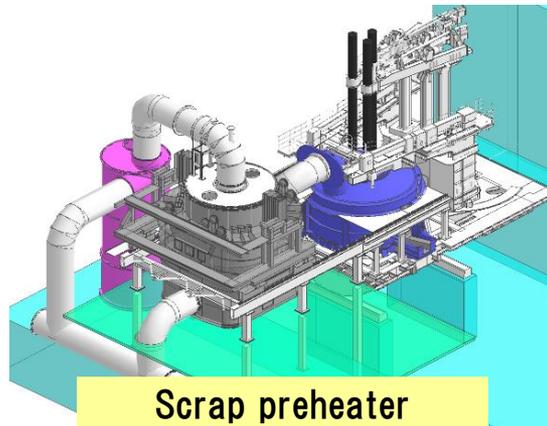
An annealing furnace that saves energy by using a high-performance heat-insulating material and the optimum air/fuel ratio.

9. Meltdown judgement system

This system automatically judges the meltdown of scrap inside the electric arc furnace using audible sound and higher harmonics, to help reduce operating hours (improvement in productivity) and save energy.



Highly-efficient combustion system (DINCS)



Scrap preheater



Non-water-cooled atmosphere heat treatment furnace

Our Approach to ESG



- ✓ We are publishing an INTEGRATED REPORT instead of a SUSTAINABILITY REPORT, starting in November 2021.
- ✓ In order to improve our enterprise value in the medium- to long-range perspective, this report transmits our approach to ESG comprehensively yet plainly, with increased contents such as the process and strategy of creating our enterprise value and the identification of material issues.

< Major contents >

- Overview of the Daido Steel Group
- Our manufacturing capability that has supported our growth over 105 years
- Value creation process
- Our approach to ESG and the progress of identification of material issues and issues to be addressed, etc.

We will disclose the information on the effects of the “risk” and “opportunity” of climate change on our financial conditions based on TCFD (Task Force on Climate-related Financial Disclosures) in the future. ⇒ We will make further efforts to disclose our sustainability information.

Fact Book

Fact Book Financial highlight

Consolidation

(¥1 mil.)

	'17/3	18/3	19/3	20/3	21/3	'16/9	'17/9	'18/9	'19/9	'20/9	'21/9
Net sales	445,122	505,219	543,255	490,421	412,722	213,010	241,119	269,643	252,476	179,490	255,224
Operating income	25,513	36,218	33,815	24,768	10,070	9,643	18,726	16,752	13,711	▲3,531	19,156
Ordinary income	26,373	36,130	34,343	24,298	12,642	9,023	18,320	17,569	13,711	▲2,112	20,556
Net income	16,386	23,920	21,182	10,987	4,516	5,363	11,890	10,759	11,257	▲2,318	12,840
R & D expenses	6,206	5,419	5,638	6,002	4,722	3,158	2,770	2,788	2,896	2,185	2,694
Capital investment(Plan)	32,800	38,600	37,200	25,300	12,500	15,800	20,300	18,800	15,100	7,500	13,150
Capital investment(Construction)	28,940	35,605	34,413	37,529	24,448	15,791	14,899	15,027	22,092	13,955	10,172
Depreciation	23,275	20,740	23,171	24,662	25,912	11,087	10,023	11,453	12,022	12,794	13,469
Financial account balance	904	995	1,606	1,297	806	432	429	584	656	459	693
Total assets	574,169	642,021	650,697	625,899	665,506	523,304	614,828	661,998	651,112	621,997	686,373
Equity	259,851	284,435	285,508	273,561	303,143	231,600	274,221	291,948	293,276	276,815	315,674
Interest-bearing debt	142,599	160,352	174,998	193,881	198,812	133,172	157,201	174,928	185,536	207,302	210,608
Pay roll number	11,498	11,873	12,421	13,436	13,109	11,574	11,843	12,559	13,775	13,474	12,838
ROA(%)	4.8	5.9	5.3	3.8	2.0	3.4	6.2	5.4	4.2	▲0.7	6.1
ROE(%)	6.7	8.8	7.4	3.9	1.6	4.6	8.9	7.5	7.8	▲1.7	8.3
Consolidated subsidiary number	34	36	38	65	66	35	36	38	65	68	65
(Equity method affiliate number is excluded from the above)	(6)	(6)	(6)	(9)	(9)	(6)	(6)	(6)	(9)	(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						

*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	'21/4-9
Speciality Steel	Net Sales	780	851	903	965	1,020	1,058	971	846	598	860	932
	Operating Income	26	32	48	17	21	39	32	20	▲ 30	4	15
High Performance Materials & Magnetic Materials	Net Sales	711	774	811	897	927	919	847	827	648	846	948
	Operating Income	75	99	108	114	114	93	70	66	22	100	139
Parts for Automobile & Industrial Equipment	Net Sales	467	508	517	546	554	545	499	474	361	447	465
	Operating Income	▲ 16	11	11	19	11	12	6	▲ 2	▲ 41	20	31
Engineering	Net Sales	115	124	105	144	126	149	124	142	103	99	87
	Operating Income	3	9	7	11	8	15	15	15	5	3	▲ 7
Trading and Service	Net Sales	57	64	75	89	69	66	84	90	85	80	120
	Operating Income	8	8	13	14	14	11	14	12	9	9	14
Total	Net Sales	2,130	2,321	2,411	2,641	2,696	2,737	2,525	2,379	1,795	2,332	2,552
	Operating Income	96	159	187	175	168	170	137	111	▲ 35	136	192

(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.