

**Fiscal Year ending March 2009  
Results Briefing  
(Apr.1 / 2008 - Mar.31 / 2009)**

May 1<sup>st</sup> 2009



# FY2009 Results

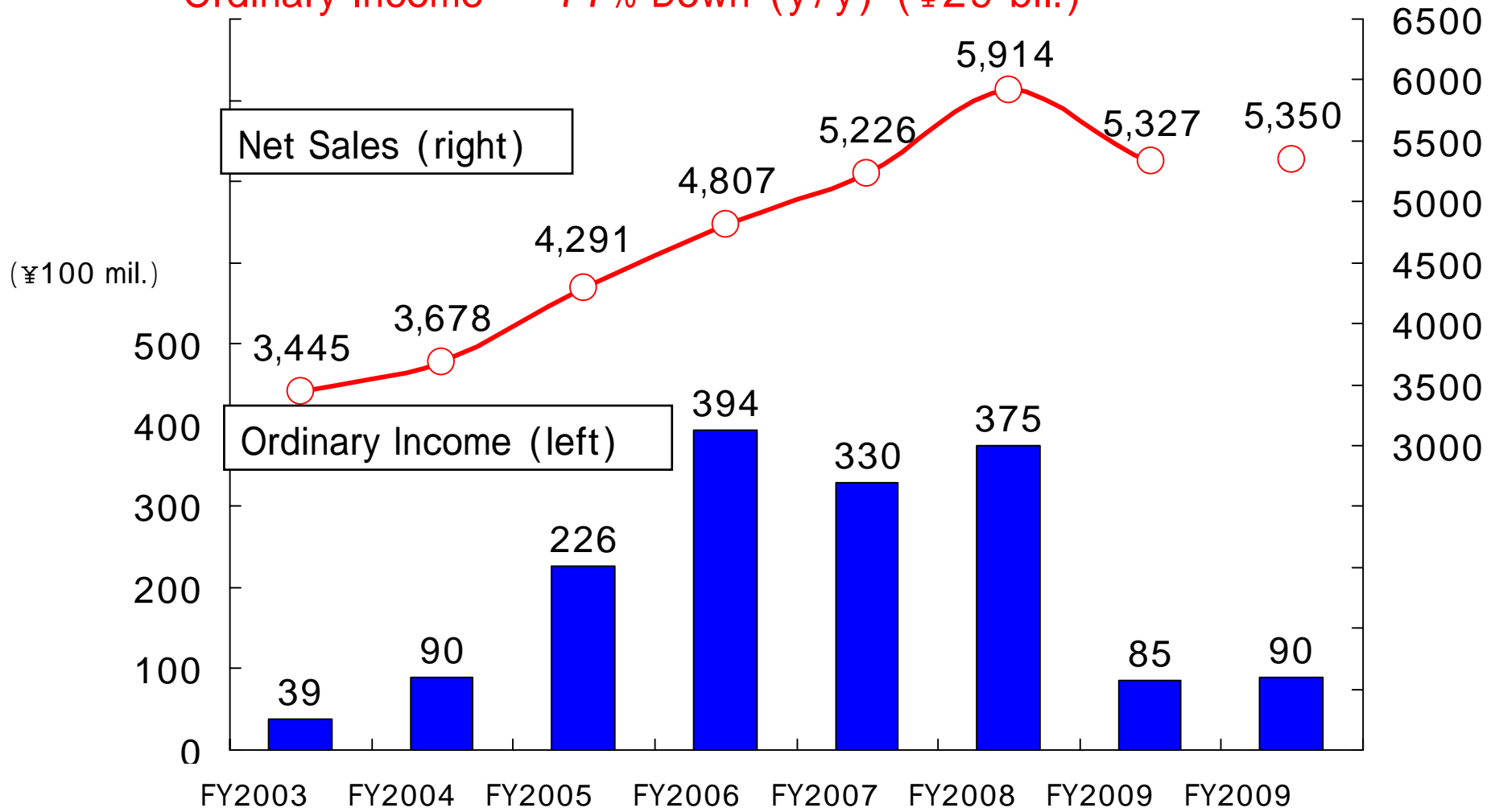
(Apr.1 / 2008 - Mar.31 / 2009)

# Changes in Net Sales & Ordinary Income

Net Sales 10% Down (y/y) (¥58.7 bil.)

Ordinary Income 77% Down (y/y) (¥29 bil.)

(¥100 mil.)

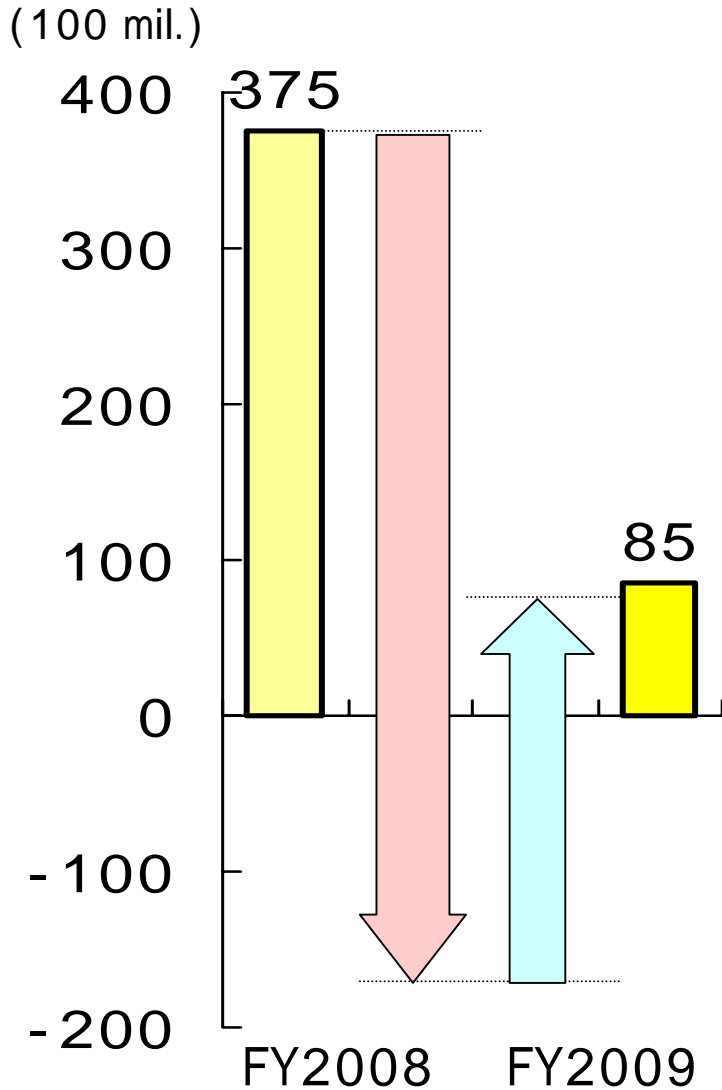


Results Initial Plan

# FY2009 Changes in Ordinary Income (y/y)

Despite the adjustment of sales prices, volume reduction had a significant impact resulting in profit decline.

(¥ 100 mil.)



Changes (y/y)		FY2008 Ordinary Income	
Operating Income / Loss	Raw material price		
	Sales volume		
	Sales price		
	Sales Mix		
	Variable cost		
	Fixed cost		
	Subtotal		
	Non-Operating Income		
		FY2009 Ordinary Income	

375	
177	
349	
	+ 224
37	
	+ 14
	+ 32
563	+ 270
	+ 3
85 ( 290)	

# Changes in Net Sales & Operating Income by Segment

Each segment reduced the profit due to declining demand

(¥100 mil.)

		FY2007	FY2008 (A)	FY2009 (B)	y/y basis (B) - (A)
Specialty Steel	Net Sales	2,877	3,296	3,069	- 227
	Operating Income	117	114	8	- 106
Electronic & Magnetic Materials	Net Sales	645	792	647	- 145
	Operating Income	34	58	- 6	- 64
Parts for Automobile & Industrial Equipment	Net Sales	1,070	1,159	1,041	- 118
	Operating Income	105	134	46	- 88
Engineering	Net Sales	372	411	366	- 45
	Operating Income	23	29	27	- 2
New Materials	Net Sales	139	156	104	- 52
	Operating Income	23	35	4	- 31
Trading & Service	Net Sales	123	100	100	0
	Operating Income	15	14	12	- 2
Total	Net Sales	5,226	5,914	5,327	- 587
	Operating Income	317	384	91	- 293

# FY2009 Extraordinary Income / Loss · Net Income

(¥100 mil.)

FY2009 Ordinary income	8 5
Extraordinary income / loss	7 5
Income taxes and minority interests	9 1
FY2009 Net income	8 1

# FY2009 Dividend per Share

	Interim	Year - end
Ordinary income (¥100 mil.)	1 3 6	8 5
Net income (¥100 mil.)	6 1	8 1
Dividend per share (¥ / share)	4 . 0	6 . 0
Payout ratio (%)	—	—

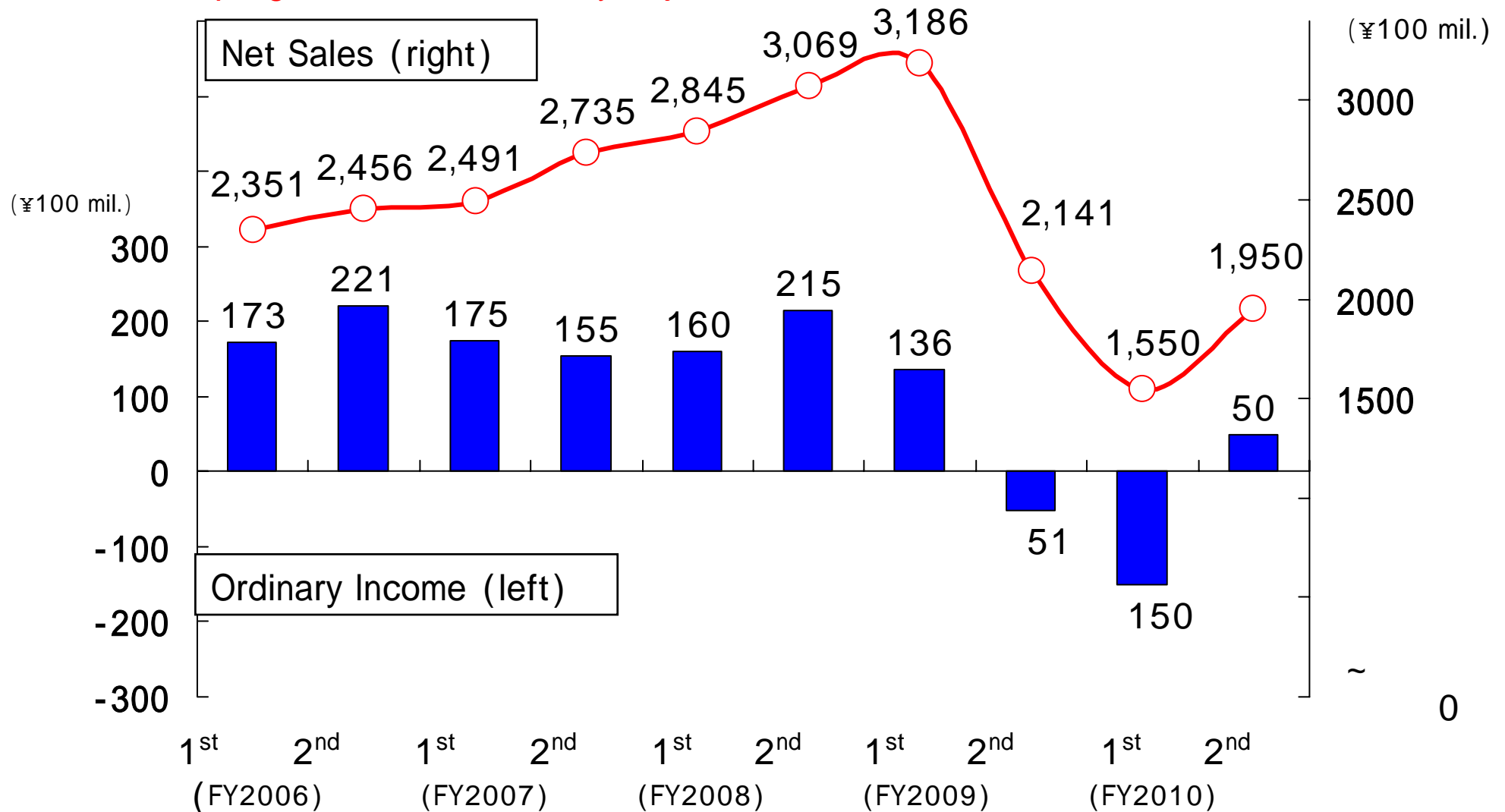
# Annual Plan for FY2010

(Apr.1 / 2009 - Mar.31 / 2010)



# Changes in Net Sales & Ordinary Income

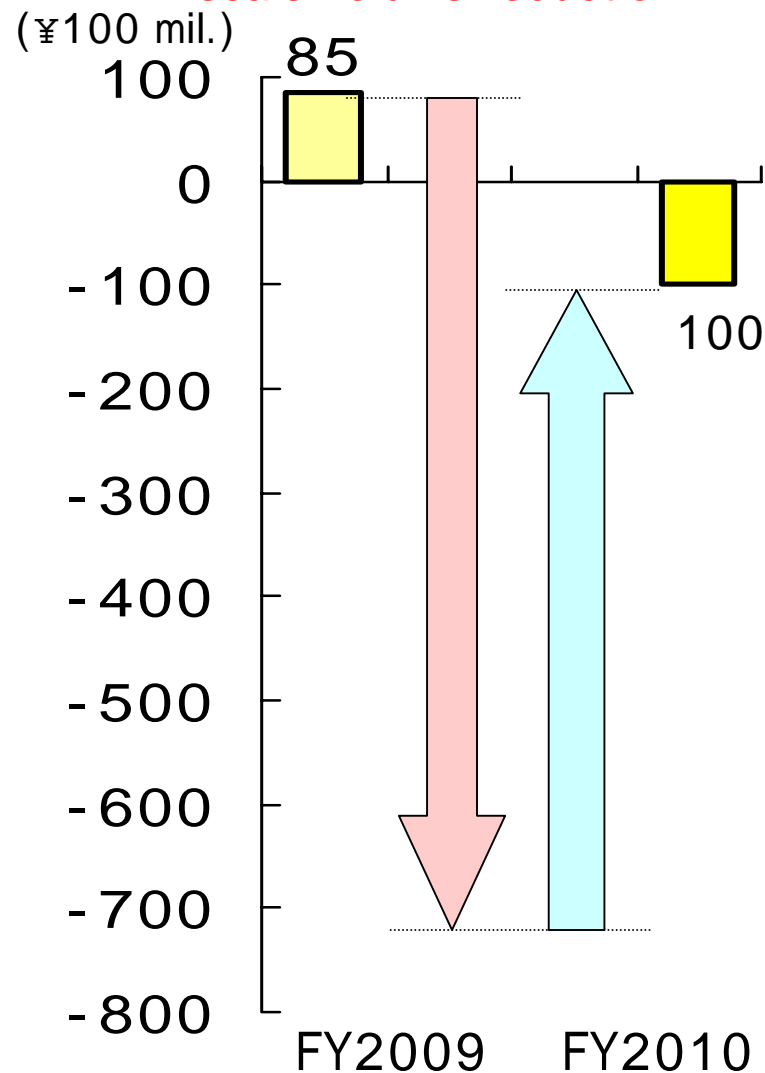
The balance is expected to restore profitability in the 2<sup>nd</sup> half of FY2010 due to progress of the inventory adjustment.



# FY2010 Changes in Ordinary Income (y/y)

Cost saving effort is expected to minimize profit declining in spite of large-scale volume reduction.

(¥100 mil.)



Changes (y/y)		Operating Income / Loss	
		FY2009 Ordinary Income	
		Raw material price	
		Sales volume	
		Sales price	
		Sales Mix	
		Variable cost	
		Fixed cost	
		Subtotal	
		Non - Operating Income	
		FY2010 Ordinary Income	

		85	
			+ 377
	546		
	251		
			+ 40
			+ 29
			+ 165
	797		+ 611
			+ 1
		100	( 185)

# FY2010 Net Sales & Operating Income by Segment

The sales and profit are expected to decline in each segment.

		FY2007	FY2008	FY2009 (A)	FY2010 (B)	y/y basis (B) - (A)
Specialty Steel	Net Sales	2,877	3,296	3,069	1,975	-1,094
	Operating Income	117	114	8	90	-98
Electronic & Magnetic Materials	Net Sales	645	792	647	345	-302
	Operating Income	34	58	6	35	-29
Parts for Automobile & Industrial Equipment	Net Sales	1,070	1,159	1,041	710	-331
	Operating Income	105	134	46	15	-31
Engineering	Net Sales	372	411	366	285	-81
	Operating Income	23	29	27	5	-22
New Materials	Net Sales	139	156	104	100	-4
	Operating Income	23	35	4	0	-4
Trading & Service	Net Sales	123	100	100	85	-15
	Operating Income	15	14	12	10	-2
Total	Net Sales	5,226	5,914	5,327	3,500	-1,827
	Operating Income	317	384	91	95	-186
Operating Income Ratio of Non - Specialty Steel		63.1%	70.3%	91.2%	-	-

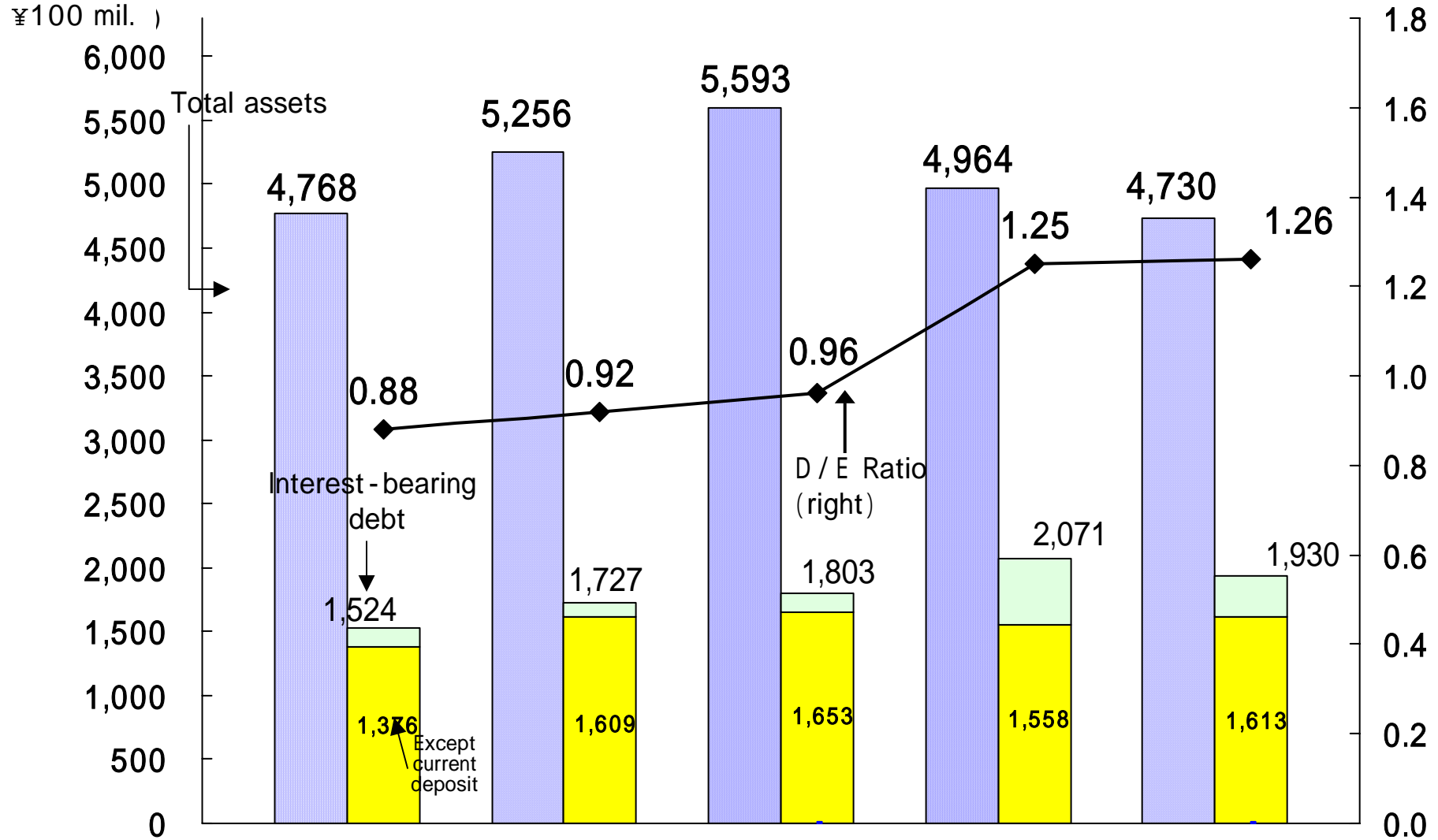
# Premises of Profit Planning for FY2010 (Summary)

	UNIT	FY2009 1 <sup>st</sup> half Results	FY2009 2 <sup>nd</sup> half Results	FY2009 Results	FY2010 Plan
<b>Scrap steel</b> Upper: H2 Lower: Factory bundle	¥thou. / MT	52.9 59.7	13.1 18.9	33.0 39.3	22.0 27.0
<b>Nickel</b> ( L M E )	\$ / LB	10.13	4.83	7.48	5.50
<b>Molybdenum</b> ( MW )	\$ / LB	33.2	12.8	23.0	12.0
<b>Chrome</b> (Price quotation based on South Africa)	¢ / LB	206.5	140.0	173.3	100.0
<b>Exchange rate</b>	¥ / \$	106.1	95.0	100.5	90.0

Scrap steel Weak demand at home, Powerful export for Asia

Nickel, Molybdenum, Chrome Remained flat at a low level  
due to sluggish demand

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



Current deposit balance	3/2006	3/2007	3/2008	3/2009	3/2010	Initial Plan
	148	118	150	513	317	

(¥100 mil.)

# FY2010 Extraordinary Income / Loss · Net Income

(¥100 mil.)

FY2010 Ordinary Income	1 0 0
Extraordinary Income / loss	0
Income taxes and minority interests	1 0
FY2010 Net Income	1 1 0

# FY2010 Plan for Dividend per Share

	FY2009		FY2010	
	Interim	Year - end	Interim	Year - end
Ordinary income (¥100 mil.)	1 3 6	8 5	1 5 0	1 0 0
Net income (¥100 mil.)	6 1	8 1	1 5 0	1 1 0
Dividend per share (¥ / share)	4 . 0	6 . 0	To be determined	

(Note)

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

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

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