

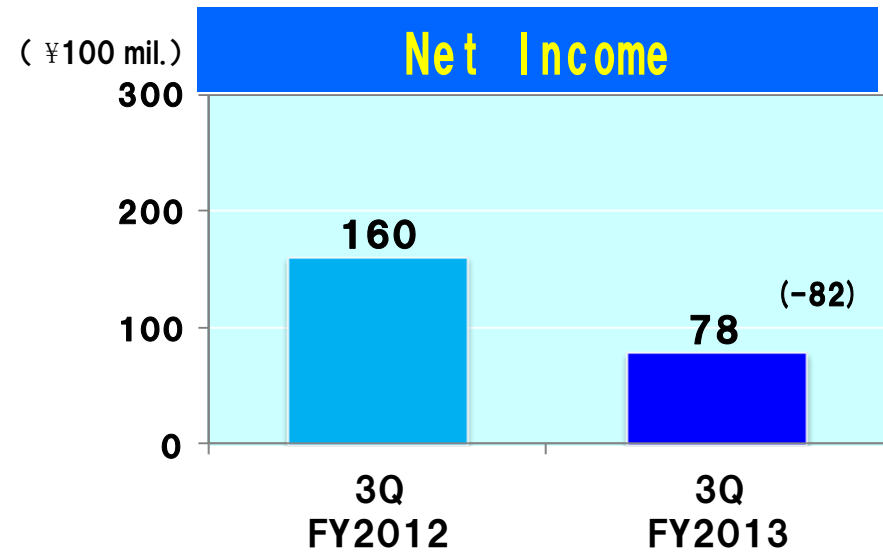
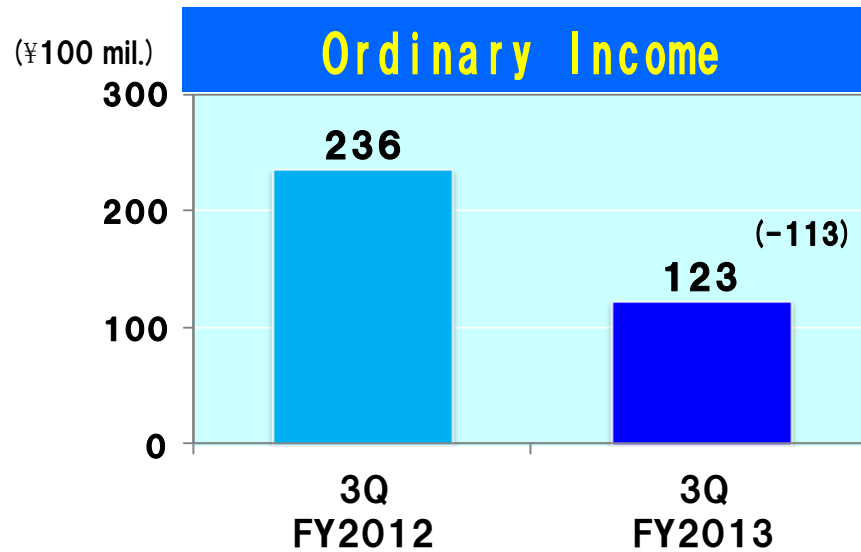
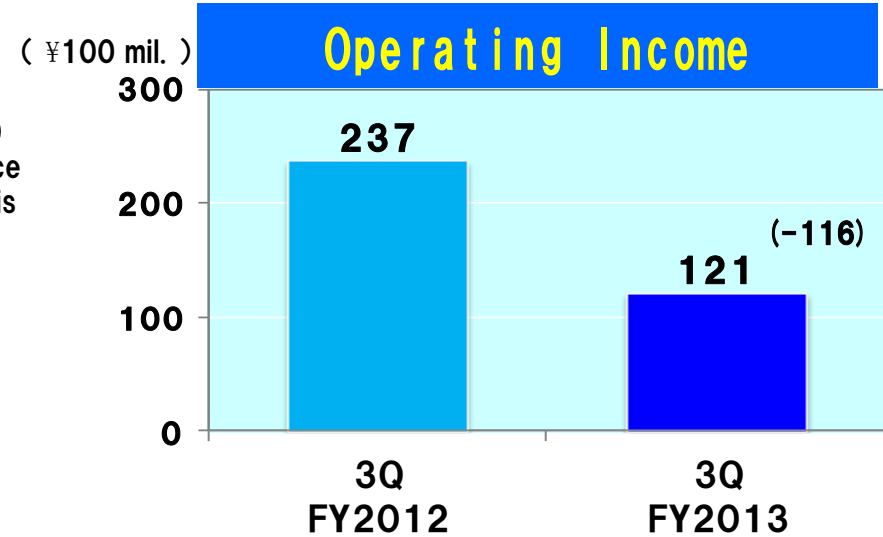
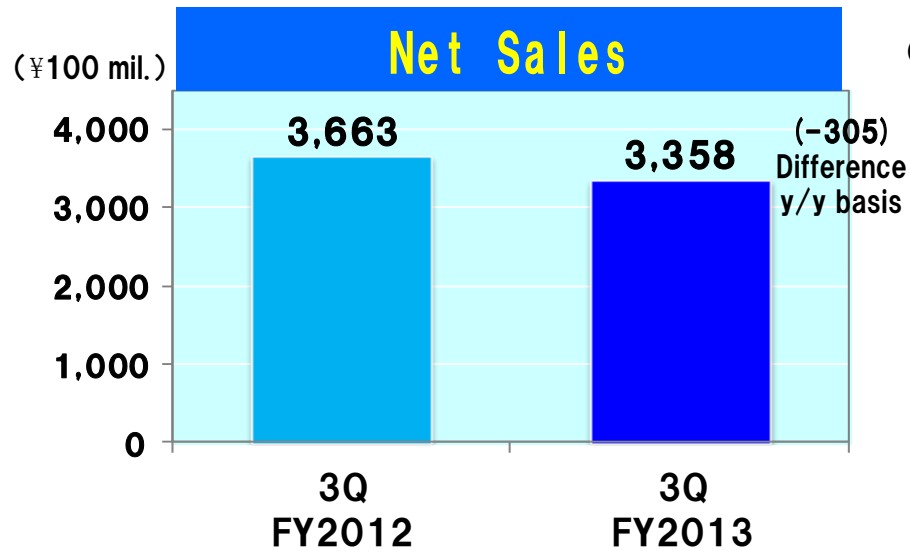
For Telephone Conference

# Fiscal Year ending March 2013 3<sup>rd</sup> Quarter Results

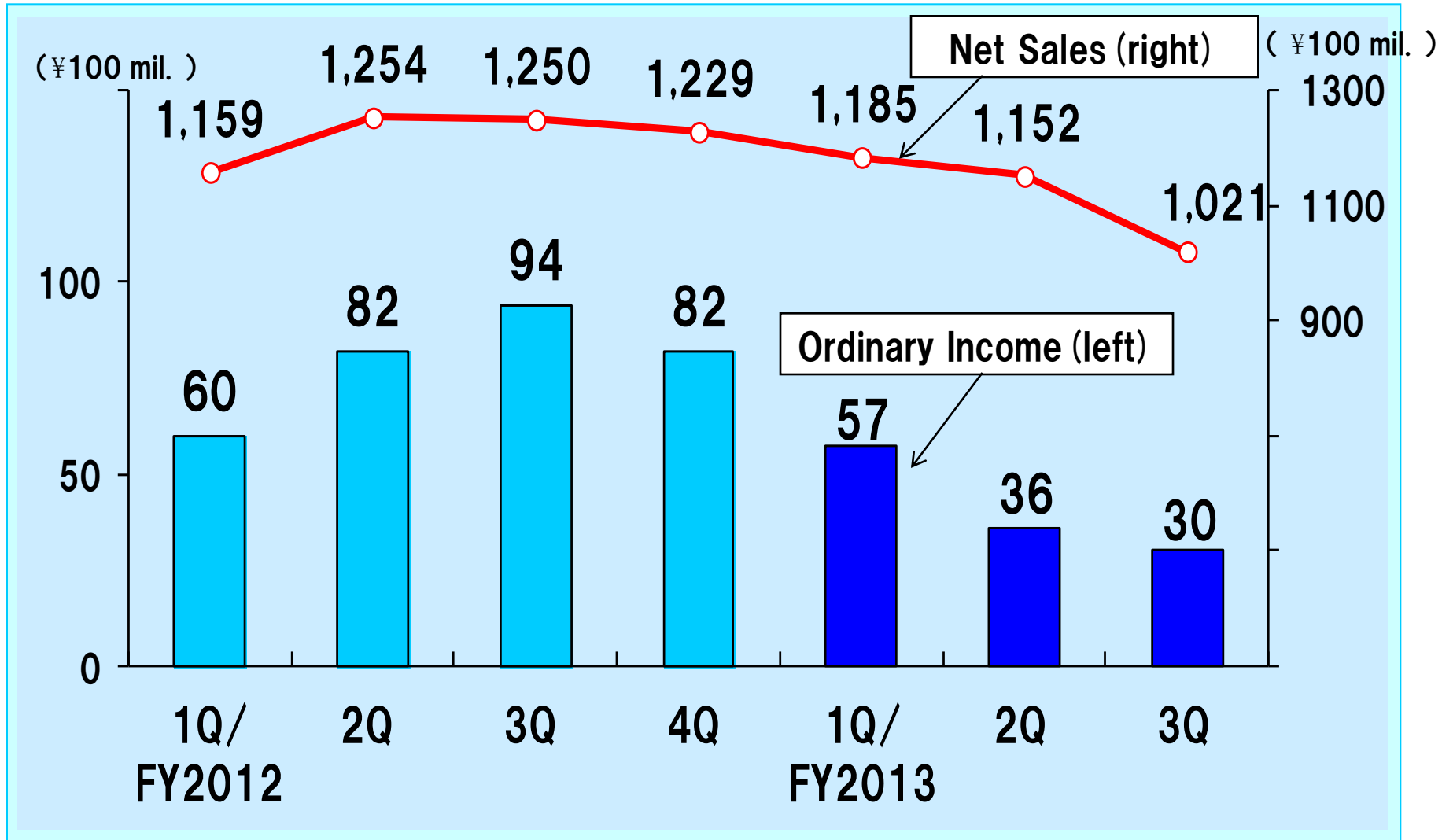
January 31, 2013

**Fiscal Year ending March 2013  
3<sup>rd</sup> Quarter Results  
(Apr.1 – Dec.31 / 2012)**

# Summary of the results for 3<sup>rd</sup> quarter in FY2013

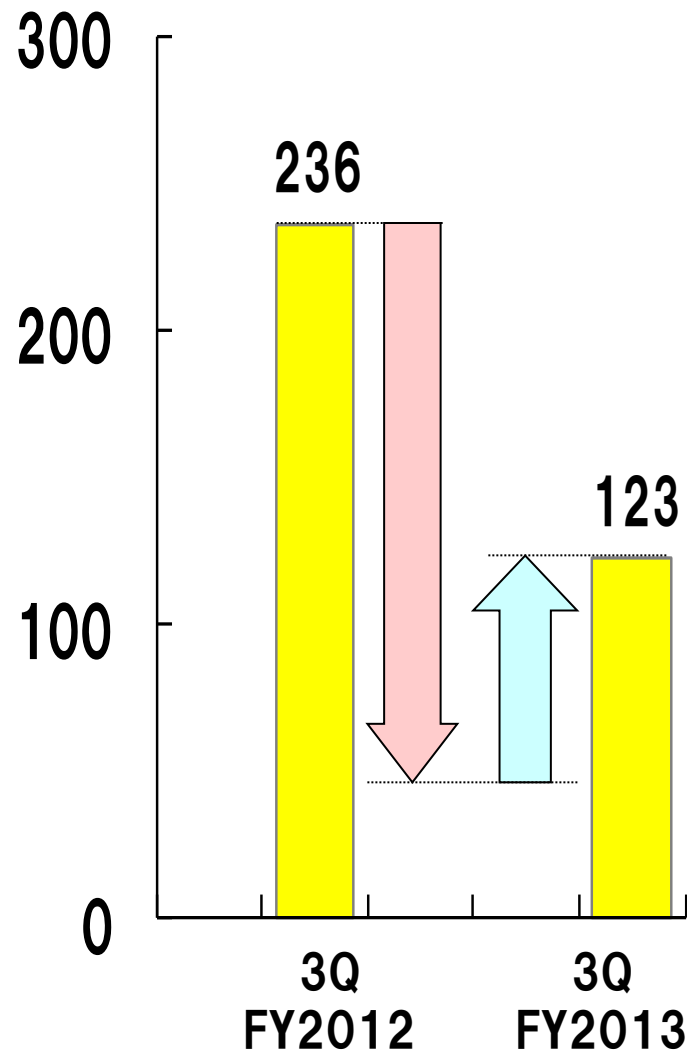


# Changes in Net Sales & Ordinary Income (Quarterly)



# FY2013/3Q Changes in Ordinary Income (y/y)

(¥100 mil.)



(¥100 mil.)

FY2012/3Q Ordinary Income		236	
Changes (y/y)	Operating Income / Loss	Raw material price	+82
		Sales volume	-70
		Sales price	-97
		Sales mix	-11
		Variable cost	-12
		Fixed cost	-8
		Subtotal	-198
	Non-Operating income		+3
FY2013/3Q Ordinary Income		123 (▲113)	

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

(¥100 mil.)

		FY2012/3Q	FY2013/3Q	
		Results (A)	Results (B)	y/y basis (B) - (A)
<b>Specialty Steel</b>	Net Sales	1,469	1,303	-166
	Operating Income	75	29	-46
<b>High Performance Materials &amp; Magnetic Materials</b>	Net Sales	1,240	1,038	-202
	Operating Income	106	51	-55
<b>Parts for Automobile &amp; Industrial Equipment</b>	Net Sales	708	703	-5
	Operating Income	33	27	-6
<b>Engineering</b>	Net Sales	173	246	73
	Operating Income	12	5	-7
<b>Trading &amp; Service</b>	Net Sales	73	68	-5
	Operating Income	11	9	-2
<b>Total</b>	Net Sales	3,663	3,358	-305
	Operating Income	237	121	-116

Former Net Sales of  
Specialty steel

volume

942thou.t

856thou.t

-86thou.t

# FY2013 Net Sales & Operating Income by Segment

(¥100 mil.)

		FY2013			
		1Q (Results)	2Q (Results)	3Q (Results)	Total (Results)
<b>Specialty Steel</b>	Net Sales	470	432	401	1,303
	Operating Income	17	7	5	29
<b>High Performance Materials &amp; Magnetic Materials</b>	Net Sales	381	340	317	1,038
	Operating Income	27	14	10	51
<b>Parts for Automobile &amp; Industrial Equipment</b>	Net Sales	245	230	228	703
	Operating Income	11	7	9	27
<b>Engineering</b>	Net Sales	67	126	53	246
	Operating Income	0	6	-1	5
<b>Trading &amp; Service</b>	Net Sales	22	24	22	68
	Operating Income	3	4	2	9
<b>Total</b>	Net Sales	1,185	1,152	1,021	3,358
	Operating Income	58	38	25	121

Former Net Sales of  
Specialty steel

volume

310thou.t

286thou.t

260thou.t

856thou.t

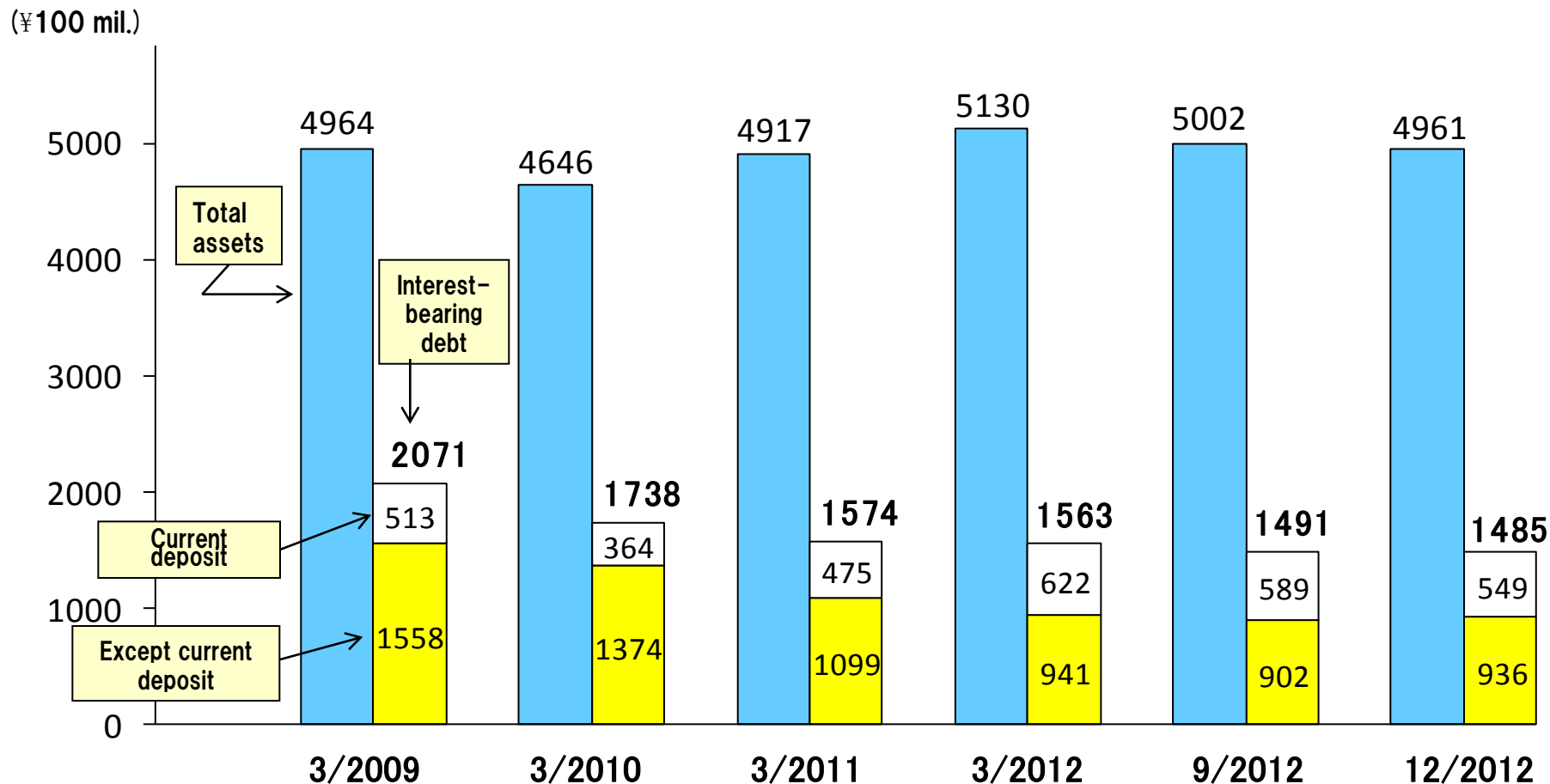
# FY2013 3<sup>rd</sup> quarter Extraordinary Income/Loss and Net Income

(¥100 mil.)

<b>FY2013 3<sup>rd</sup> quarter Ordinary income</b>	<b>123</b>
<b>Extraordinary income / loss</b>	<b>+9</b>
<b>Income taxes</b>	<b>▲54</b>
<b>FY2013 3<sup>rd</sup> quarter Net income</b>	<b>78</b>



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

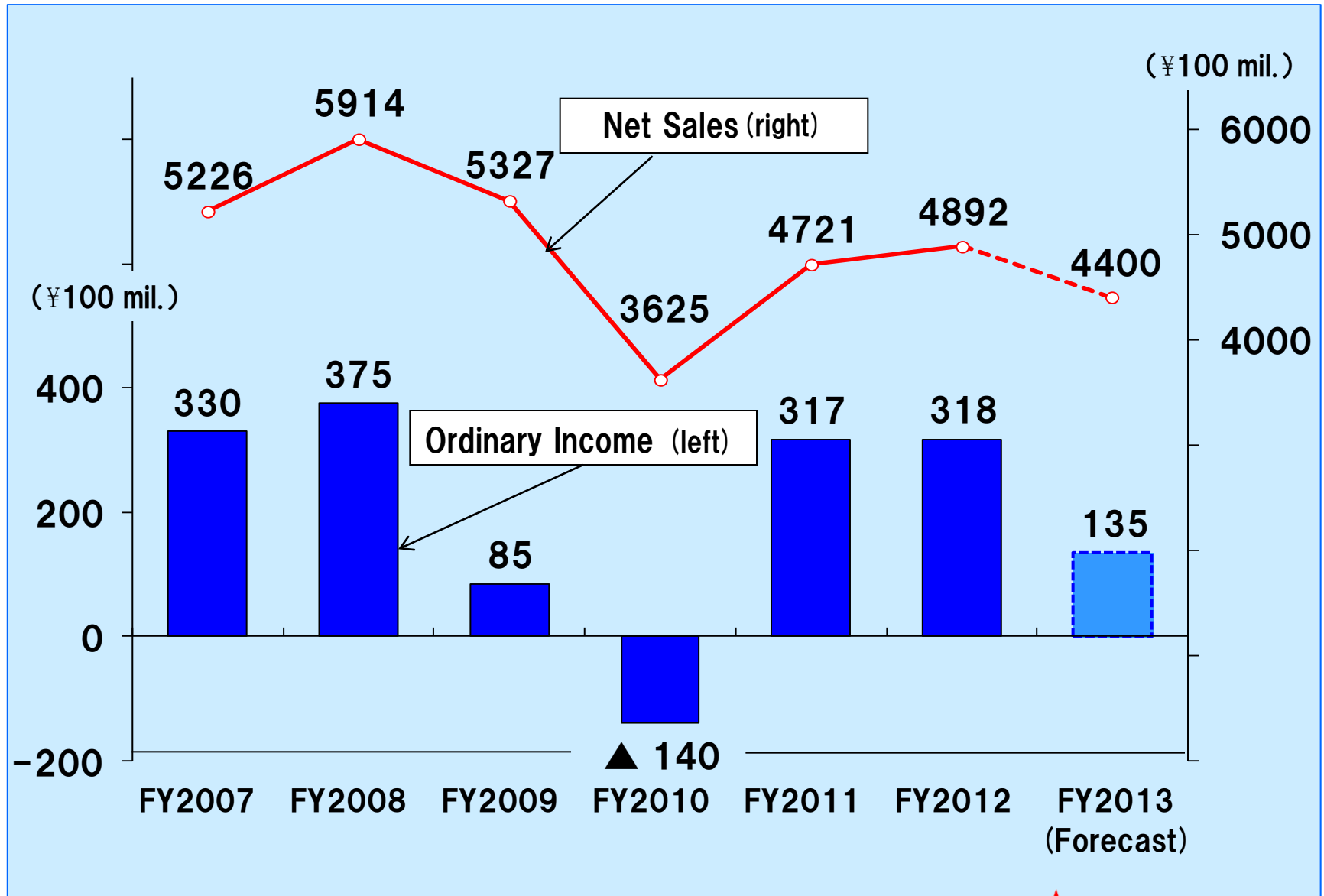


	3/2009	3/2010	3/2011	3/2012	9/2012	12/2012
ROA	1.6%	▲2.9%	6.6%	6.3%	3.7%	3.3%
D/E	1.25	1.09	0.88	0.79	0.76	0.73

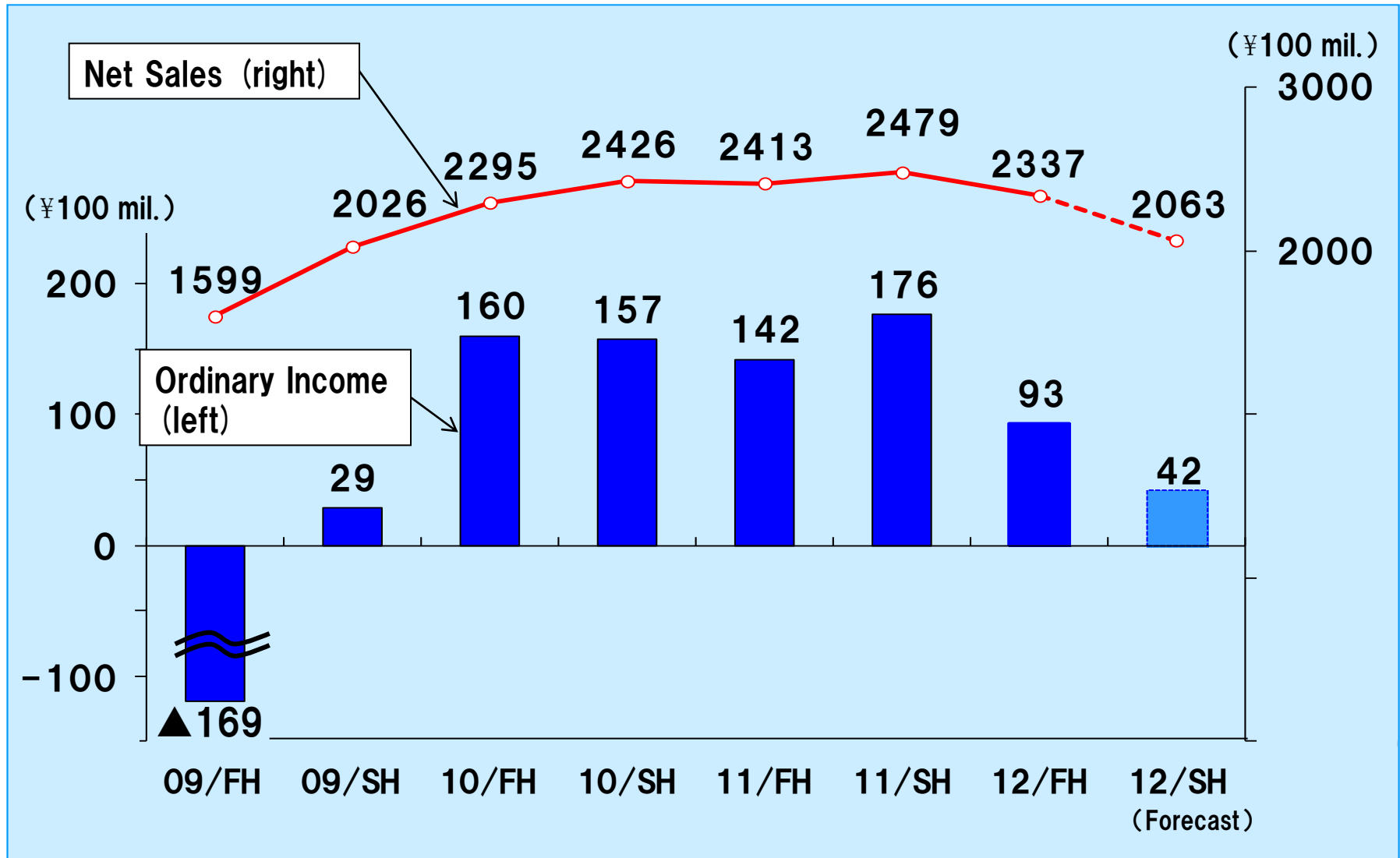
# Plan for FY2013

(Apr.1 / 2012–Mar.31 / 2013)

# Changes in Net Sales & Ordinary Income (Forecast for FY2013)

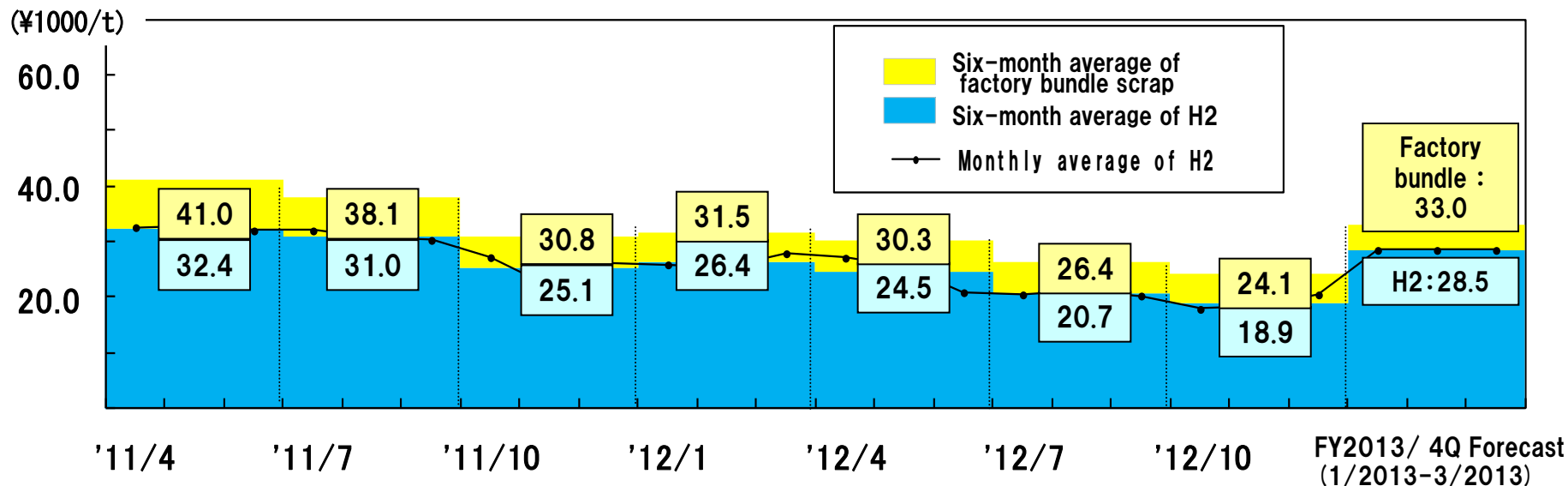


# Changes in Net Sales & Ordinary Income (Interim)

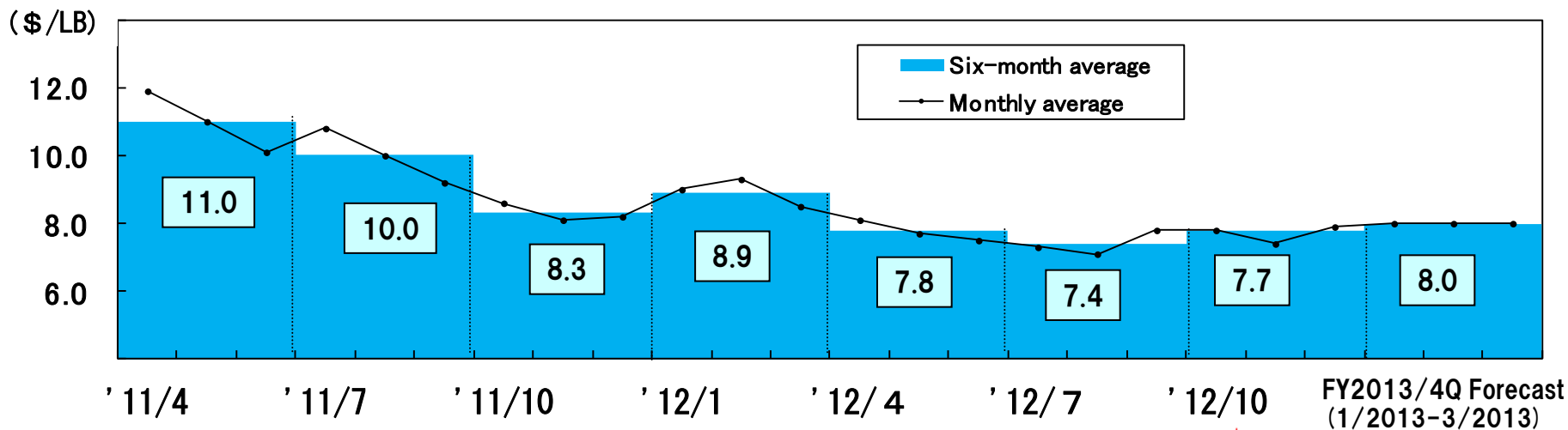


# Market Trend of Raw Materials(Scrap Steel and Nickel)

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



## <Nickel price LME>

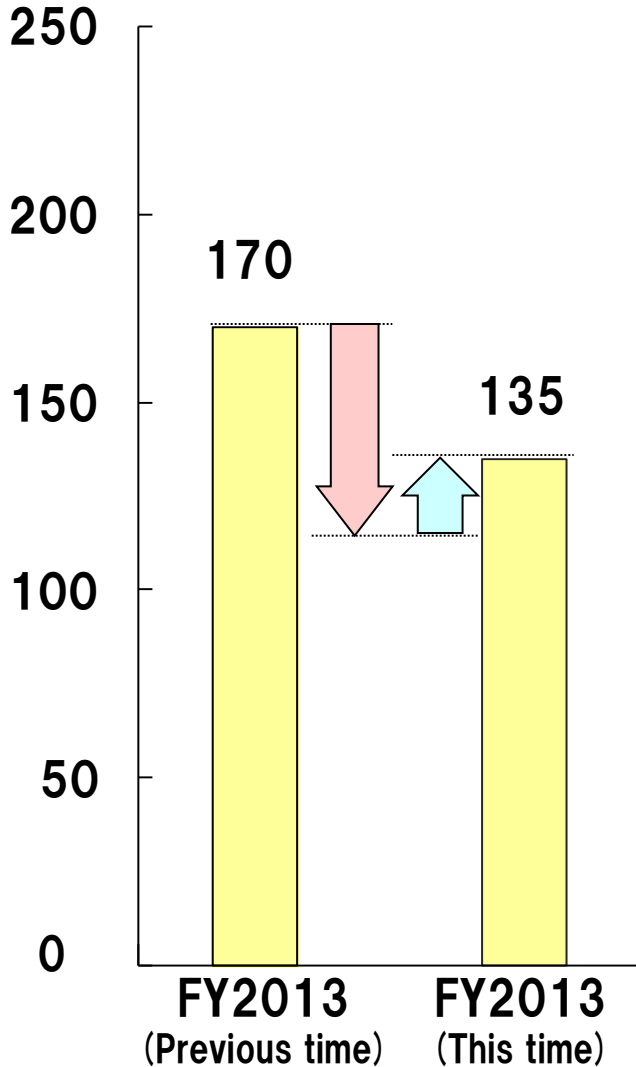


# Premises of Profit Planning for FY2013 (Market Trend)

	UNIT	FY2013/3Q Results Results (Difference)	'13/1-3 Premises of plan (Difference)
<b>Scrap steel</b> Upper:H2 Lower:Factory bundle	¥thou./T	<b>18.9</b> (-1.1) <b>24.1</b> (-0.9)	<b>28.5</b> (+8.5) <b>33.0</b> (+8.0)
<b>Nickel</b> (LME)	\$/LB	<b>7.7</b> (-0.3)	<b>8.0</b> (±0)
<b>Molybdenum</b> (MW)	\$/LB	<b>11.2</b> (-1.8)	<b>12.0</b> (-1.0)
<b>Crude oil</b> (Dubai)	\$/B	<b>107.4</b> (-2.6)	<b>110.0</b> (±0)
<b>Exchange rate</b> (TTM)	¥/\$	<b>81.0</b> (+3.0)	<b>85.0</b> (+7.0)

# FY2013 Changes in Ordinary Income (Difference from the previous forecast)

(¥100 mil.)



(¥100 mil.)

FY2013 Ordinary Income (Previous time)		
<b>Changes</b> ( Difference between the previous forecast )	<b>Operating Income / Loss</b>	Raw material price
		Sales volume
		Sales price
		Sales mix
		Variable cost
		Fixed cost
	<b>Subtotal</b>	
Non-Operating income		
<b>FY2013 Ordinary Income (This time)</b>		

<b>170</b>	
-8	
-37	
-6	
	+11
-51	+11
	+5
<b>135 (▲35)</b>	

# Net Sales & Operating Income by Segment ( Difference from the previous forecast )

(¥100 mil.)

		FY2013 Forecast (previous time) (A)	FY2013 Forecast (B)	Differences (B) - (A)
<b>Specialty Steel</b>	Net Sales	1,752	1,709	-43
	Operating Income	35	27	-8
<b>High Performance Materials &amp; Magnetic Materials</b>	Net Sales	1,409	1,359	-50
	Operating Income	75	59	-16
<b>Parts for Automobile &amp; Industrial Equipment</b>	Net Sales	931	916	-15
	Operating Income	42	33	-9
<b>Engineering</b>	Net Sales	322	326	4
	Operating Income	13	6	-7
<b>Trading &amp; Service</b>	Net Sales	86	90	4
	Operating Income	10	10	0
<b>Total</b>	Net Sales	4,500	4,400	-100
	Operating Income	175	135	-40

Former Net Sales of  
Specialty steel

volume

1,166 thou.t    1,097 thou.t    -69 thou.t



# FY2013 Extraordinary Income/Loss and Net Income

(¥100 mil.)

<b>FY2013 Ordinary income</b>	<b>135</b>
<b>Extraordinary income / loss</b>	<b>+14</b>
<b>Income taxes</b>	<b>▲64</b>
<b>FY2013 Net income</b>	<b>85</b>

# FY2013 Dividend per share

	FY2012		FY2013	
	Interim	Year-end	Interim	Year-end
Ordinary income (¥100 mil.)	142	318	93	135
Net income (¥100 mil.)	84	227	55	85
Dividend per share (¥/Share)	3.5	7.5	3.0	4.5
Payout ratio (%)	18.1	14.3	23.7	23.0

(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.