

For Telephone Conference

Fiscal Year ending March 2014 3rd Quarter Results

January 30, 2014

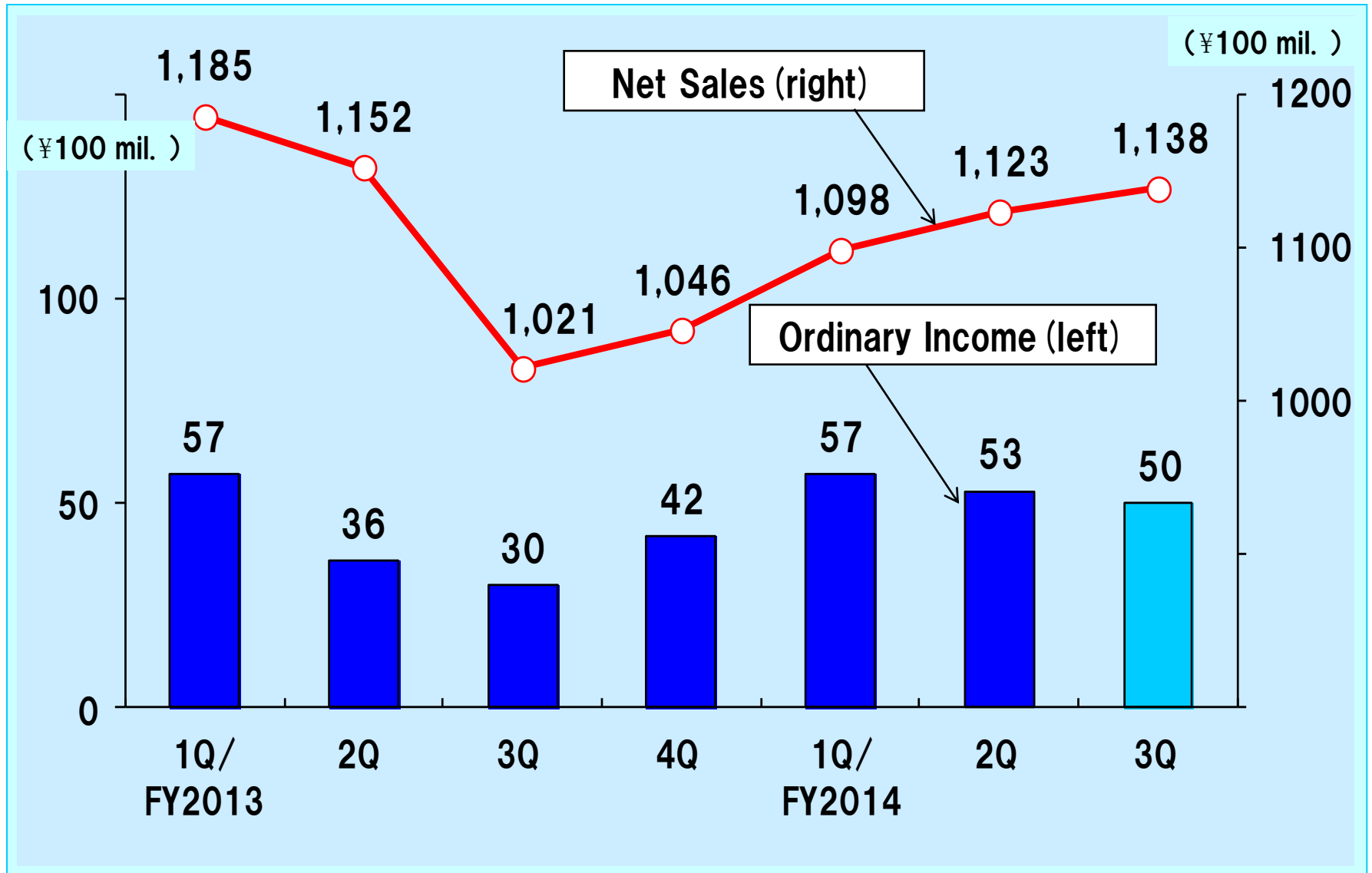
Overview of the FY2014 3rd quarter results

(¥100 mil.)	FY2013 3Q	FY2014 3Q	y/y basis
Net Sales	3,358	3,359	+1
Operating income	121	148	+27
Ordinary income	123	160	+37
Net income	78	98	+20

Summary

- ◆ The profit increase by demand recovery and improvement of sale mix
 - Production of Japanese automobile manufacturers have remained strong.
 - Demand is expanding due to the recovery from the inventory adjustment and the Weaker yen.
 - The costs increase due to Chita factory new electric furnace start-up and raw material market rise.

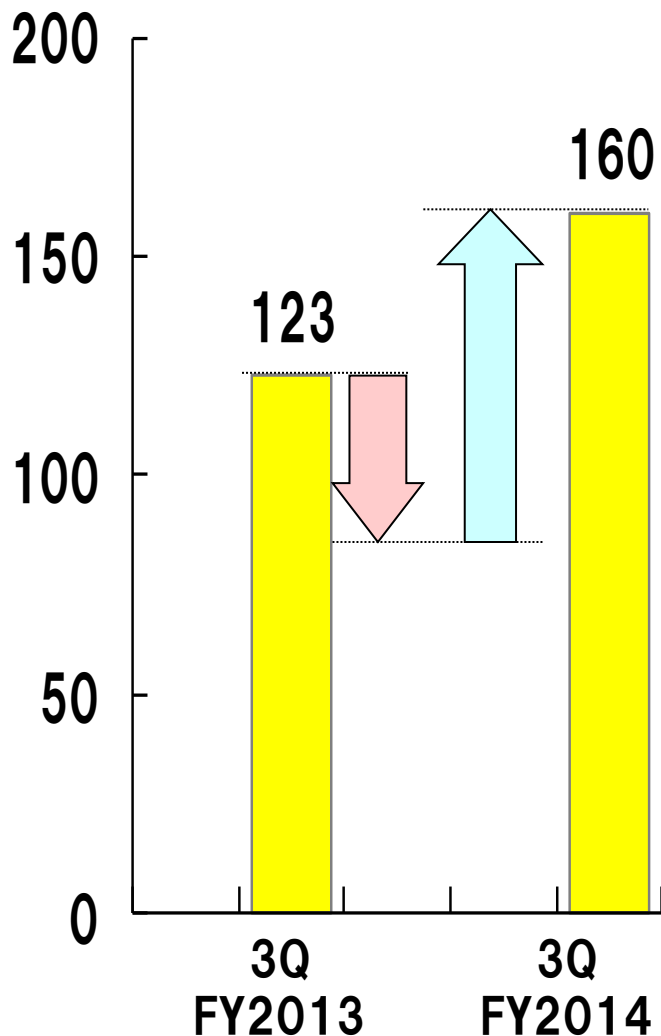
Changes in Net Sales & Ordinary Income (Quarterly)



FY2014/3Q Changes in Ordinary Income (y/y)

(¥100 mil.)

(¥100 mil.)



FY2013/3Q 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	
FY2014/3Q Ordinary Income	

123	
-35	
	+21
	+12
	+18
	+14
-3	
-38	+65
	+10
160 (+37)	

FY2014 Net Sales & Operating Income by Segment

(¥100 mil.)

		FY2013/3Q	FY2014/3Q	
		Results (A)	Results (B)	y/y basis (B) - (A)
Specialty Steel	Net Sales	1,303	1,349	46
	Operating Income	29	18	-11
High Performance Materials & Magnetic Materials	Net Sales	1,038	1,066	28
	Operating Income	51	85	34
Parts for Automobile & Industrial Equipment	Net Sales	703	711	8
	Operating Income	27	31	4
Engineering	Net Sales	246	163	-83
	Operating Income	5	4	-1
Trading & Service	Net Sales	68	70	2
	Operating Income	9	10	1
Total	Net Sales	3,358	3,359	1
	Operating Income	121	148	27

Former Net Sales of
Specialty steel

volume

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FY2014 Net Sales & Operating Income by Segment (Quarterly)

(¥100 mil.)

		FY2014				FY2014 financial results forecasts (Oct. 31, 2013)
		1Q (Results)	2Q (Results)	3Q (Results)	Total (Results)	
Specialty Steel	Net Sales	442	445	462	1,349	1,815
	Operating Income	8	15	▲ 5	18	31
High Performance Materials & Magnetic Materials	Net Sales	354	351	361	1,066	1,443
	Operating Income	28	26	31	85	107
Parts for Automobile & Industrial Equipment	Net Sales	231	240	240	711	978
	Operating Income	13	10	8	31	54
Engineering	Net Sales	47	64	52	163	235
	Operating Income	▲ 1	0	5	4	7
Trading & Service	Net Sales	24	23	23	70	94
	Operating Income	3	4	3	10	11
Total	Net Sales	1,098	1,123	1,138	3,359	4,565
	Operating Income	51	55	42	148	210

Former Net Sales of
Specialty steel

volume

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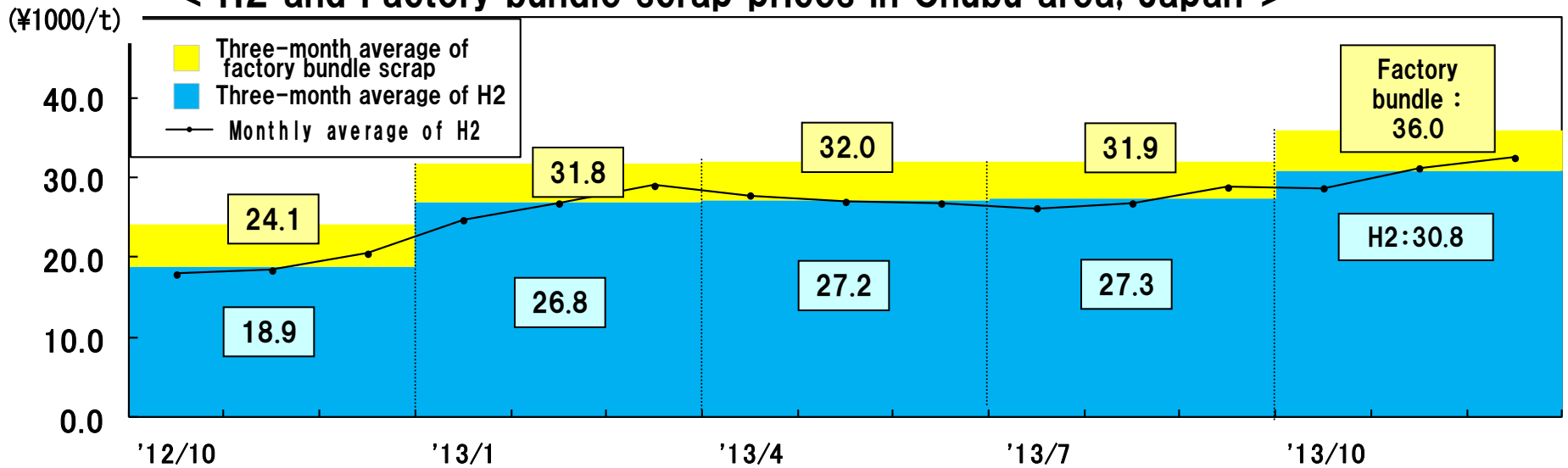
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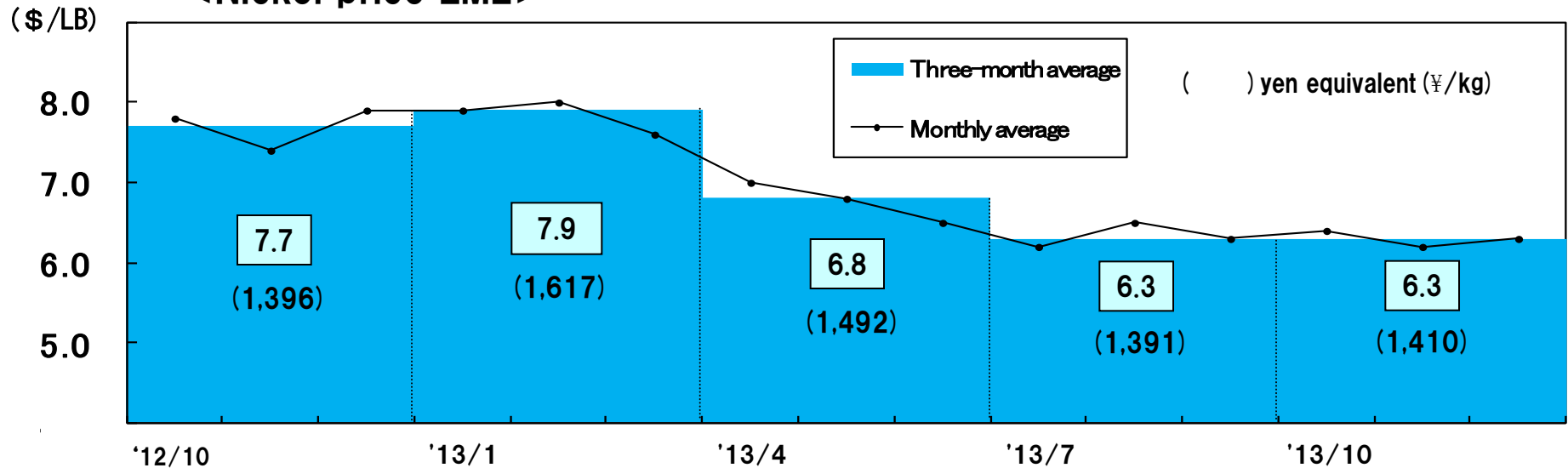
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Market Trend of Raw Materials(Scrap Steel and Nickel)

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



< Nickel price LME >



Premises of Profit Planning for FY2014 (Market Trend)

	UNIT	FY2014/FH Results	'13/10-12 Results (Difference)
Scrap steel Upper:H2 Lower:Factory bundle	¥thou./T	27.2	30.8 (+1.8)
		31.9	36.0 (+2.0)
Nickel (LME)	\$/LB	6.6	6.3 (-1.2)
Molybdenum (MD)	\$/LB	10.1	9.7 (-1.3)
Crude oil (Dubai)	\$/B	103.5	106.8 (-3.2)
Exchange rate (TTM)	¥/\$	98.9	100.4 (+0.4)

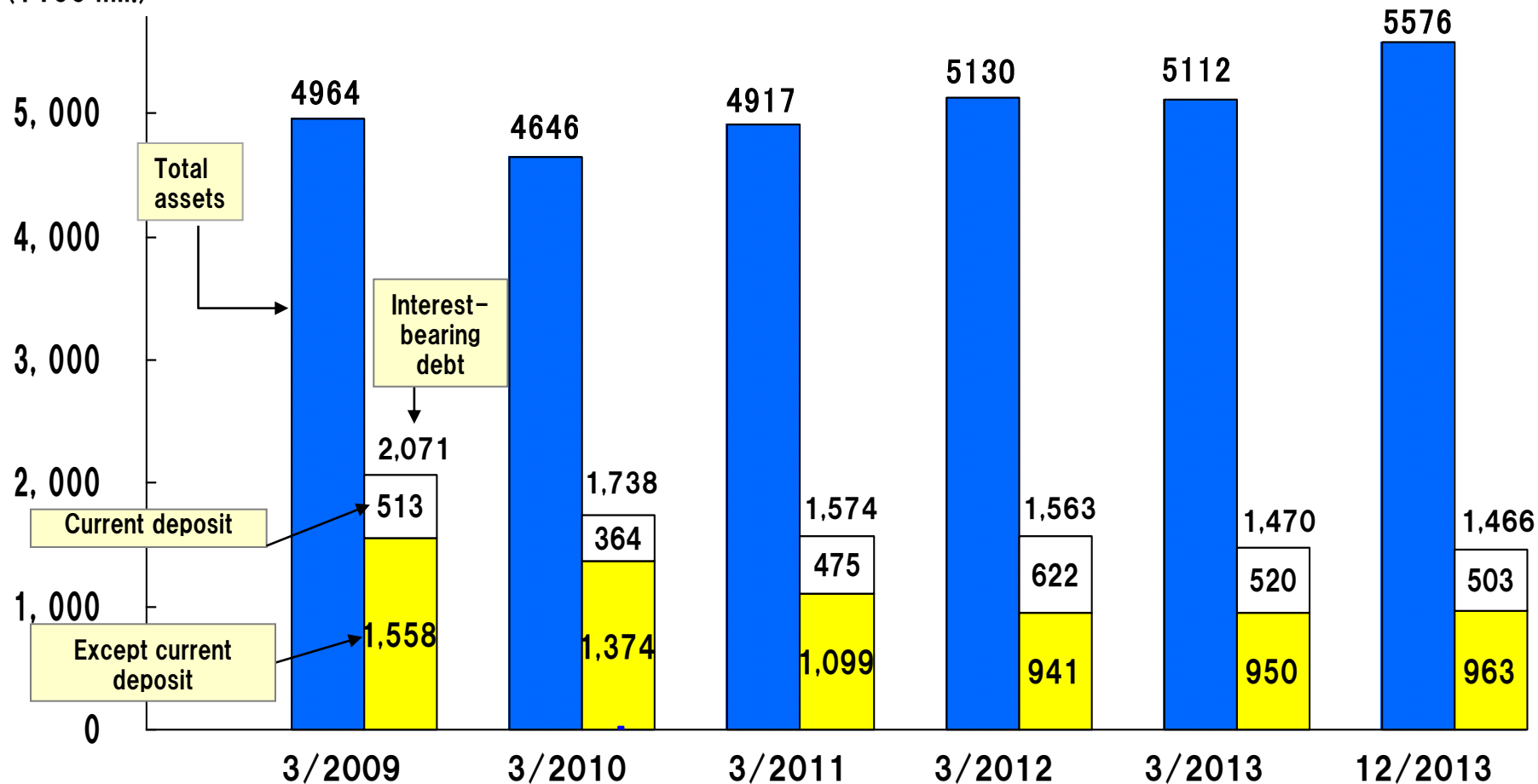
FY2014 Extraordinary Income/Loss and Net Income

(¥100 mil.)

FY2014 3rd quarter Ordinary income	160
Extraordinary income / loss	+9
Income taxes	▲71
FY2014 3rd quarter Net income	98

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

(¥100 mil.)



	3/2009	3/2010	3/2011	3/2012	3/2013	12/2013
ROA	1.6%	▲2.9%	6.6%	6.3%	3.2%	4.0%
D/E	1.25	1.09	0.88	0.79	0.69	0.63

(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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