

For Telephone Conference

Fiscal Year ending March 2015 1st Quarter Results (Apr.1 – JUN.30 / 2014)

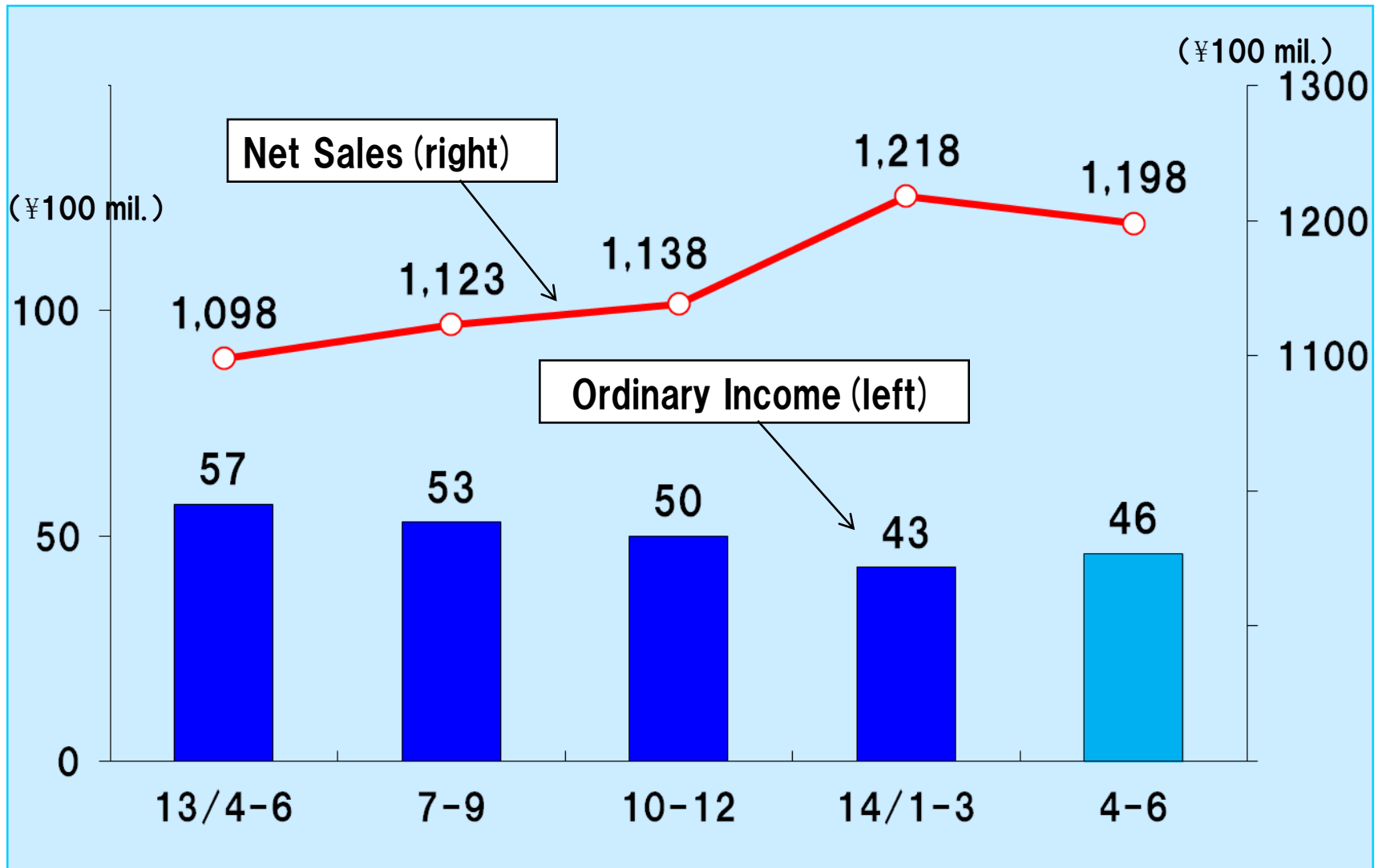
July 25, 2014

Overview of the FY2015 1st quarter results

| (¥100 mil.) | FY2014 1Q | FY2015 1Q | Difference y/y basis |
|------------------|--------------|--------------|-------------------------|
| Net Sales | 1,098 | 1,198 | +100 |
| Operating Income | 51 | 42 | -9 |
| Ordinary Income | 57 | 46 | -11 |
| Net Income | 37 | 26 | -11 |

- Sales increased year-on-year by strong demand from automobile and industrial machinery, but profit was reduced by the increase of energy cost.
- The new equipment of Chita Plant is operating as planned.

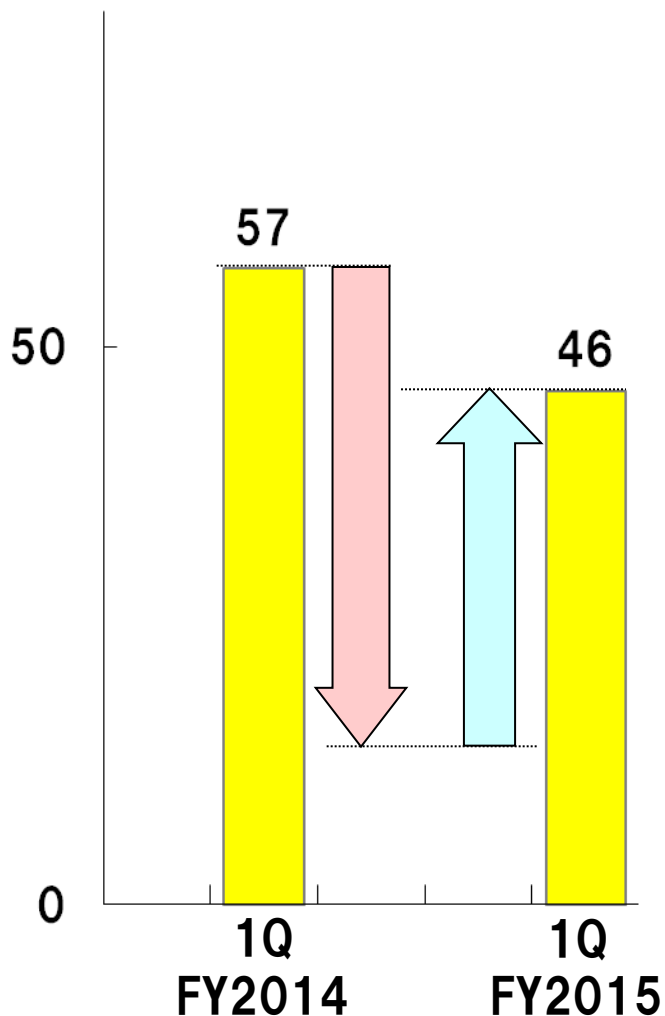
Changes in Net Sales & Ordinary Income (Quarterly)



FY2015/1Q Changes in Ordinary Income (y/y)

(¥100 mil.)

(¥100 mil.)



| FY2014/1Q 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 | |
| FY2015/1Q Ordinary Income | | |

| | |
|-----------------|-----|
| 57 | |
| -30 | / |
| / | +21 |
| / | +14 |
| -3 | / |
| -1 | / |
| -10 | / |
| -44 | +35 |
| -2 | / |
| 46 (-11) | |

FY2015 Net Sales & Operating Income by Segment

(¥100 mil.)

| | | FY2014/1Q | FY2015/1Q | |
|--|------------------|----------------|----------------|------------------------|
| | | Results (A) | Results (B) | y/y basis (B) - (A) |
| Specialty Steel | Net Sales | 442 | 490 | 48 |
| | Operating Income | 8 | 4 | -4 |
| High Performance Materials and Magnetic Materials | Net Sales | 354 | 386 | 32 |
| | Operating Income | 28 | 34 | 6 |
| Parts for Automobile and Industrial Equipment | Net Sales | 231 | 248 | 17 |
| | Operating Income | 13 | 1 | -12 |
| Engineering | Net Sales | 47 | 51 | 4 |
| | Operating Income | ▲ 1 | 0 | 1 |
| New Materials | Net Sales | 24 | 23 | -1 |
| | Operating Income | 3 | 3 | 0 |
| Trading and Service | Net Sales | 1,098 | 1,198 | 100 |
| | Operating Income | 51 | 42 | -9 |

Former Net Sales of
Specialty steel

volume

281thou.t

305thou.t

24thou.t

FY2015 Net Sales & Operating Income by Segment (Quarterly)

(¥100 mil.)

| | | FY2014 | | | | FY2015 1Q Results |
|--|------------------|---------------|---------------|---------------|---------------|-------------------------|
| | | 1Q Results | 2Q Results | 3Q Results | 4Q Results | |
| Specialty Steel | Net Sales | 442 | 445 | 462 | 492 | 490 |
| | Operating Income | 8 | 15 | ▲ 5 | ▲ 1 | 4 |
| High Performance Materials and Magnetic | Net Sales | 354 | 351 | 361 | 369 | 386 |
| | Operating Income | 28 | 26 | 31 | 26 | 34 |
| Parts for Automobile and Industrial Equipment | Net Sales | 231 | 240 | 240 | 259 | 248 |
| | Operating Income | 13 | 10 | 8 | 7 | 1 |
| Engineering | Net Sales | 47 | 64 | 52 | 78 | 51 |
| | Operating Income | ▲ 1 | 0 | 5 | 7 | 0 |
| Trading and Service | Net Sales | 24 | 23 | 23 | 20 | 23 |
| | Operating Income | 3 | 4 | 3 | 3 | 3 |
| Total | Net Sales | 1,098 | 1,123 | 1,138 | 1,218 | 1,198 |
| | Operating Income | 51 | 55 | 42 | 42 | 42 |

Former Net Sales of
Specialty steel

volume

281thou.t

288thou.t

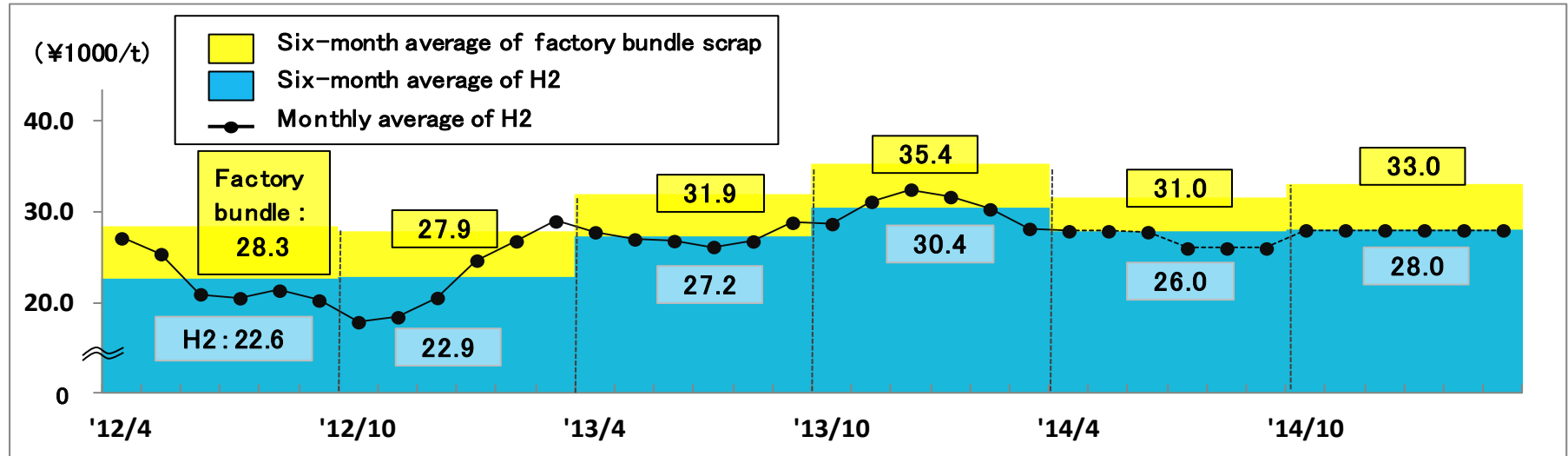
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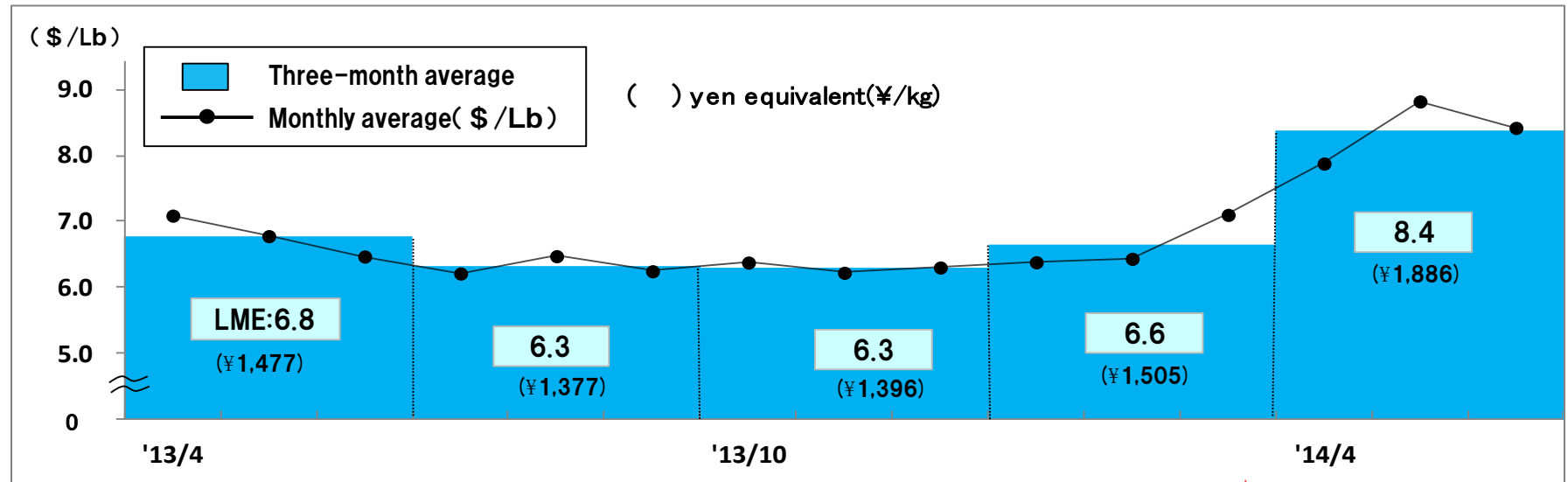
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Market Trend of Raw Materials(Scrap Steel and Nickel)

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



< Nickel price LME >



FY2015/1Q Market Trend

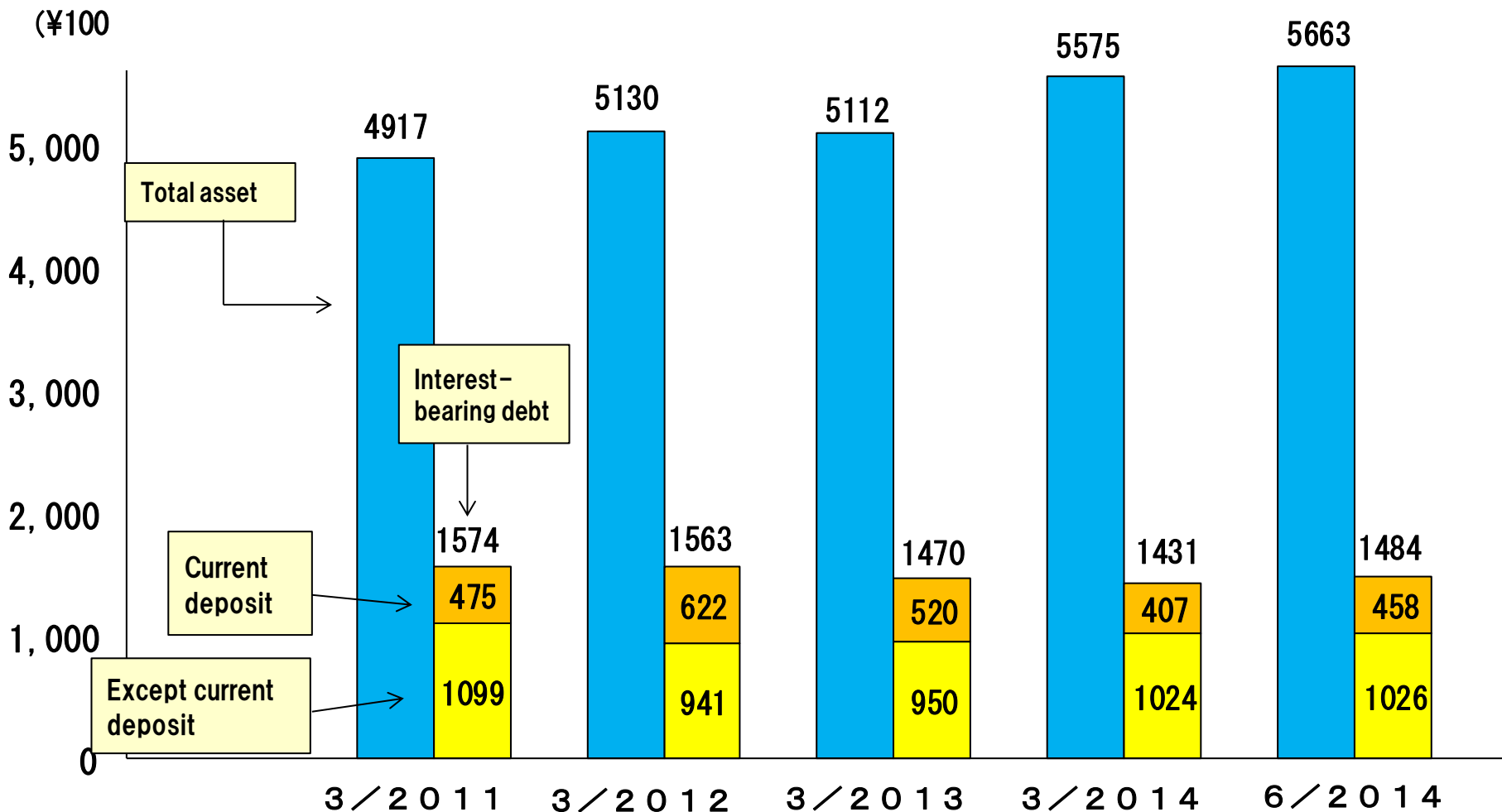
| | UNIT | FY2015 FH Premises of plan | FY2015/1Q Results (Difference) |
|--|----------|-------------------------------|--|
| Scrap steel Upper:H2 Lower:Factory bundle | ¥thou./T | 26.0 31.0 | 27.9 (+1.9) 32.3 (+1.3) |
| Nickel (LME) | \$/LB | 6.8 | 8.4 (+1.6) |
| Molybdenum (MW) | \$/LB | 11.0 | 13.6 (+2.6) |
| Crude oil (Dubai) | \$/B | 105.0 | 106.1 (+1.1) |
| Exchange rate (TTM) | ¥/\$ | 105.0 | 102.2 (-2.8) |

FY2015 Extraordinary Income/Loss and Net Income

(¥100 mil.)

| | |
|--|------------|
| FY2015 Ordinary income | 46 |
| Extraordinary income / loss | 0 |
| Income taxes | ▲20 |
| FY2015 Net income | 26 |

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



| | 3/2011 | 3/2012 | 3/2013 | 3/2014 | 6/2014 |
|------------|-------------|-------------|-------------|-------------|-------------|
| ROA | 6.6% | 6.3% | 3.2% | 3.8% | 3.3% |
| D/E | 0.88 | 0.79 | 0.69 | 0.62 | 0.64 |

(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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