

Fiscal Year ending March 2018 3rd Quarter Results

January 30, 2018



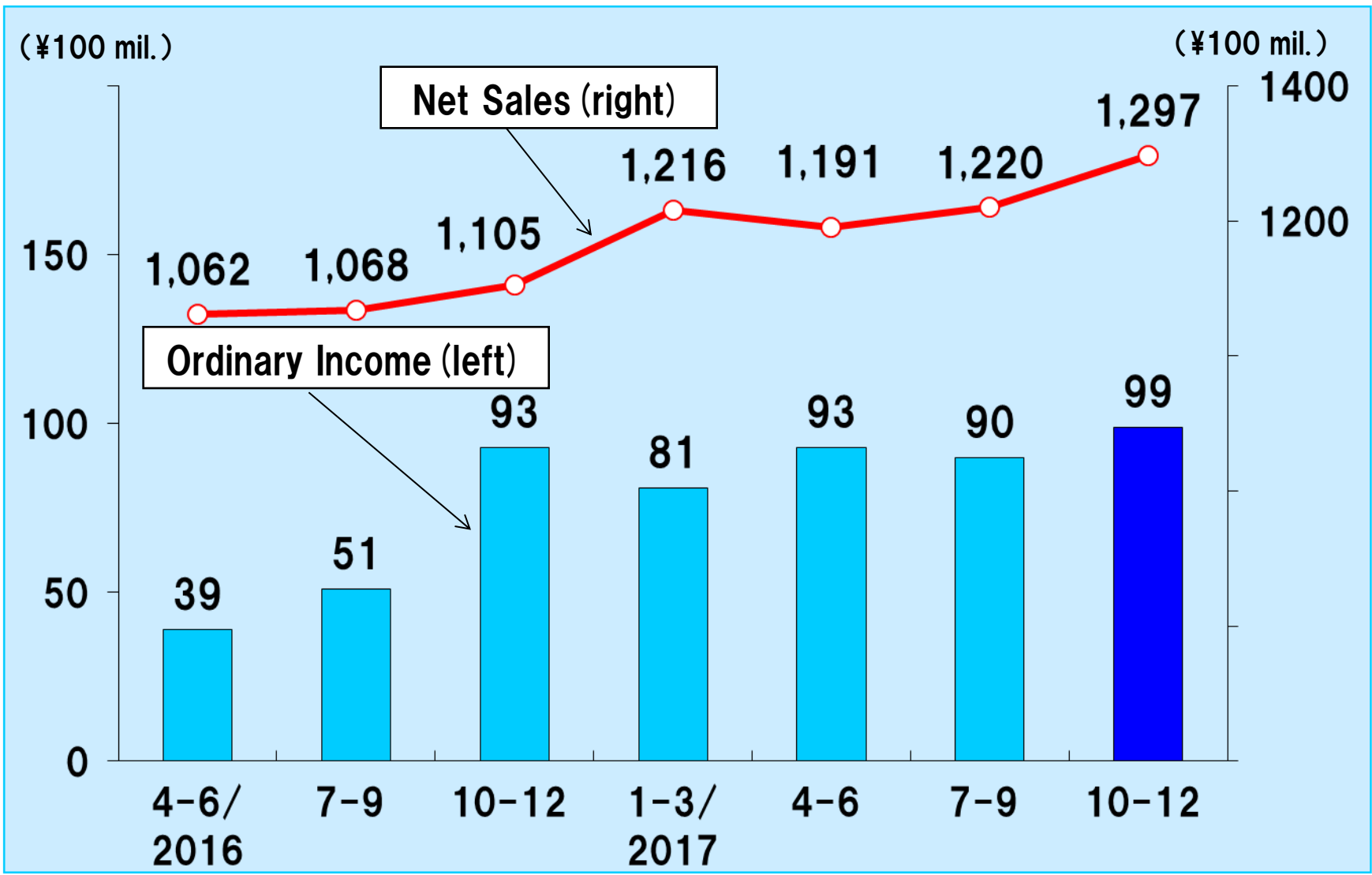
Overview of the FY2018 3rd quarter results

(¥100 mil.)	FY2017 3Q	FY2018 3Q	y/y basis
Net Sales	3,235	3,708	+ 473
Operating income	176	279	+103
Ordinary income	183	282	+ 99
Net income (※)	109	183	+ 74

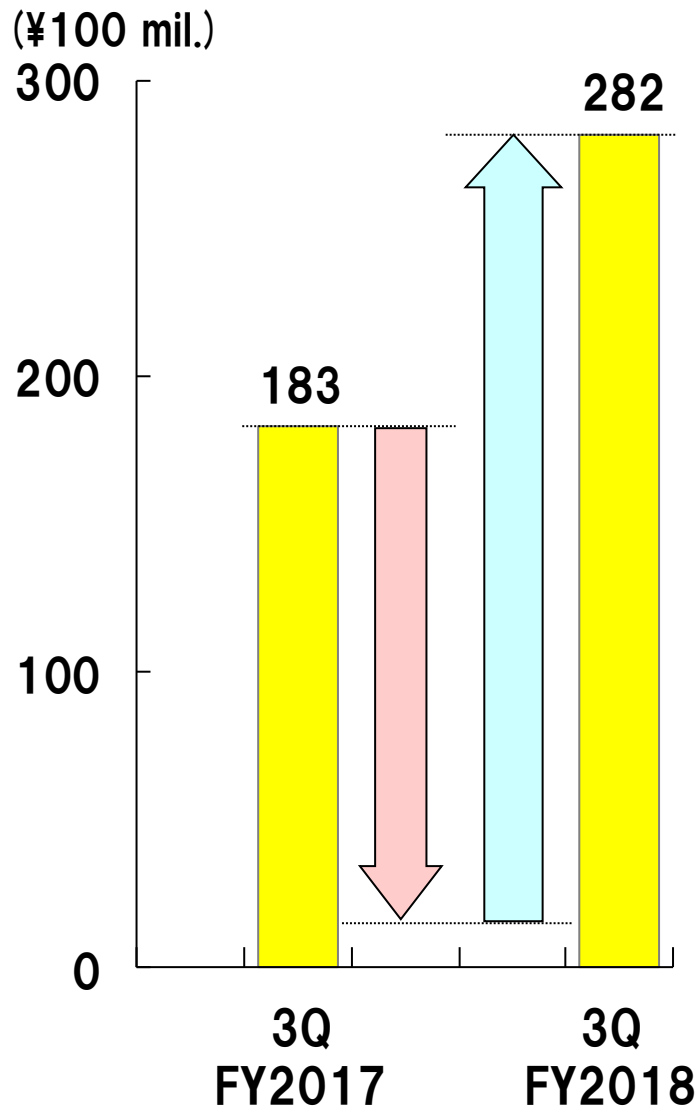
※: Net income that is profit attributable to owners of parent

➤ Significant growth in sales and profit was achieved due to increase in our sales volume, which has been coming from strong demand in automobile, construction and industrial machinery, and semi-conductor related industries.

Net Sales & Ordinary Income (Quarterly)



Changes in Ordinary Income (y/y)



4-12/2016 Ordinary Income		
Changes (y/y)	Operating Income / Loss	Raw material/Fuel price
		Sales volume
		Sales price
		Sales mix
		Variable cost
		Fixed cost
		Subtotal
	Non-Operating income	
4-12/2017 Ordinary Income		

(¥100 mil.)

183	
-152	
	+81
	+119
	+51
	+12
-8	
-160	+263
-4	
282 (+99)	

Net Sales & Operating Income by Segment

(¥100 mil.)

		4-12/2016	4-12/2017	y/y basis (B) - (A)
		Results (A)	Results (B)	
Specialty Steel	Net Sales	1,201	1,405	204
	Operating Income	44	61	17
High Performance Materials & Magnetic Materials	Net Sales	1,088	1,255	167
	Operating Income	124	167	43
Parts for Automobile & Industrial Equipment	Net Sales	709	784	75
	Operating Income	▲ 11	20	31
Engineering	Net Sales	163	162	-1
	Operating Income	6	10	4
Trading & Service	Net Sales	74	102	28
	Operating Income	13	21	8
Total	Net Sales	3,235	3,708	473
	Operating Income	176	279	103

Sales volume of specialty steel

894 thou.t

984 thou.t

90 thou.t

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
4-12/2016 Ordinary Income			44	124	▲11	6
Changes (y/y)	Operating Income / Loss	Raw material/Fuel price	-110	-33	-9	
		Sales volume		+32	+17	
		Sales price		+77	+7	
		Sales mix		+20	+10	+4
		Variable cost		+4	+3	
		Fixed cost	-6	-5	+3	
		Total	-116	+133	-9	+40
4-12/2017 Ordinary Income			61 (+17)	167 (+43)	20 (+31)	10 (+4)

Net Sales & Operating Income by Segment (Quarterly)

(¥100 mil.)

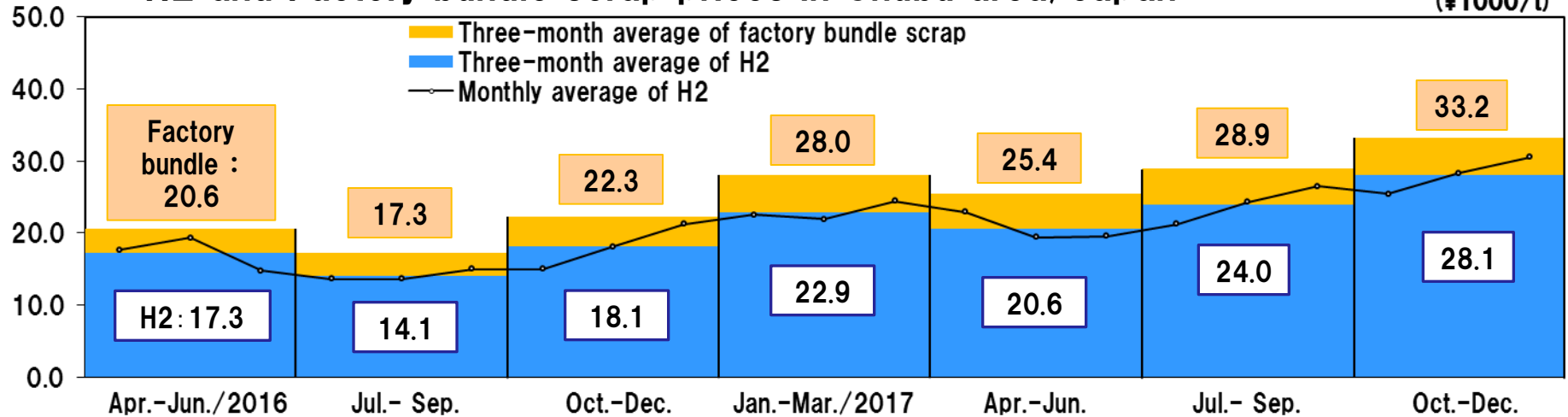
		FY2018				FY2018 financial results forecasts (Oct. 31, 2017)
		1Q (Results)	2Q (Results)	3Q (Results)	累計 (Results)	
Specialty Steel	Net Sales	456	458	491	1,405	1,846
	Operating Income	20	28	13	61	71
High Performance Materials & Magnetic Materials	Net Sales	404	407	444	1,255	1,660
	Operating Income	54	54	59	167	225
Parts for Automobile & Industrial Equipment	Net Sales	257	260	267	784	1,075
	Operating Income	7	4	9	20	22
Engineering	Net Sales	44	61	57	162	235
	Operating Income	2	5	3	10	16
Trading & Service	Net Sales	30	34	38	102	144
	Operating Income	7	6	8	21	26
Total	Net Sales	1,191	1,220	1,297	3,708	4,960
	Operating Income	90	97	92	279	360

Sales volume of specialty steel

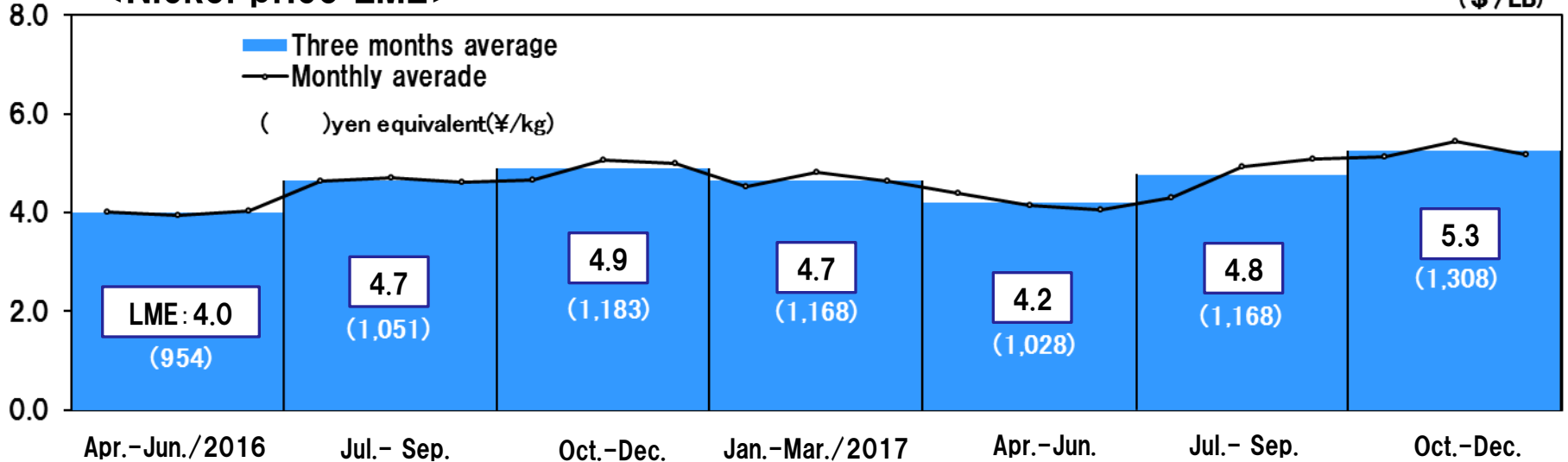
326 thou.t 324 thou.t 334 thou.t 984 thou.t 1,318 thou.t

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 FY2018 (Market Trend)

	UNIT	4-9/2017 Results	10-12/2017 Results (Difference from premise announced on Oct. 31, 2017)
Scrap steel Upper:H2 Lower:Factory bundle	¥thou./T	22.3 27.1	28.1 (+3.1) 33.2 (+3.2)
Nickel (LME)	\$/LB	4.5	5.3 (+0.3)
Molybdenum (MD)	\$/LB	8.1	8.8 (+0.8)
Crude oil (Dubai)	\$/B	50.2	58.9 (+8.9)
Exchange rate (TTM)	¥/\$	111.1	113.0 (+3.0)

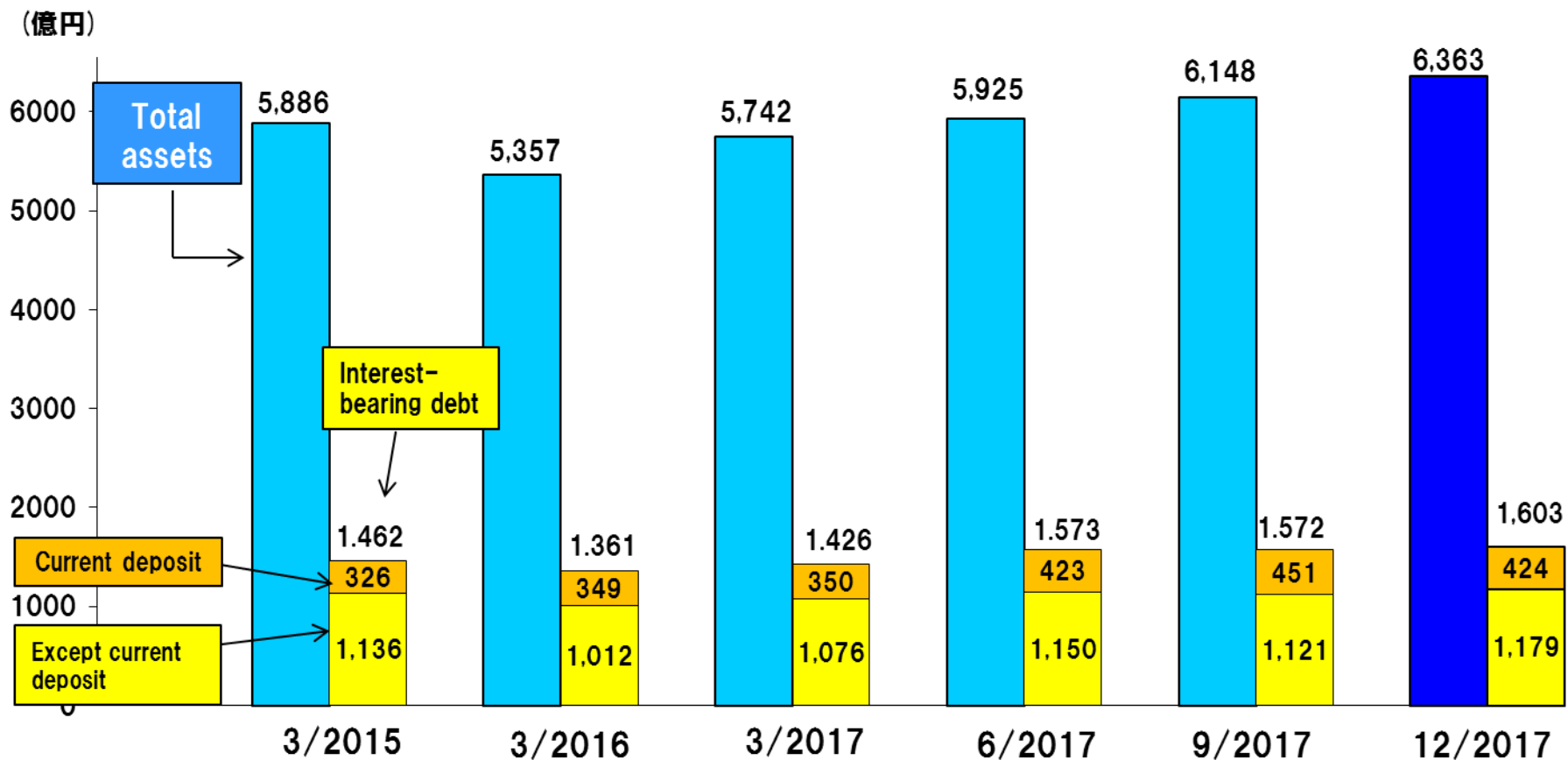
Extraordinary Income/Loss and Net Income

(¥100 mil.)

FY2018 3rd quarter Ordinary income	282
Extraordinary income / loss	7
Income taxes	▲106
FY2018 3rd quarter Net income_(※)	183

※: Quarter net income that is profit attributable to owners of parent

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



	3/2015	3/2016	3/2017	6/2017	9/2017	12/2017
ROA	3.8%	4.5%	4.8%	6.4%	6.2%	6.2%
D/E	0.57	0.58	0.55	0.60	0.57	0.56

(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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