

Fiscal Year ending March 2020 3rd Quarter Results

January 31, 2020



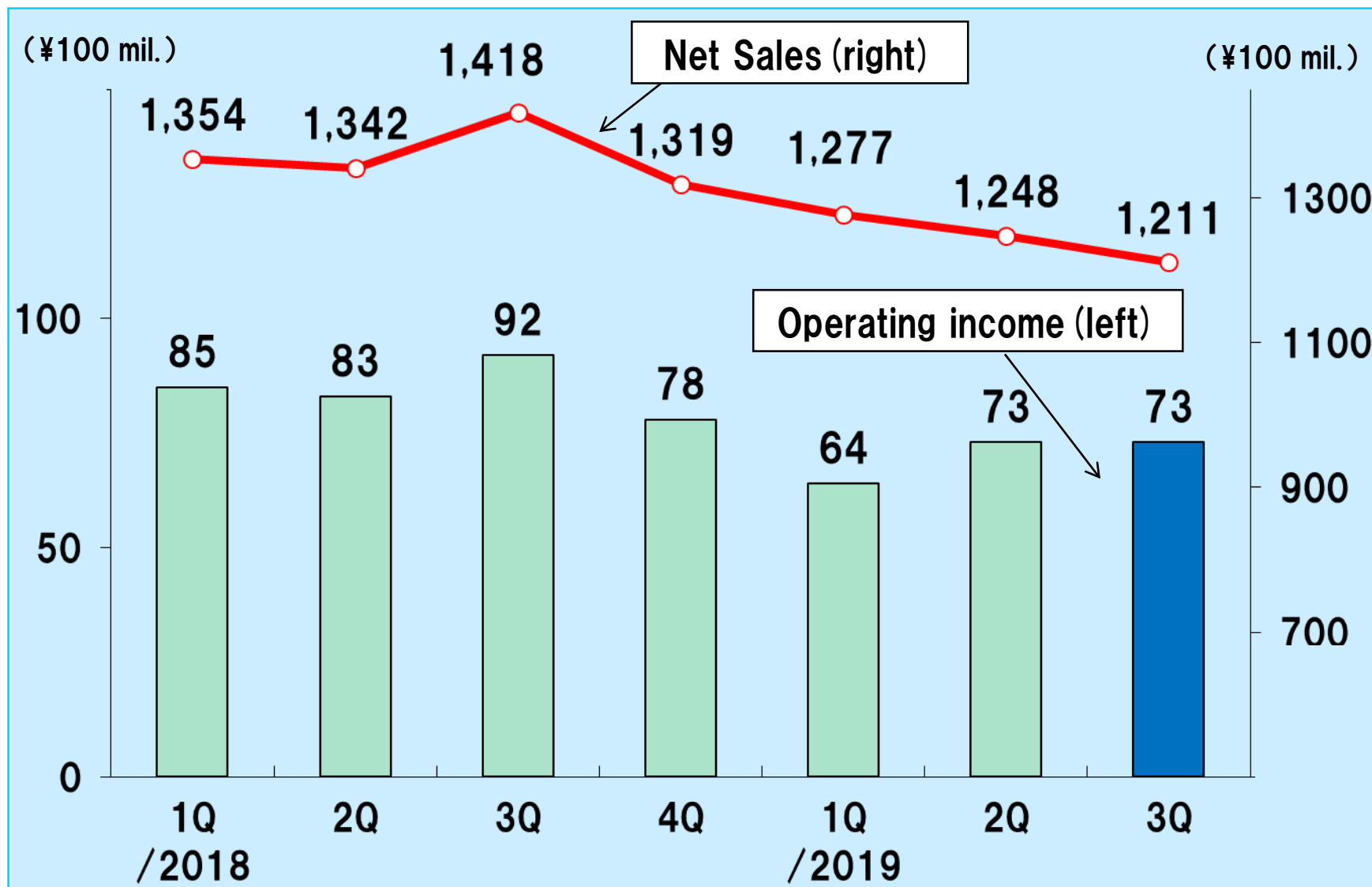
Overview of the FY2019 3rd quarter results

(¥100 mil.)	FY2018 3Q	FY2019 3Q	y/y basis
Net Sales	4,114	3,736	△378
Operating income	260	210	△50
Ordinary income	269	214	△55
Net income (※)	167	162	△5

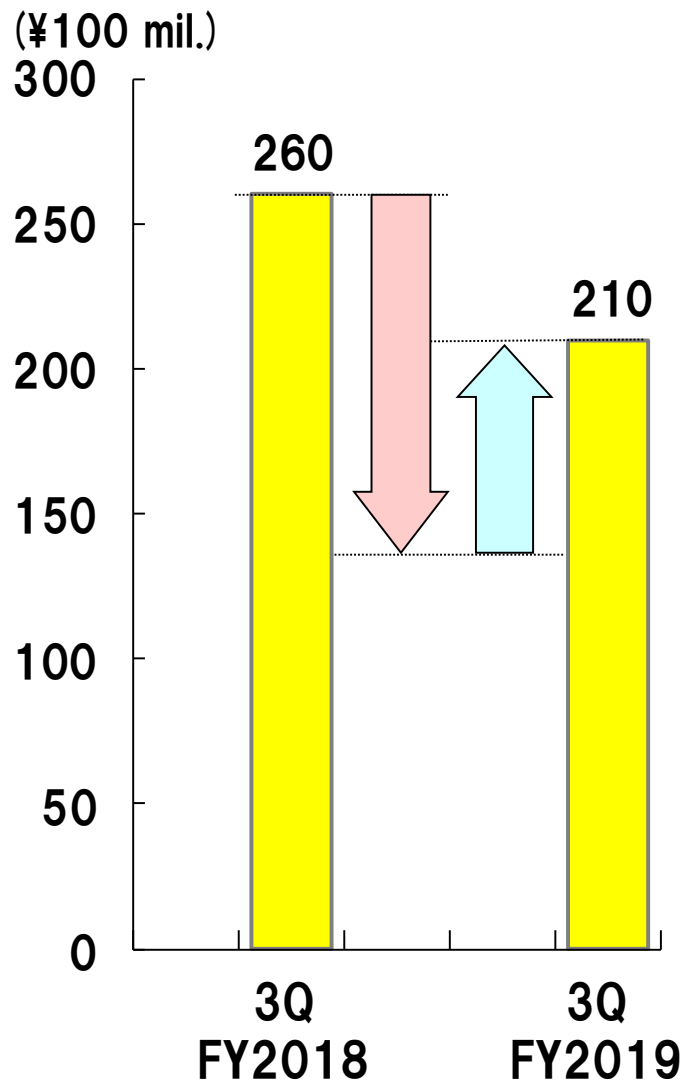
※: Quarter net income that is profit attributable to owners of parent

➤ Sales volume declined due to decreased demand in major industries such as automotive, industrial, and semiconductor-related industries. Though the price of raw materials such as scrap iron remained at low level, profits declined.

Net Sales & Operating Income (Quarterly)



Changes in Operating Income (y/y)



4-12/2018 Operating Income	
Changes (y/y)	Raw material/ Fuel price
	Sales volume
	Sales price
	Sales mix
	Variable cost
	Fixed cost
	Newly consolidated subsidiaries
	Total
4-12/2019 Operating Income	

(¥100 mil.)

4-12/2018 Operating Income	
260	
	+54
-101	
	+3
-7	
-11	
	+5
	+7
-119	+69
4-12/2019 Operating Income	
210 (-50)	

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

(¥100 mil.)

		FY2018 3Q Results (A)	FY2019 3Q Results (B)	y/y (B) - (A)
Specialty Steel	Net Sales	1,561	1,417	-144
	Operating Income	36	53	17
High Performance Materials & Magnetic Materials	Net Sales	1,403	1,261	-142
	Operating Income	166	105	-61
Parts for Automobile & Industrial Equipment	Net Sales	841	741	-100
	Operating Income	22	5	-17
Engineering	Net Sales	205	193	-12
	Operating Income	17	26	9
Trading & Service	Net Sales	104	124	20
	Operating Income	19	21	2
Total	Net Sales	4,114	3,736	-378
	Operating Income	260	210	-50

Sales volume of specialty steel

1,015thou.t 919thou.t -96thou.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		
4-12/2018 Operating Income			36	166	22	17		
Changes (y/y)	Operating Income / Loss	Raw material/ Fuel price	/	+44	/	+13	/	
		Sales volume	-24	/	-46	/	-31	/
		Sales price	/	+6	/	+4	/	+9
		Sales mix	-6	/	-15	/	+6	+9
		Variable cost	-6	/	-7	/	+2	/
		Fixed cost	/	+3	/	+4	/	/
		Newly consolidated subsidiaries	/	+3	/	+3	/	/
		Total	-36	+53	-77	+16	-34	+17
4-12/2019 Operating Income			53 (+17)	105 (-61)	5 (-17)	26 (+9)		

Net Sales & Operating Income by Segment (Quarterly)

(¥100 mil.)

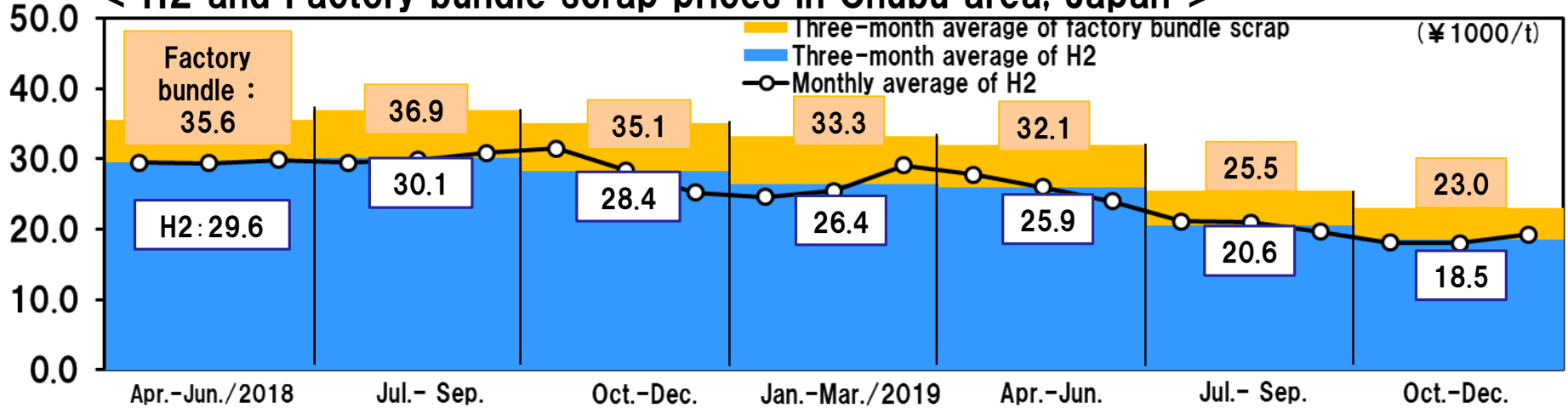
		FY2019				FY2019 financial results forecast (Oct. 31 2019)
		1Q (Results)	2Q (Results)	3Q (Results)	Total (Results)	
Specialty Steel	Net Sales	499	472	446	1,417	1,870
	Operating Income	12	20	21	53	85
High Performance Materials & Magnetic Materials	Net Sales	429	418	414	1,261	1,660
	Operating Income	36	34	35	105	145
Parts for Automobile & Industrial Equipment	Net Sales	250	249	242	741	980
	Operating Income	4	2	▲ 1	5	10
Engineering	Net Sales	53	71	69	193	250
	Operating Income	5	10	11	26	25
Trading & Service	Net Sales	46	38	40	124	170
	Operating Income	7	7	7	21	25
Total	Net Sales	1,277	1,248	1,211	3,736	4,930
	Operating Income	64	73	73	210	290

Sales volume of specialty steel

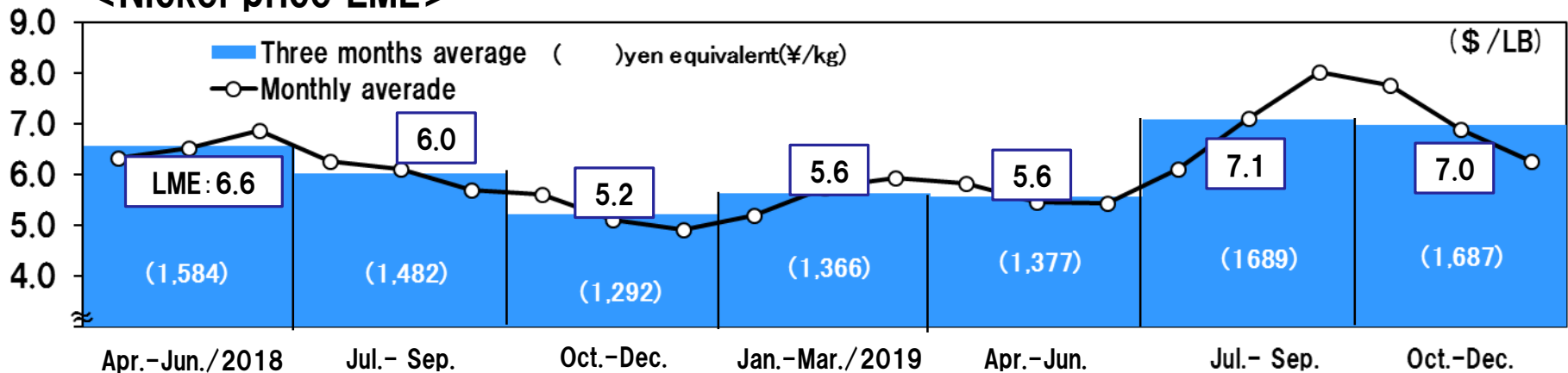
318thou.t 307thou.t 294thou.t 919thou.t 1,234thou.t

Market Trend of Raw Materials(Scrap Steel and Nickel)

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



<Nickel price LME>



3Q/FY2019 Market Trend

	UNIT	FH of FY2019 Results	3Q/FY2019 Results (Difference from premise announced on Oct. 31, 2019)
Scrap steel Upper:H2 Lower:Factory bundle	¥thou./T	23.3	18.5 (-1.5)
		28.8	23.0 (-2.0)
Nickel (LME)	\$/LB	6.3	7.0 (-0.5)
Crude oil (Dubai)	\$/B	63.1	60.5 (+0.5)
Exchange rate (TTM)	¥/\$	109.6	109.8 (+4.8)

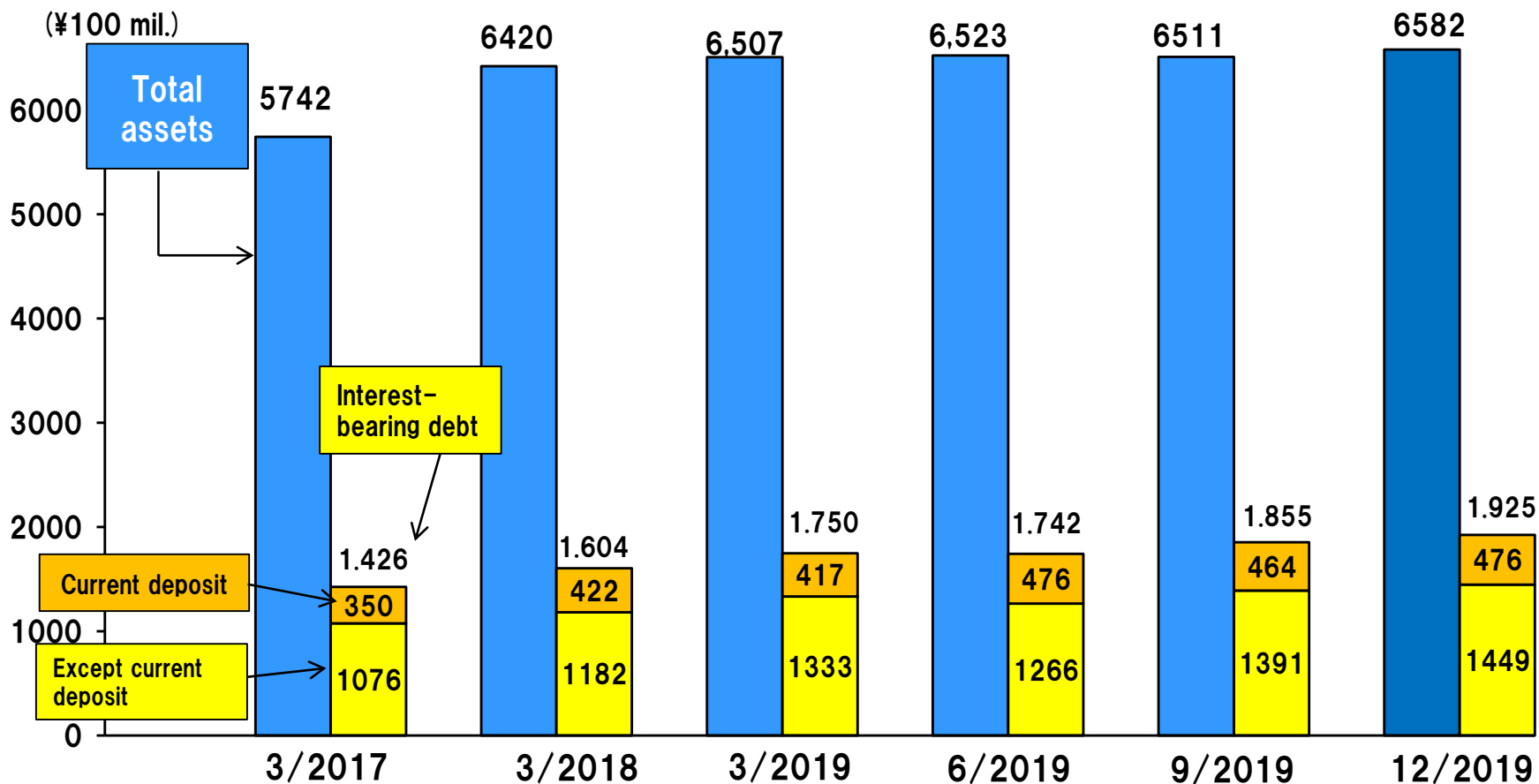
3Q/FY2019 Ordinary Income and Net Income

(¥100 mil.)

FY2019 3rd quarter Operating income	210
Non-operating income / loss	4
Ordinary income	214
Extraordinary income / loss	40
Income taxes	▲92
FY2019 3rd quarter Net income(※)	162

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

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



	3/2017	3/2018	3/2019	6/2019	9/2019	12/2019
ROA	4.8%	5.9%	5.3%	4.0%	4.2%	4.4%
D/E	0.55	0.56	0.61	0.60	0.63	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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