

Fiscal Year Ending March 2025 1st Quarter Results (Apr. 1 - Jun. 30, 2024)

July 29, 2024



■ Overview of the FY2024 1st Quarter Results

- ✓ There was an increase in operating profit, due to a robust volume of orders for open die forgings, which led to higher production and shipping levels. Additionally, the stainless steel sales volume rebounded. However, the structural steel sales volume declined, due to a reduction in automobile production, resulting in a year-on-year decrease in the total specialty steel sales volume.
- ✓ Operating profit, excluding one-time gains and losses from the magnet production subsidiary in China that is undergoing liquidation proceedings, exceeded the initial plan.

(thousand tons, ¥100 million)

	FY2023 Results First Quarter (IFRS)	FY2024 Results First Quarter (IFRS)	y/y
Sales Volume of Specialty Steel	266	262	-4
Revenue	1,419	1,421	2
Operating Profit	87	101	14
(Excluding one-time gains and losses*)	(87)	(121)	(34)
Profit Before Tax	99	114	15
First quarter profit attributable to owners of parent	65	68	3

* Additional expenses at the magnet production subsidiary in China undergoing liquidation proceedings.

■ Revenue & Operating Profit by Segment (y/y)

(¥100 million)

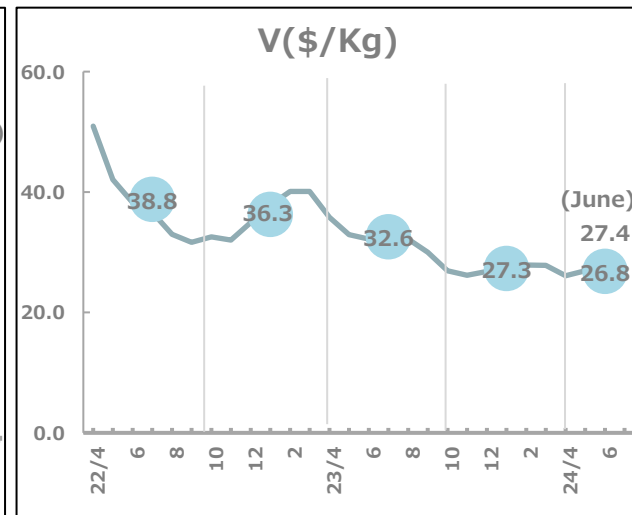
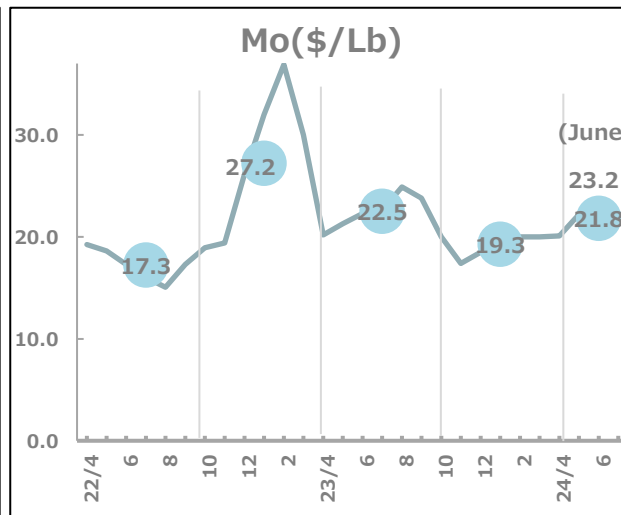
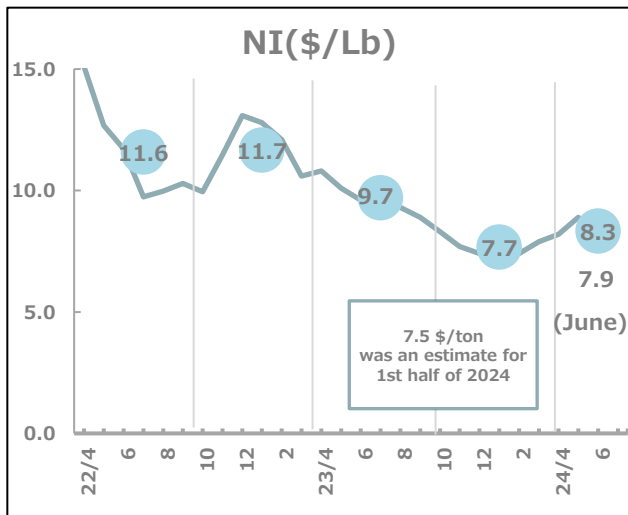
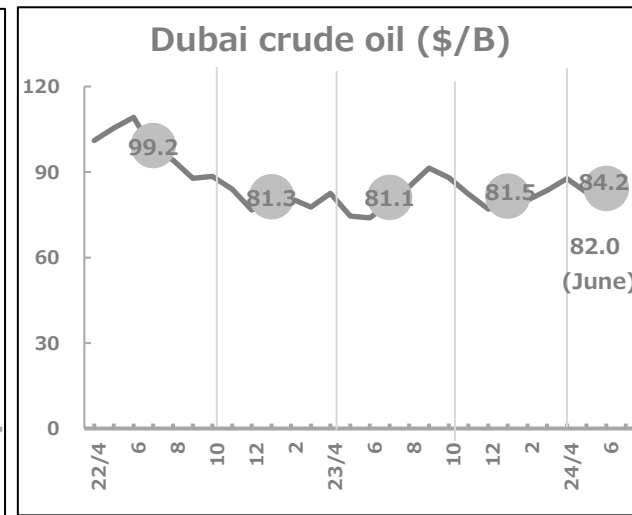
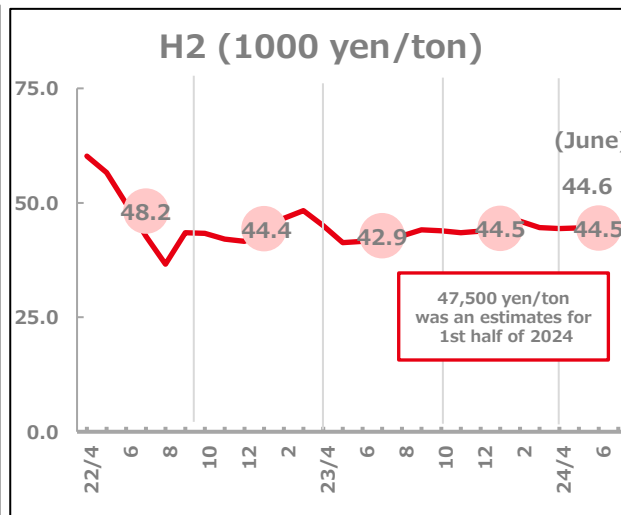
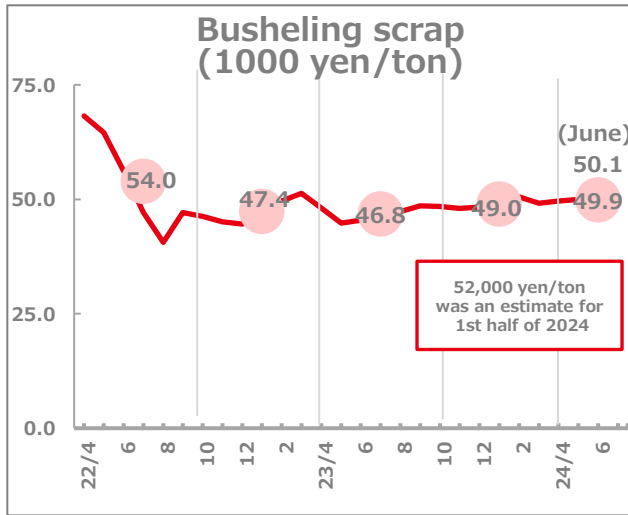
	FY2023 1st Quarter Results		FY2024 1st Quarter Results		y/y	
	Revenue	Operating Profit	Revenue	Operating Profit	Revenue	Operating Profit
Specialty Steel	552	26	534	33	-18	7
High-Performance Materials and Magnetic Materials (Excluding one-time gains and losses*)	512	35 (35)	497	30 (50)	-15	-5 (15)
Parts for Automobile and Industrial Equipment	241	9	272	28	31	19
Engineering	50	5	46	2	-4	-3
Trading and Service	64	12	72	8	8	-4
Total (Excluding one-time gains and losses*)	1,419	87 (87)	1,421	101 (121)	2	14 (34)

* Additional expenses at the magnet production subsidiary in China undergoing liquidation proceedings.

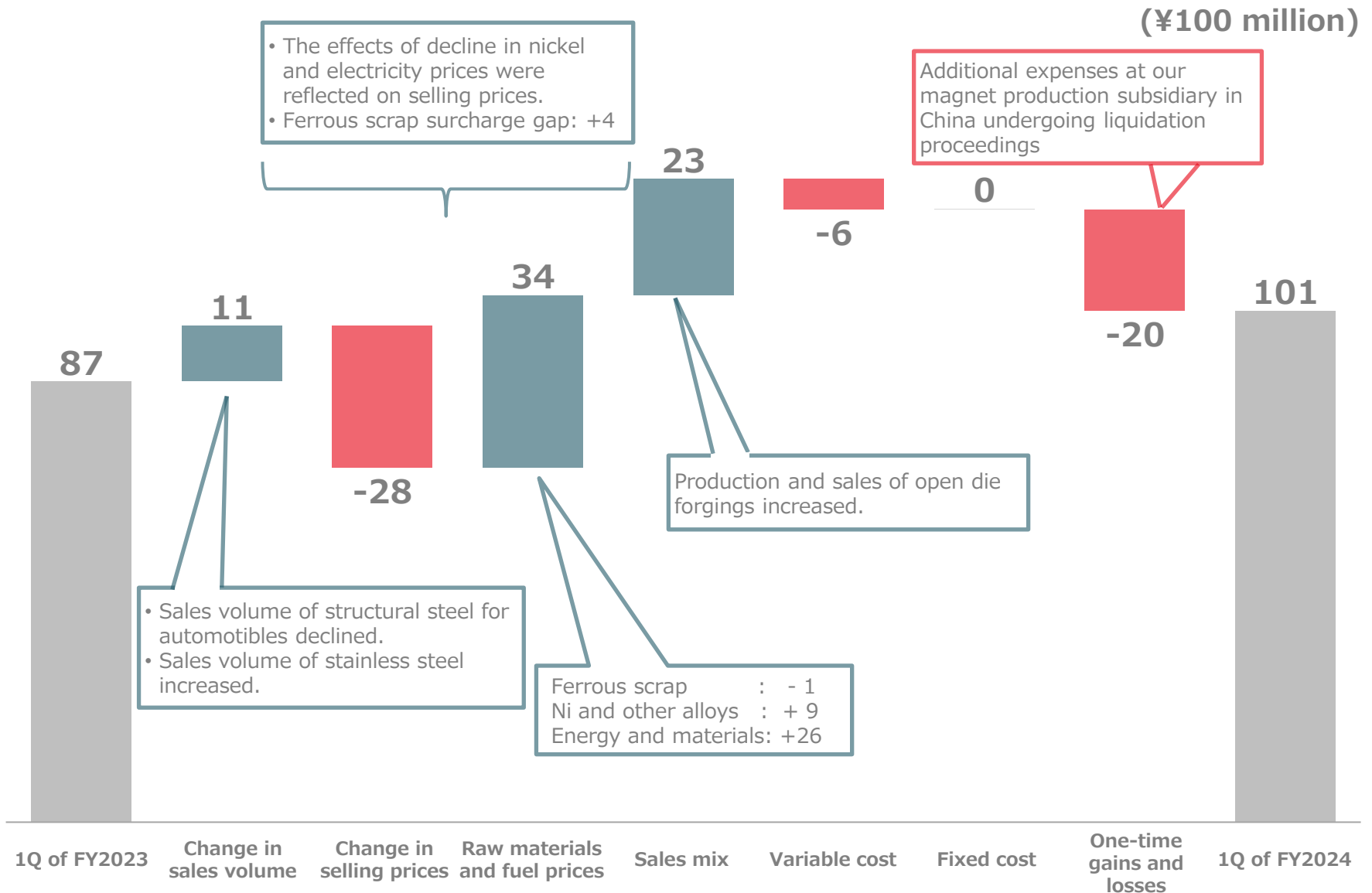
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Sales Volume of Specialty Steel (non-consolidated)	266	262	-4
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Raw Materials Prices



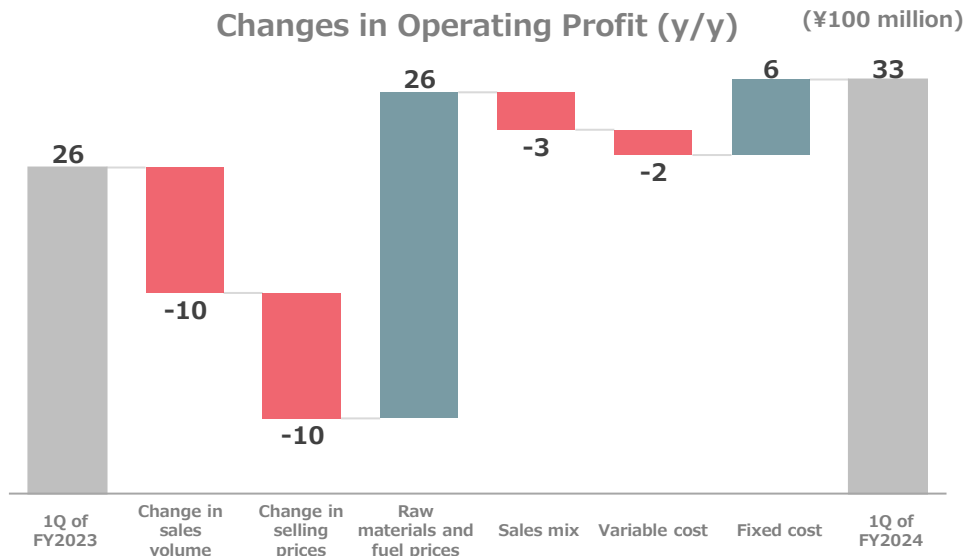
■ 1Q of 2024 Changes in Operating Profit (y/y)



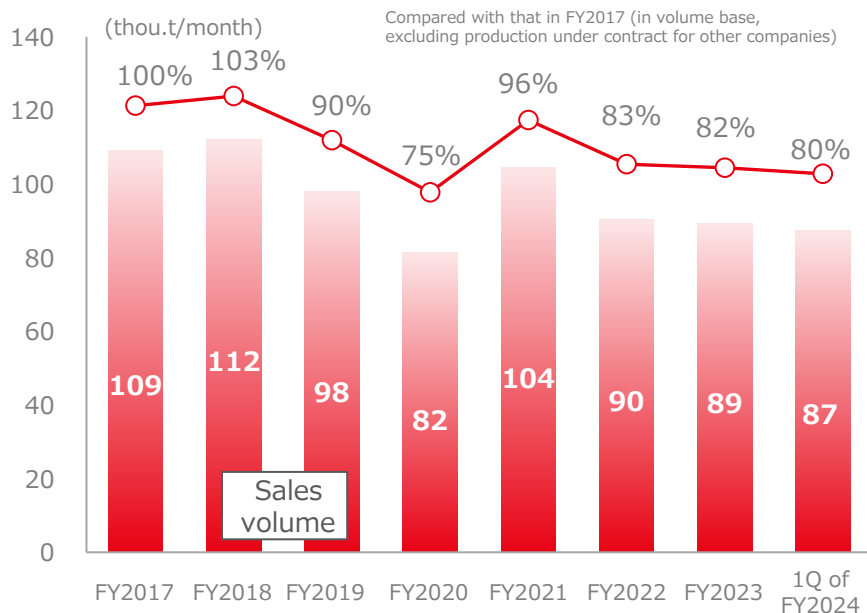
Overview of Specialty Steel

(¥100 million)

	1Q of FY2023	1Q of FY2024	y/y
	a	b	b-a
Revenue	552	534	-18
Operating Profit	26	33	7
Surcharge Gap	-1	3	4



<Sales Volume of Specialty Steel (non-consolidated)>



POINT

- ✓ The decline in sales volume was due to a reduction in automobile production by Japanese OEMs in China.
- ✓ The decrease in energy costs was reflected in the selling prices of our products. Roll margins improved from the previous year, due to the effects of the ferrous scrap surcharge gap and tool steel price hikes.
- ✓ The fixed-cost burden was mitigated by the build-up of inventory in anticipation of higher electricity prices during the summer months.

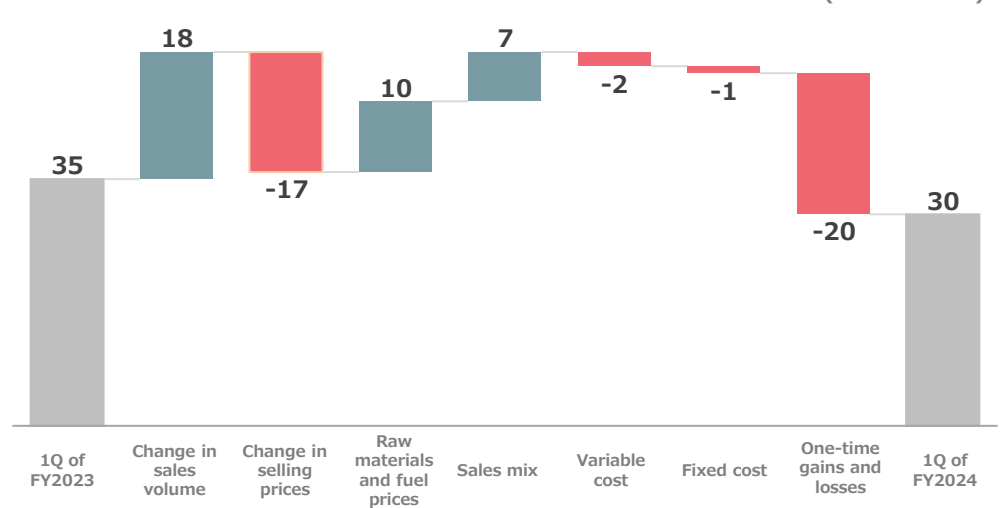
Overview of High-Performance Materials and Magnetic Materials

(¥100 million)

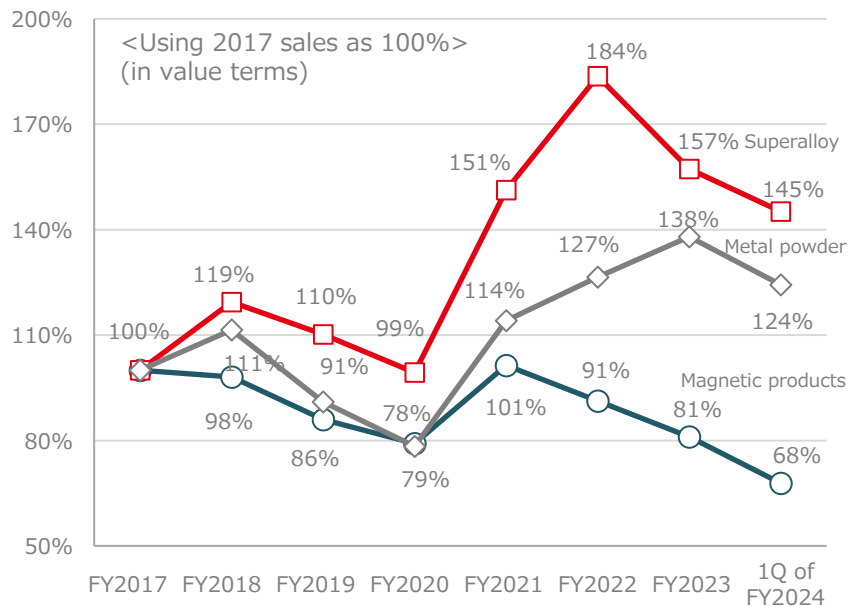
	1Q of FY2023 a	1Q of FY2024 b	y/y b-a
Revenue	512	497	-15
Operating Profit	35	30	-5
Operating Profit Excluding one-time gains and losses*	(35)	(50)	(15)

* Additional expenses at the magnet production subsidiary in China undergoing liquidation proceedings.

Changes in Operating Profit (y/y) (¥100 million)



<Sales of superalloy, magnetic products and metal powder>



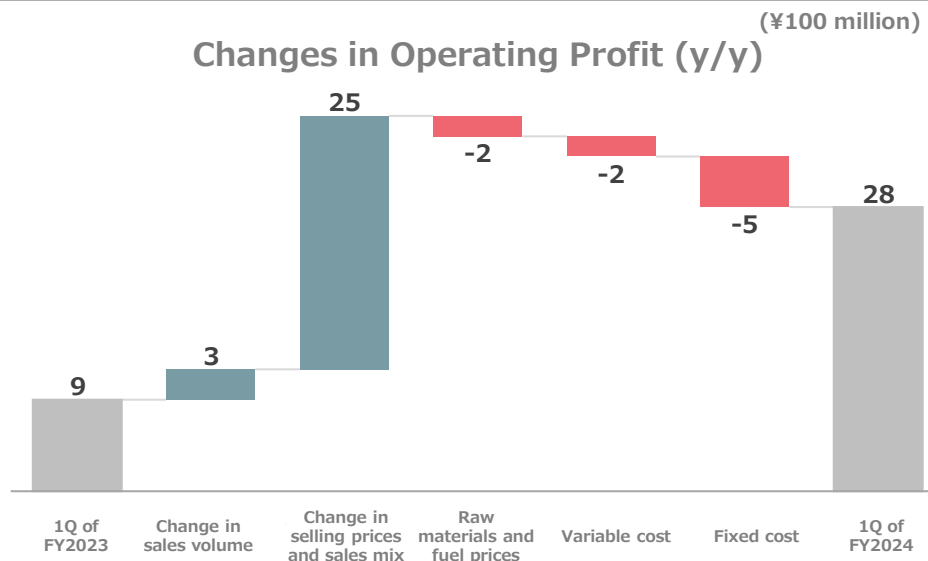
POINT

- ✓ The sales volume of stainless steel increased, partly due to increased demand for data center HDDs, resulting in an increase in operating profit.
- ✓ However, this segment's total operating profit declined, due to additional expenses incurred by the magnet production subsidiary in China undergoing liquidation proceedings.

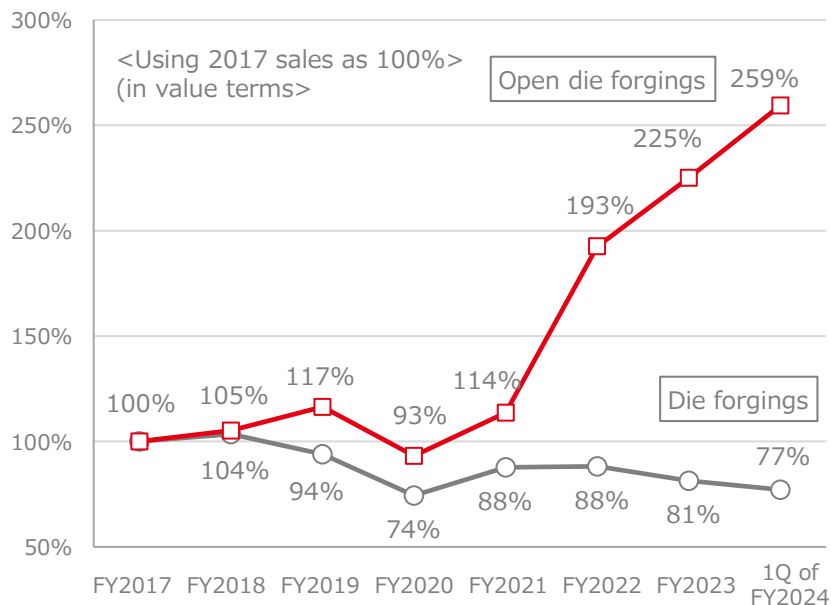
Overview of Parts for Automobile and Industrial Equipment

(¥100 million)

	1Q of FY2023 a	1Q of FY2024 b	y/y b-a
Revenue	241	272	31
Operating Profit	9	28	19



<Sales of die forgings and open die forgings>



POINT

- ✓ Open die forgings achieved a notable increase in operating profit, capitalizing on sustained demand for the product across the aircraft, heavy electric machinery, and offshore drilling industries, which resulted in an increased product's shipping volume.
- ✓ Sales of engine valves underwent growth driven by heightened demand in North America and some other regions.
- ✓ In March 2025, we plan to withdraw from the precision-cast turbine housing business.

(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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