

Fiscal Year ending March 2016 3rd Quarter Results

January 29, 2016



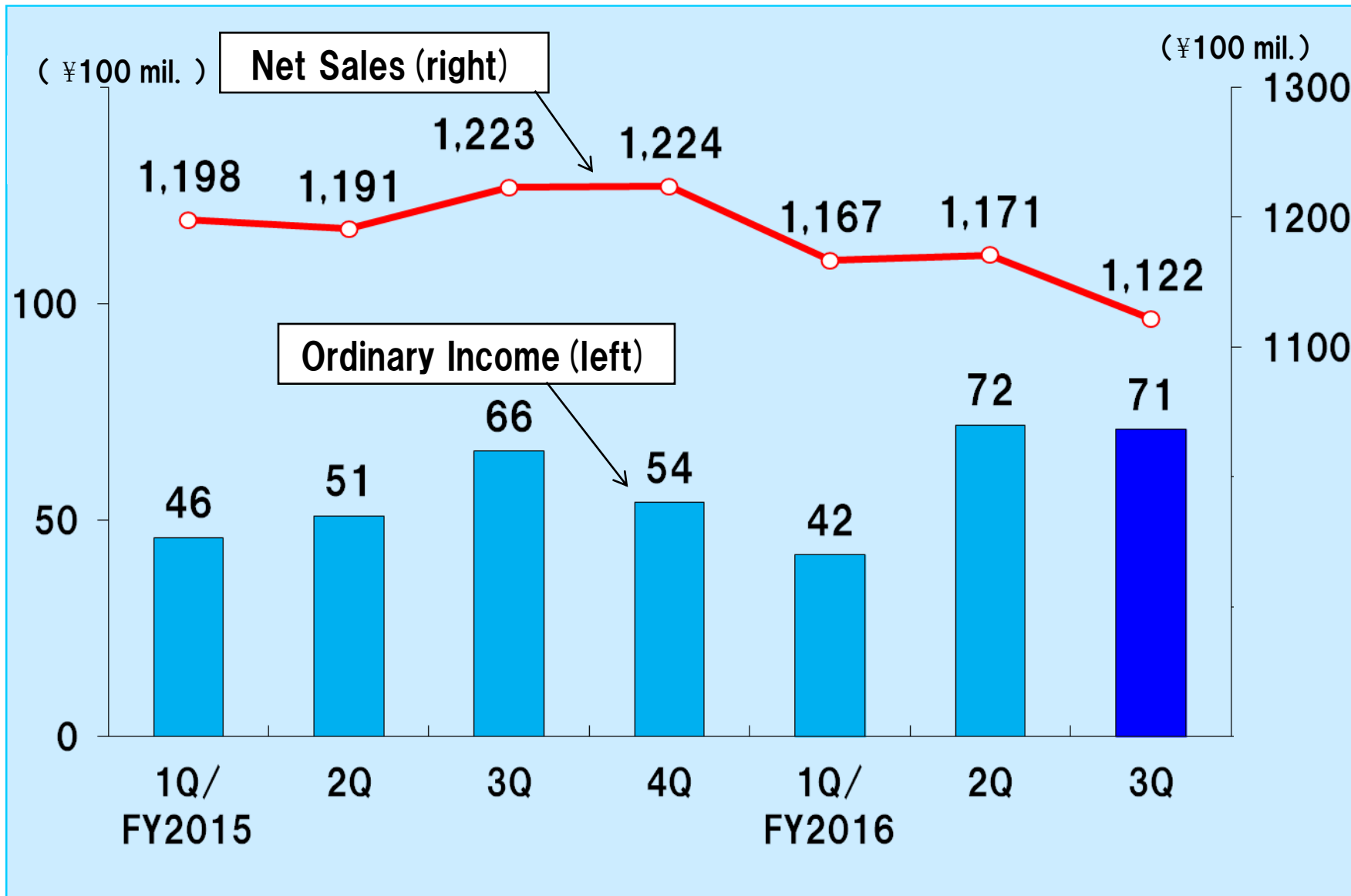
Overview of the FY2016 3rd quarter results

(¥100 mil.)	FY2015 3Q	FY2016 3Q	y/y basis
Net Sales	3,613	3,460	-153
Operating income	141	176	+35
Ordinary income	163	185	+22
Net income (*)	93	66	-27

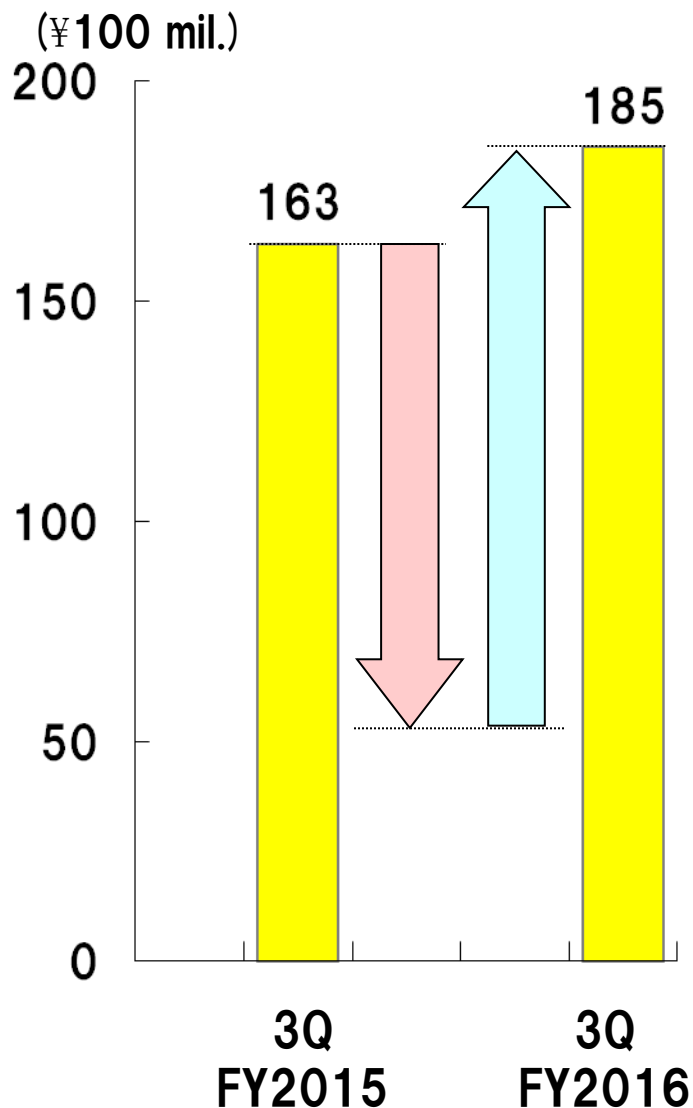
- Net sales declined because the sales volume of our products for automobiles decreased and the selling prices were reduced because of the effects of the MPS (material price surcharge).
- Operating income and ordinary income increased because the decline in raw fuel prices gave us an increased profit margin.
- Net income (*) dropped due to the extraordinary loss posted in the second quarter of this fiscal year.

*: The quarterly net income that is attributable to the stockholders of the parent company.

Changes in Net Sales & Ordinary Income (Quarterly)



3Q/FY2016 Changes in Ordinary Income (y/y)



3Q/FY2015 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	
3Q/FY2016 Ordinary Income		

(¥100 mil.)

163	
-34	+116
-53	+9
+10	+10
-13	+135
-100	+13
-13	+135
185 (+22)	

FY2016 Net Sales & Operating Income by Segment

(¥100 mil.)

		3Q/FY2015	3Q/FY2016	
		Results (A)	Results (B)	y/y basis (B) - (A)
Specialty Steel	Net Sales	1,427	1,277	-150
	Operating Income	15	49	34
High Performance Materials & Magnetic Materials	Net Sales	1,198	1,185	-13
	Operating Income	103	93	-10
Parts for Automobile & Industrial Equipment	Net Sales	744	741	-3
	Operating Income	8	10	2
Engineering	Net Sales	165	189	24
	Operating Income	5	15	10
Trading & Service	Net Sales	79	68	-11
	Operating Income	10	9	-1
Total	Net Sales	3,613	3,460	-153
	Operating Income	141	176	35

Former Net Sales of
Specialty steel

volume

896thou.t

853thou.t

-43thou.t

FY2016 Net Sales & Operating Income by Segment (Quarterly)

(¥100 mil.)

		FY2016				FY2016 financial results forecasts (Oct. 30, 2015)
		1Q (Results)	2Q (Results)	3Q (Results)	Total (Results)	
Specialty Steel	Net Sales	433	426	418	1,277	1,703
	Operating Income	3	18	28	49	77
High Performance Materials & Magnetic Materials	Net Sales	409	398	378	1,185	1,600
	Operating Income	28	35	30	93	133
Parts for Automobile & Industrial Equipment	Net Sales	246	248	247	741	977
	Operating Income	3	5	2	10	22
Engineering	Net Sales	58	74	57	189	265
	Operating Income	3	7	5	15	19
Trading & Service	Net Sales	21	25	22	68	95
	Operating Income	3	3	3	9	9
Total	Net Sales	1,167	1,171	1,122	3,460	4,640
	Operating Income	40	68	68	176	260

Former Net Sales of
Specialty steel

volume

286thou.t

282thou.t

285thou.t

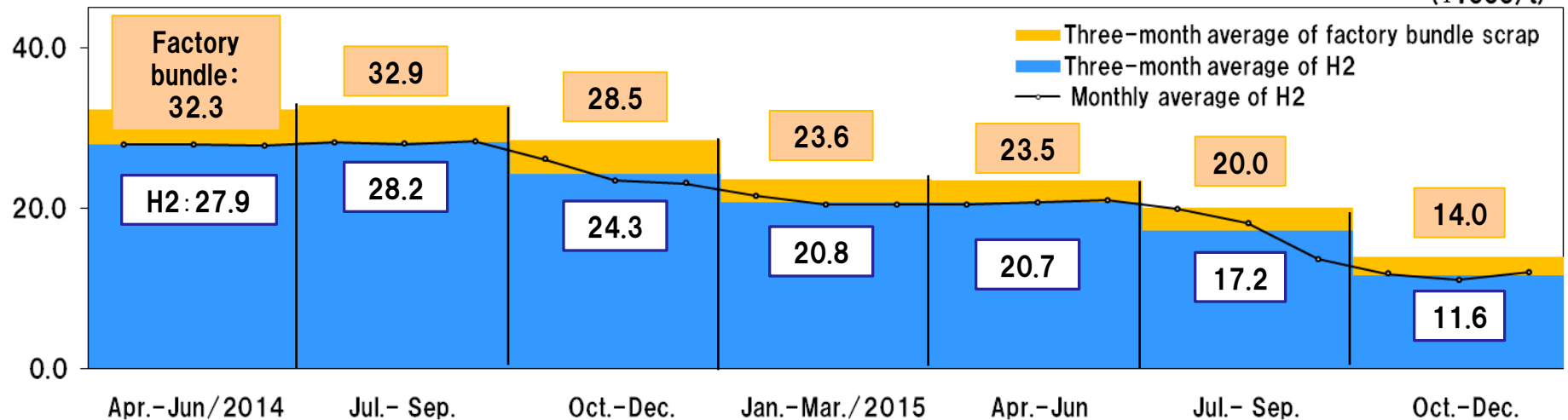
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Market Trend of Raw Materials(Scrap Steel and Nickel)

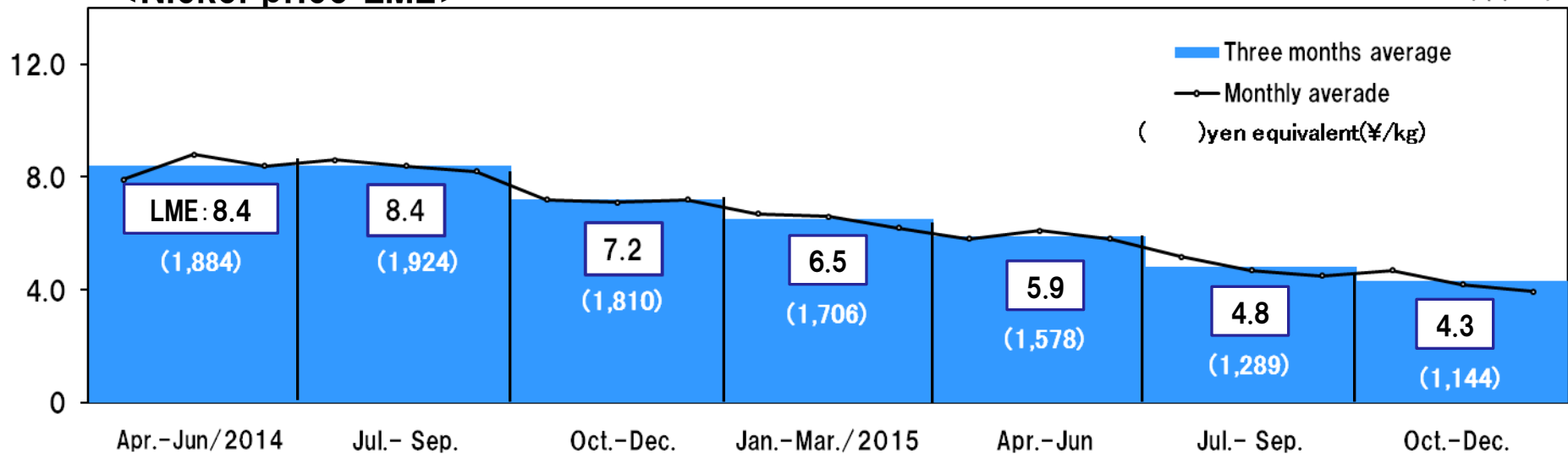
< H2 and Factory bundle scrap prices in Chubu area, Japan >

(¥1000/t)



<Nickel price LME>

(\$ /LB)



Premises of Profit Planning for FY2016 (Market Trend)

	UNIT	FH/FY2016 Results	3Q/FY2016 Results (Difference)
Scrap steel Upper:H2 Lower:Factory bundle	¥thou./T	19.0 21.8	11.6 (-0.4) 14.0 (±0)
Nickel (LME)	\$/LB	5.3	4.3 (-0.2)
Molybdenum (MD)	\$/LB	6.7	4.8 (-0.2)
Crude oil (Dubai)	\$/B	55.5	40.8 (-9.2)
Exchange rate (TTM)	¥/\$	121.8	121.5 (+1.5)

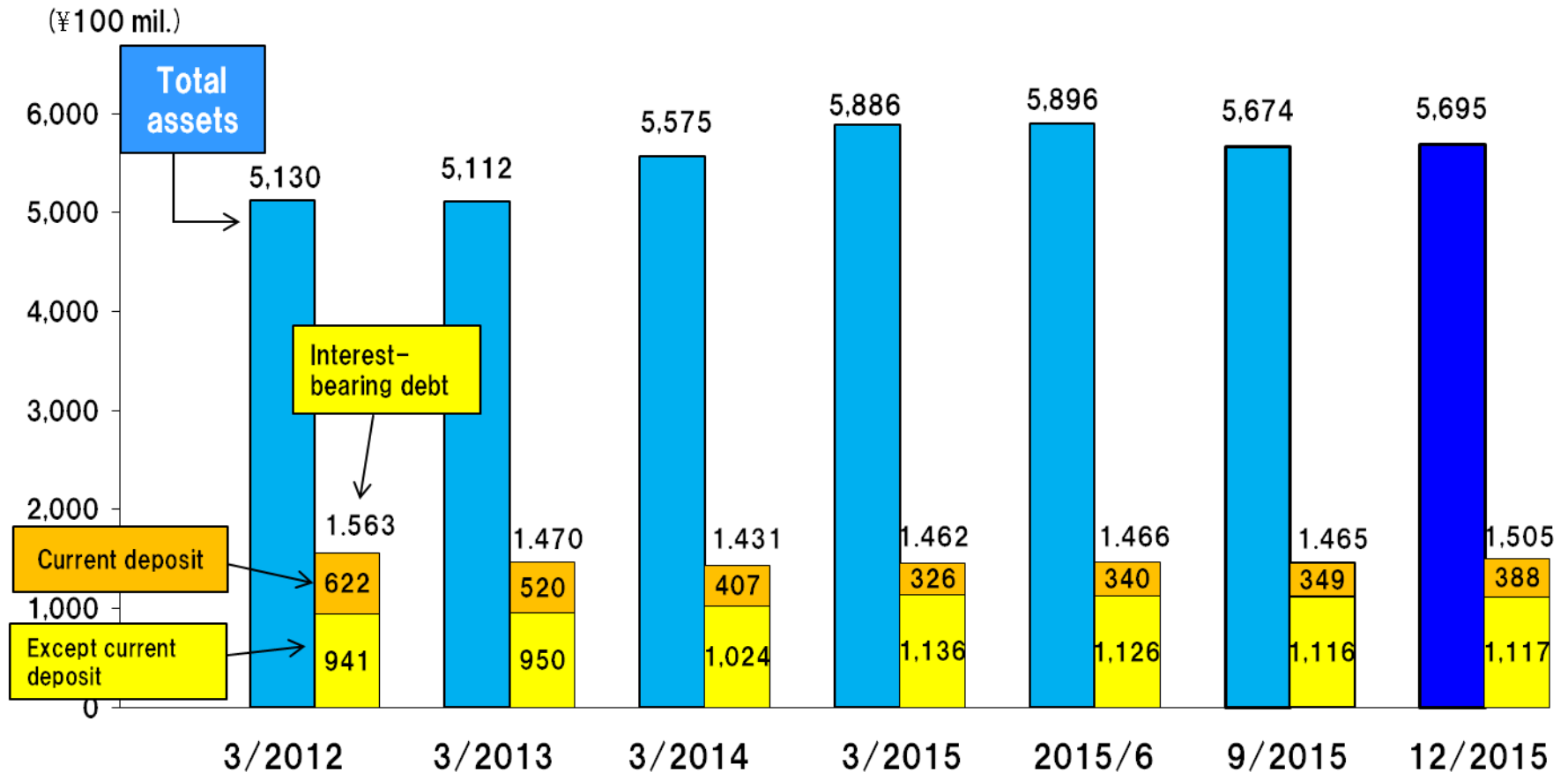
FY2016 Extraordinary Income/Loss and Net Income

(¥100 mil.)

FY2016 3rd quarter Ordinary income	185
Extraordinary income / loss	▲49
Income taxes	▲70
FY2016 3rd quarter Net income (※)	66

*: The quarterly net income that is attributable to the stockholders of the parent company.

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



	3/2012	3/2013	3/2014	3/2015	6/2015	9/2015	12/2015
ROA	6.3%	3.2%	3.8%	3.8%	2.9%	4.0%	4.3%
D/E	0.79	0.69	0.62	0.57	0.56	0.59	0.60

(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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