

For Telephone Conference

Fiscal Year ending March 2015 3rd Quarter Results

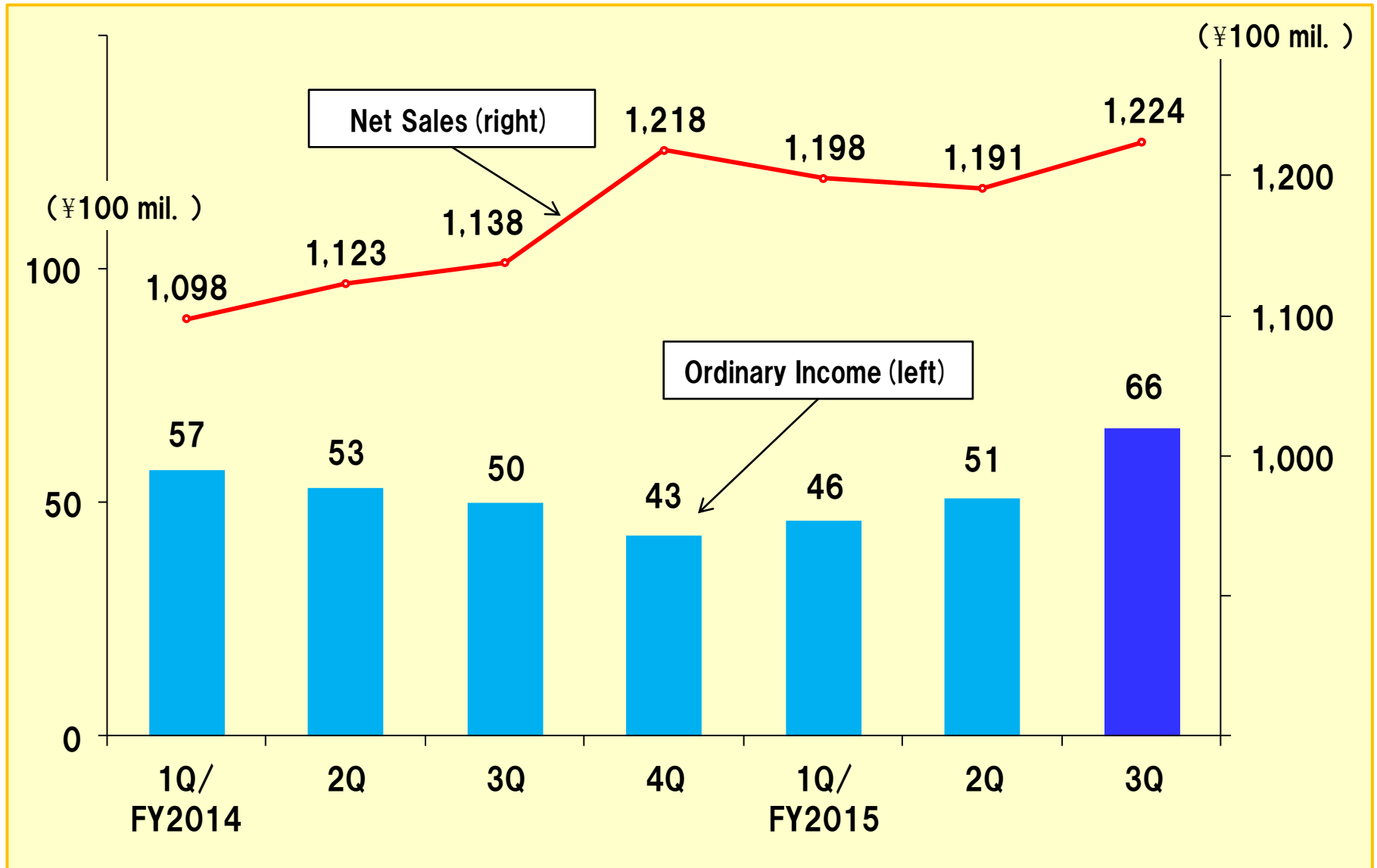
January 29, 2015

Overview of the FY2015 3rd quarter results

(¥100 mil.)	FY2014 3Q	FY2015 3Q	y/y basis
Net Sales	3,359	3,613	+254
Operating income	148	141	-7
Ordinary income	160	163	+3
Net income	98	93	-5

- Sales increased as compared with the same period in the previous year because of strong demand for bearing and industrial machine steel and stainless steel, although there was something of an adjustment in special steel materials for automobiles.
- Operating income dropped because the rise in energy costs could not be sufficiently absorbed.

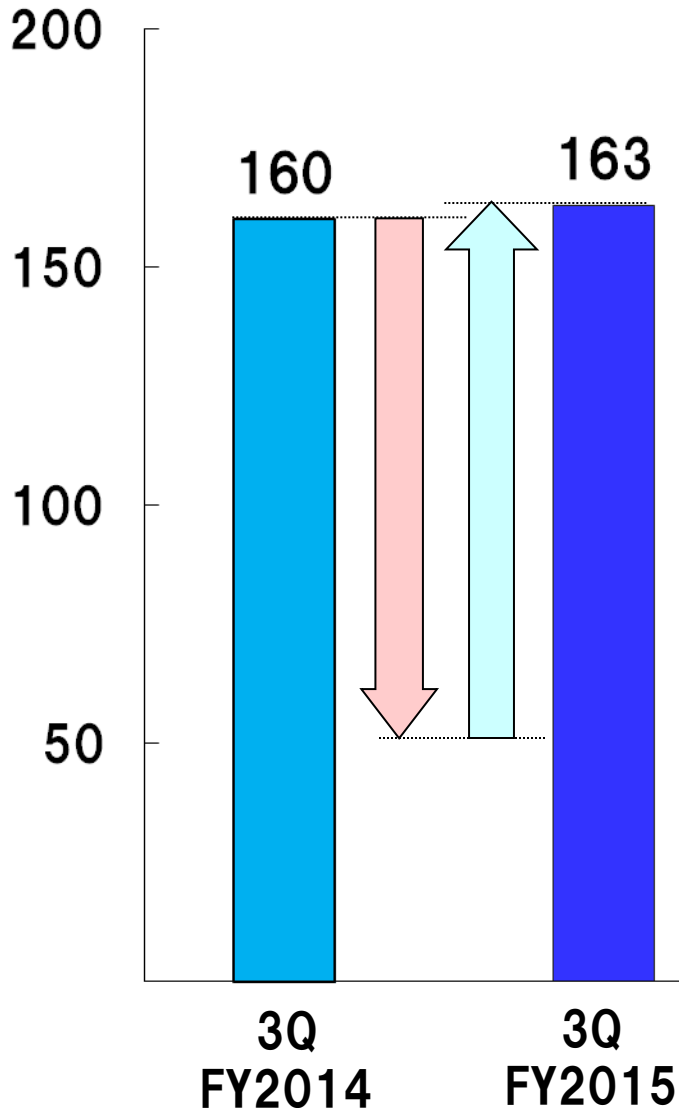
Changes in Net Sales & Ordinary Income (Quarterly)



FY2015/3Q Changes in Ordinary Income (y/y)

(¥100 mil.)

(¥100 mil.)



FY2014/3Q 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	
FY2015/3Q Ordinary Income		

160	
-79	/
/	+50
/	+42
-6	/
/	+12
-26	/
-111	+104
/	+10
163 (+3)	

FY2015 Net Sales & Operating Income by Segment

(¥100 mil.)

		FY2014/3Q	FY2015/3Q	
		Results (A)	Results (B)	y/y basis (B) - (A)
Specialty Steel	Net Sales	1,349	1,427	78
	Operating Income	18	15	-3
High Performance Materials & Magnetic Materials	Net Sales	1,066	1,198	132
	Operating Income	85	103	18
Parts for Automobile & Industrial Equipment	Net Sales	711	744	33
	Operating Income	31	8	-23
Engineering	Net Sales	163	165	2
	Operating Income	4	5	1
Trading & Service	Net Sales	70	79	9
	Operating Income	10	10	0
Total	Net Sales	3,359	3,613	254
	Operating Income	148	141	-7

Former Net Sales of
Specialty steel

volume

858 thou.t

896 thou.t

38 thou.t

FY2015 Net Sales & Operating Income by Segment (Quarterly)

(¥100 mil.)

		FY2015				FY2015 financial results forecasts (Oct. 30, 2014)
		1Q (Results)	2Q (Results)	3Q (Results)	累計 (実績)	
Specialty Steel	Net Sales	490	461	476	1,427	1,939
	Operating Income	4	2	9	15	28
High Performance Materials & Magnetic Materials	Net Sales	386	401	411	1,198	1,598
	Operating Income	34	33	36	103	136
Parts for Automobile & Industrial Equipment	Net Sales	248	244	252	744	1,021
	Operating Income	1	3	4	8	13
Engineering	Net Sales	51	56	58	165	237
	Operating Income	0	3	2	5	12
Trading & Service	Net Sales	23	29	27	79	105
	Operating Income	3	4	3	10	11
Total	Net Sales	1,198	1,191	1,224	3,613	4,900
	Operating Income	42	45	54	141	200

Former Net Sales of
Specialty steel

volume

305thou.t

295thou.t

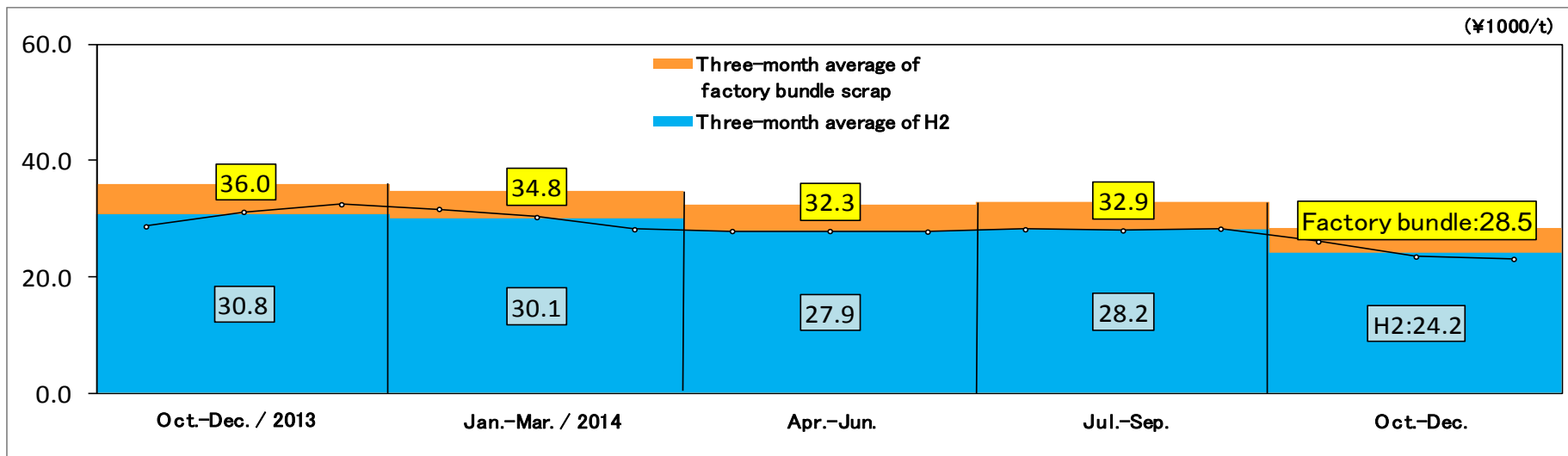
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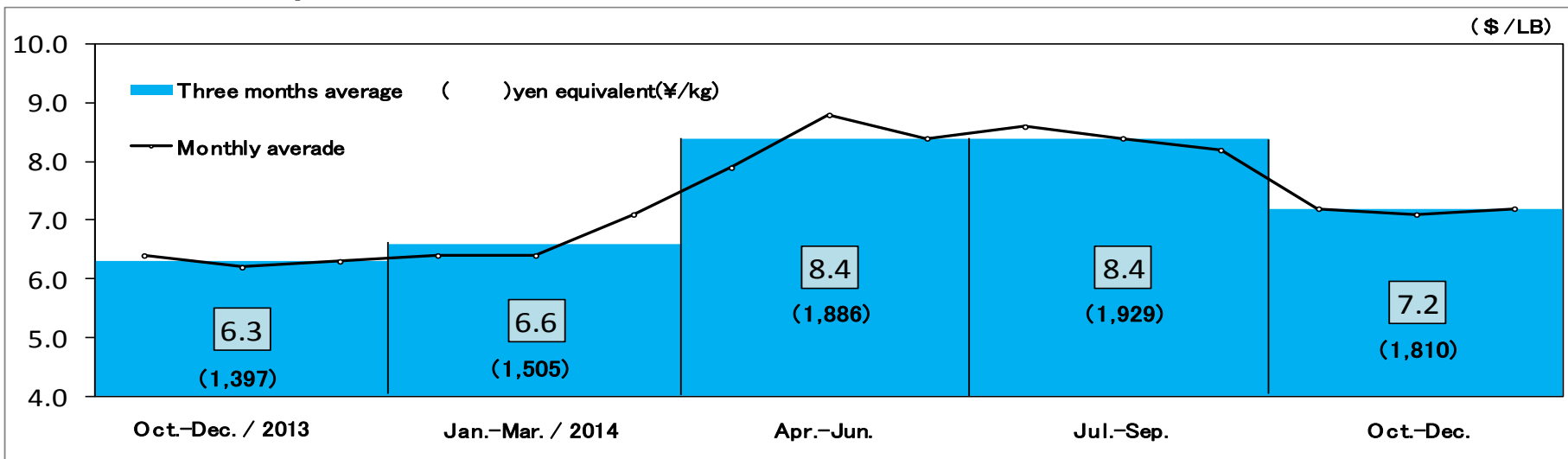
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Market Trend of Raw Materials(Scrap Steel and Nickel)

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



<Nickel price LME>



Premises of Profit Planning for FY2015 (Market Trend)

	UNIT	FY2015/FH Results	FY2015/3Q Results (Difference)
Scrap steel Upper:H2 Lower:Factory bundle	¥thou./T	28.0	24.2 (-0.8)
		32.6	28.5 (-1.5)
Nickel (LME)	\$/LB	8.4	7.2 (-0.8)
Molybdenum (MD)	\$/LB	13.2	9.3 (-1.7)
Crude oil (Dubai)	\$/B	103.8	74.6 (-15.4)
Exchange rate (TTM)	¥/\$	103.1	114.5 (+4.5)

FY2015 Extraordinary Income/Loss and Net Income

(¥100 mil.)

FY2015 3rd quarter Ordinary income	163
Extraordinary income / loss	4
Income taxes	▲74
FY2015 3rd quarter Net income	93

(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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