

# Fiscal Year Ending March 2024 1<sup>st</sup> Quarter Results (Apr. 1 – Jun. 30, 2023)

July 28, 2023



# ■ Overview of the FY2023 1<sup>st</sup> Quarter Results

- Sales increased due to our efforts to revise the selling prices of our products, in spite of decreased sales volume of specialty steel.
- Operating income dropped because of continued inventory adjustment of stainless steel.
- The earnings of this fiscal year are progressing as estimated in the guidance on the whole.

(thou. t: ¥100 million)

	FY2022 Results First Quarter	FY2023 Results First Quarter	Deviations from the same period a year earlier
Sales Volume of Specialty Steel	280	266	-14
Sales	1,377	1,419	42
Operating Income	102	80	-22
Ordinary Income	113	97	-16
Extraordinary Profit and Loss	-	-	-
Corporate Tax and Other Tax	▲ 14	▲ 34	-20
Net income owned to parent company shareholders	99	63	-36

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

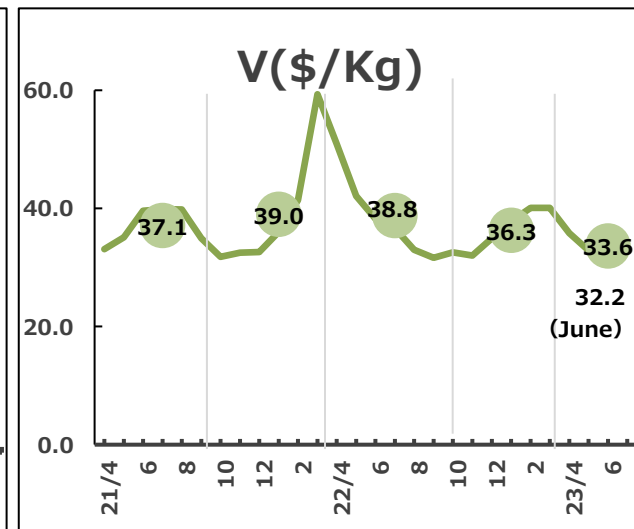
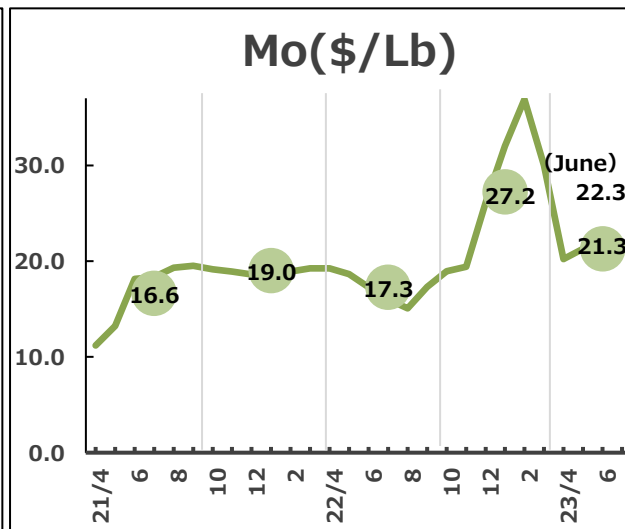
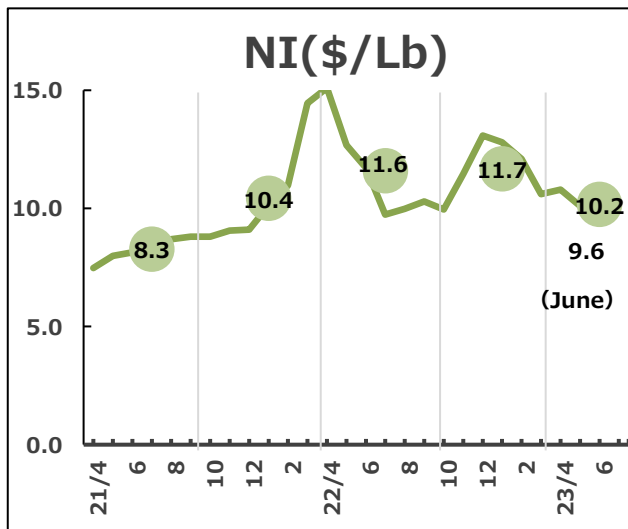
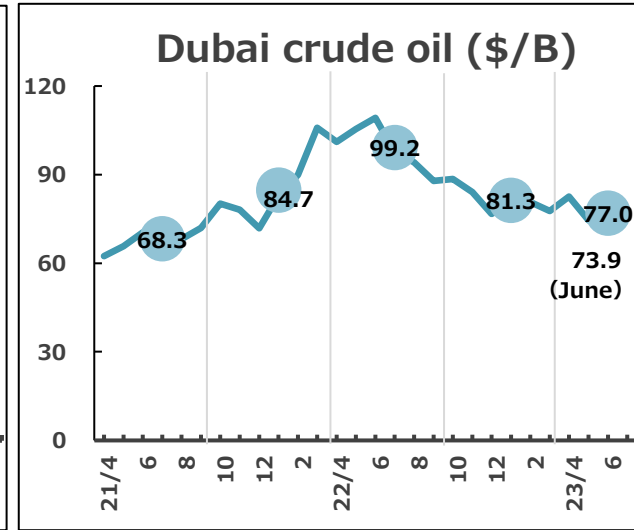
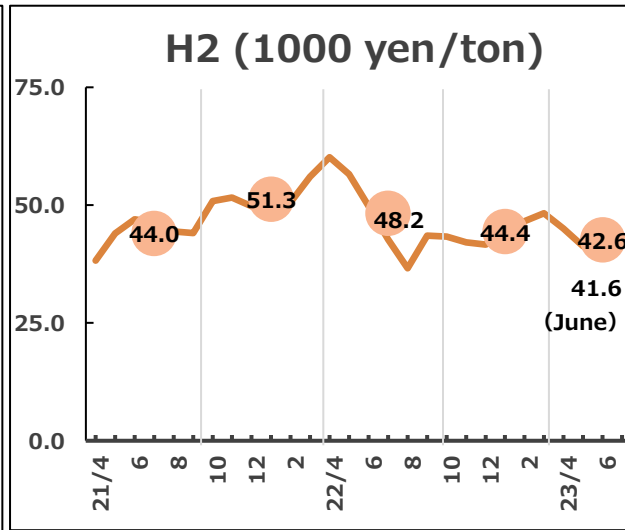
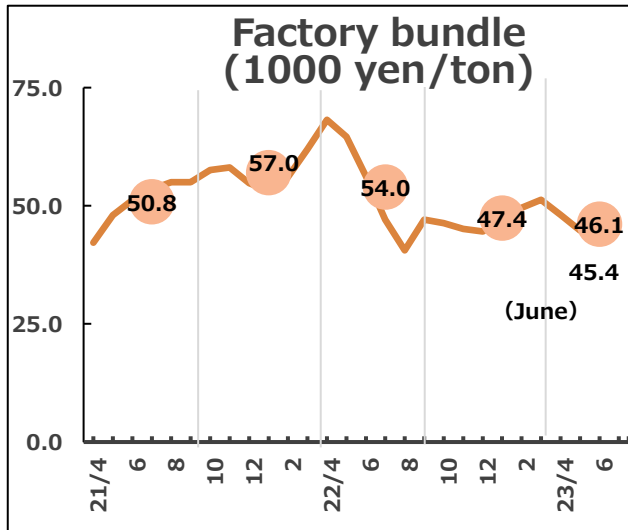
(¥100 million)

	FY2022 Results		FY2023 Results		y/y	
	1st Quarter		1st Quarter			
	Sales	Operating Income	Sales	Operating Income	Sales	Operating Income
Specialty Steel	506	1	553	28	47	27
High-performance Materials and Magnetic Materials	544	75	513	33	-31	-42
Parts for Automobiles and Industrial Equipment	238	18	241	5	3	-13
Engineering	38	▲ 1	50	5	12	6
Trading and Service	51	9	62	9	11	0
<b>Total</b>	<b>1,377</b>	<b>102</b>	<b>1,419</b>	<b>80</b>	<b>42</b>	<b>-22</b>

(thou.t)

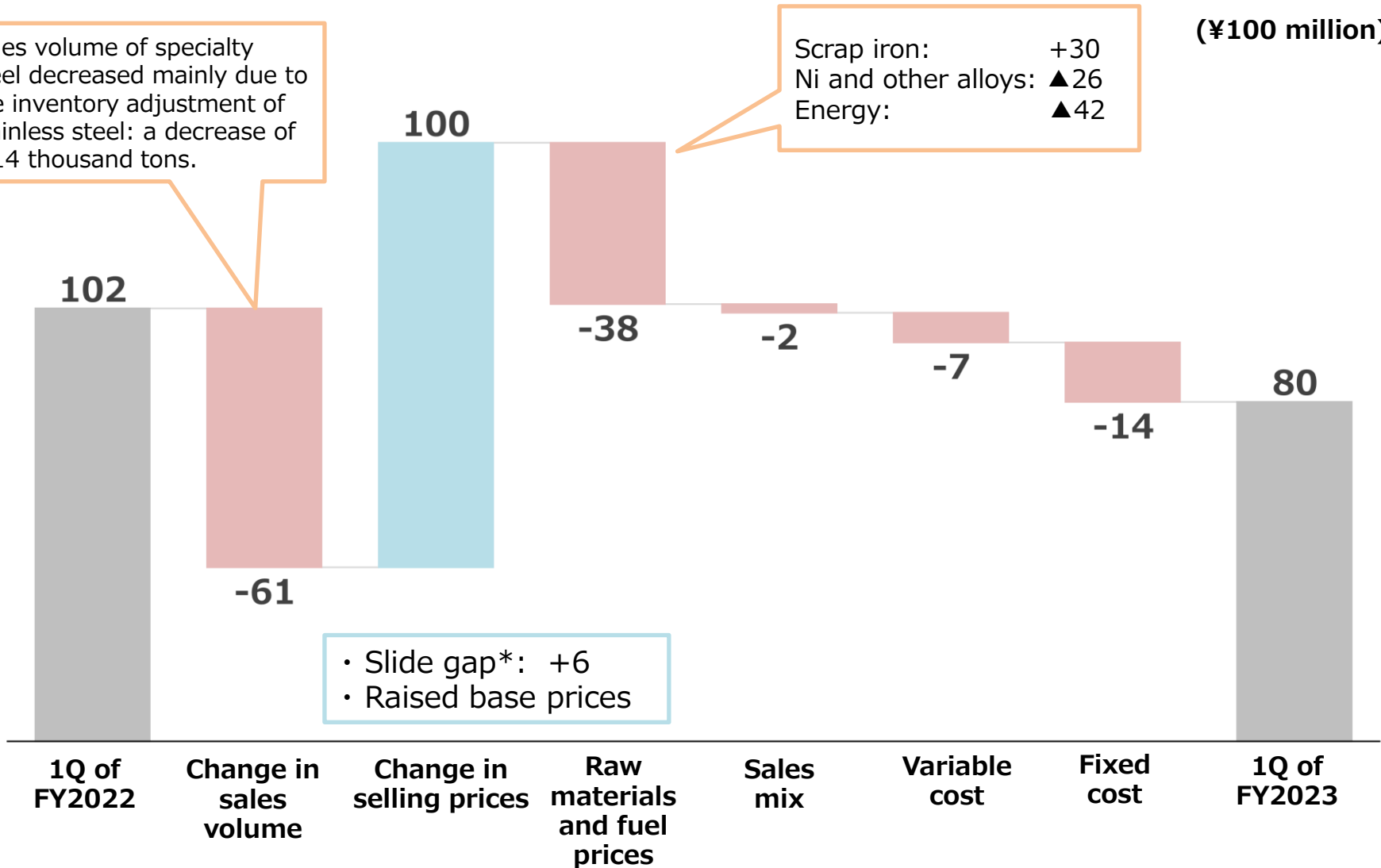
Sales Volume of Specialty Steel (non-consolidated)	280	266	-14
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# Raw Materials Prices



# 4-6/2023 Changes in Operating Income (y/y)

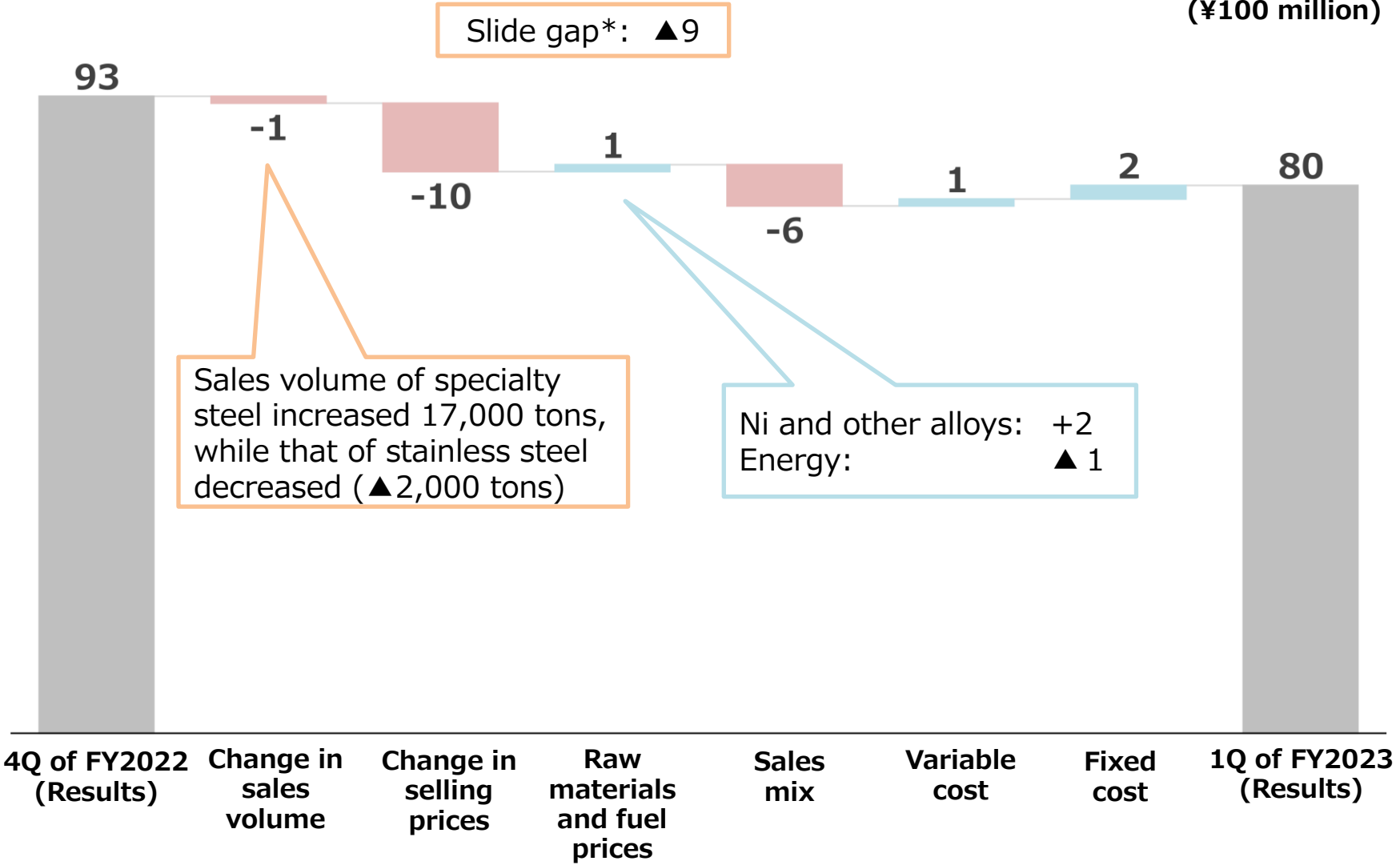
(¥100 million)



\* slide gap : the time lag to get the price adjustment agreed with customers.

# Changes in Operating Income for the 1<sup>st</sup> Quarter of FY2023 (difference from the 4<sup>th</sup> quarter of FY2022)

(¥100 million)



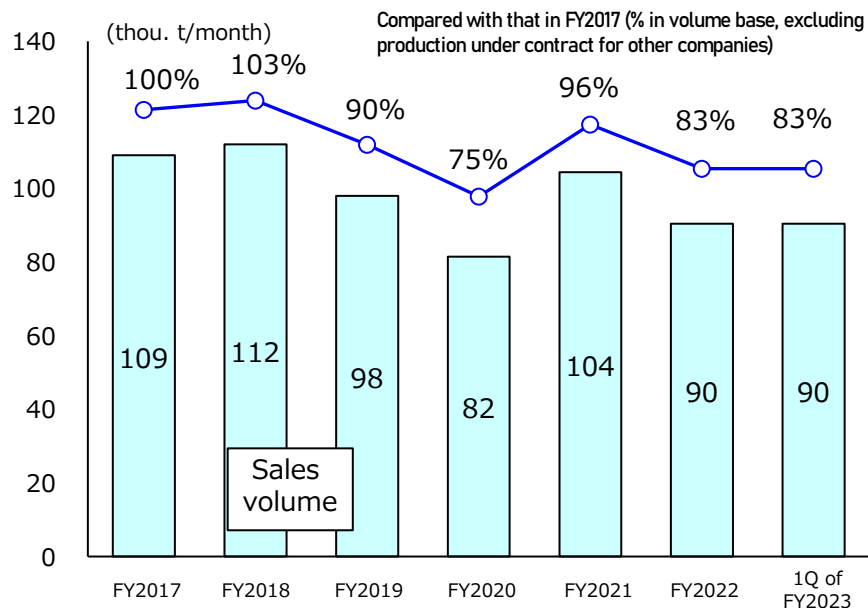
\* slide gap : the time lag to get the price adjustment agreed with customers.

# Specialty Steel Overview

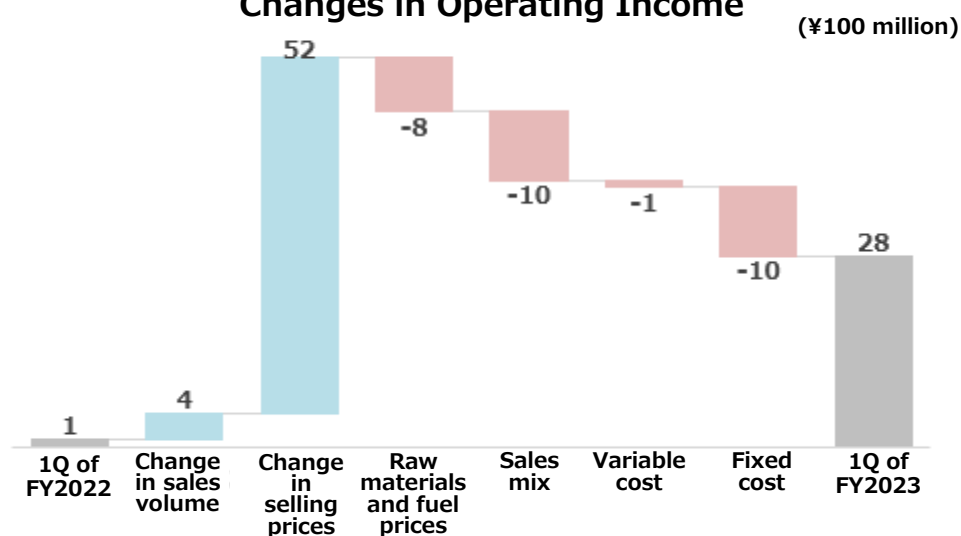
(¥100 million)

	1Q of FY2022 a	1Q of 2023 b	y/y b-a
Sales	506	553	47
Operating Income	1	28	27
Slide Gap	-7	-1	6

## Sales Volume of Specialty Steel (non-consolidated)



## Changes in Operating Income



### POINT 1

Orders associated with the automobile industry increased because parts shortages including semiconductors were gradually alleviated.

### POINT 2

We could secure appropriate margins by including the increases in energy costs, such as electricity charges, in the selling prices of our products.

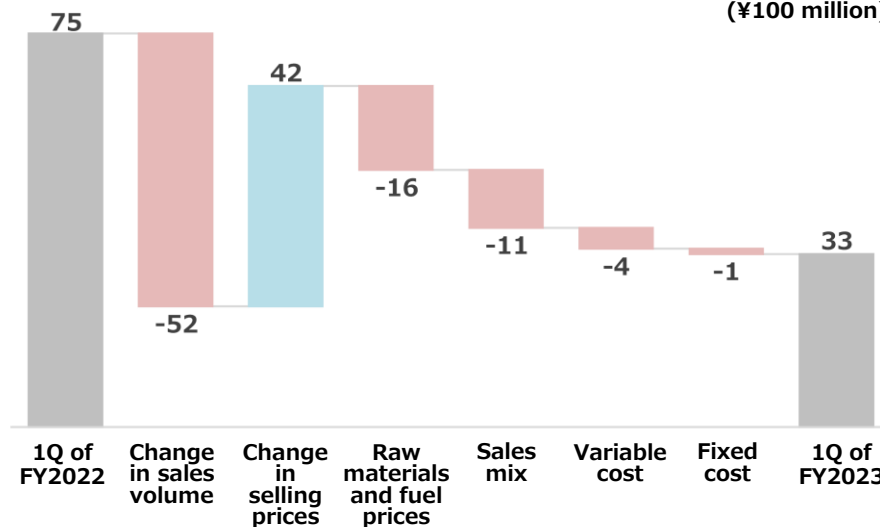
# High-performance and Magnetic Materials Overview

(¥100 million)

	1Q of FY2022 a	1Q of FY2023 b	y/y b-a
Sales	544	513	-31
Operating Income	75	33	-42

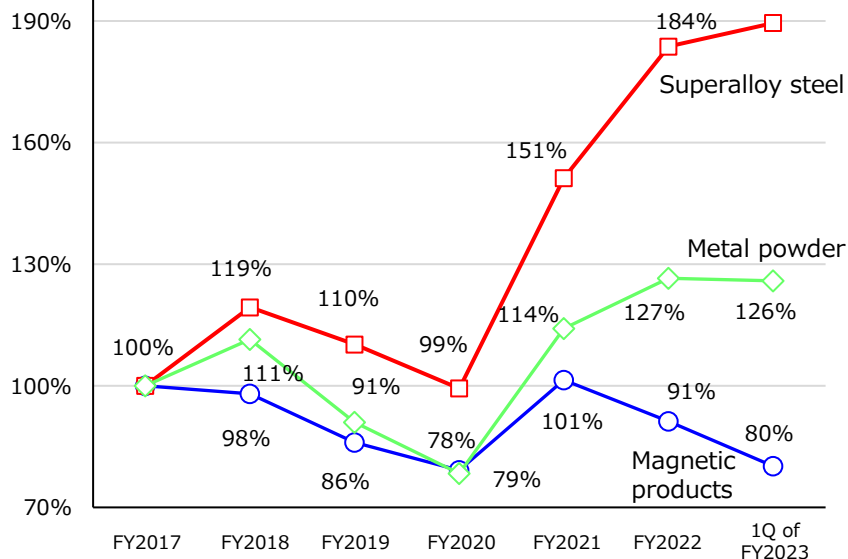
## Changes in Operating Income

(¥100 million)



## <Sales of superalloy steel, magnetic products and metal powder>

<Using 2017 sales as 100% (in value terms)>



### POINT 1

Shipments of stainless steel decreased due to continued inventory adjustment in the supply chains. Thus, the operating income of this segment declined to 3.3 billion yen.

### POINT 2

Shipments are expected to increase starting in the second half of this fiscal year reflecting the actual demand, although the inventory adjustment of stainless steel will continue to the end of the first half.

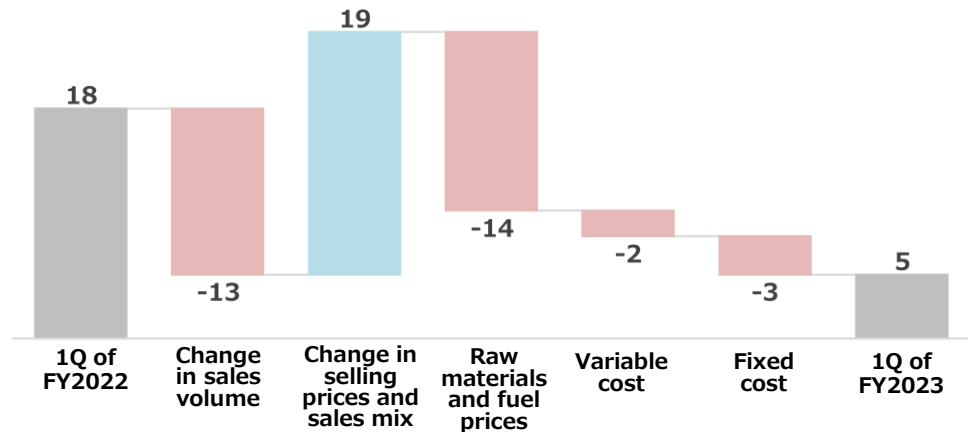


# Automotive Parts and Industrial Machine Parts Overview

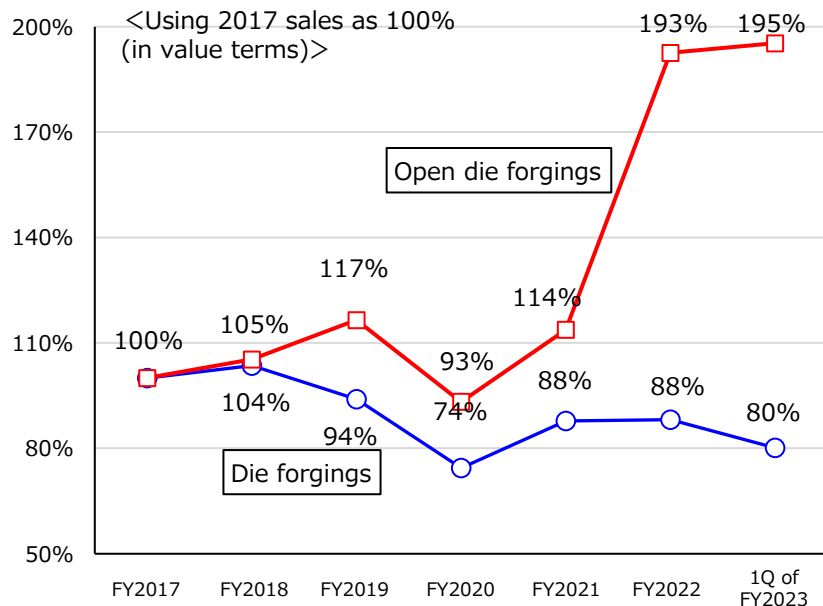
(¥100 million)

	1Q of FY2022 a	1Q of FY2023 b	y/y b-a
Sales	238	241	3
Operating Income	18	5	-13

Changes in Operating Income (¥100 million)



## <Sales of die forgings and open die forgings>



## POINT 1

This segment recorded an operating income of 500 million yen due to weak demand for precision castings and reduced shipments of die forgings. The progression rate of operating income target for this fiscal year was slightly lower than expected in the first quarter, but it is expected to improve in the second quarter.

## POINT 2

Demand for open die forgings from aircraft, heavy electricity machinery and offshore drilling industries remained strong, with the number of orders continuing to be high.

## (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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