

Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 (FY2015)

1. Consolidated Operating Results

(Billions of yen)

	No	FY2015		C	
		1st half (Actual) A	2nd half (Actual) B		
Net sales	1	310.8	306.7	617.5	
Operating income	2	8.9	12.1	21.0	
Ordinary income	Ordinary steel / Special steel	3	7.3	8.8	16.1
	Stainless steel	4	1.0	2.5	3.5
	Total	5	8.3	11.3	19.6
Net income	6	5.2	11.7	16.9	

Inventory evaluation	Ordinary steel / Special steel	7	(1.5)	(1.0)	(2.5)
	Stainless steel	8	2.5	0.0	2.5
	Total	9	1.0	(1.0)	0.0

(Billions of yen)

	No	FY2014 (Actual) D	FY2015 (Previous forecast) E	Difference			
				(i) F=C-D	(ii) G=B-A	(iii) H=C-E	
Net sales	1	576.4	615.0	41.1	(4.1)	2.5	
Operating income	2	16.5	22.0	4.5	3.2	(1.0)	
Ordinary income	Ordinary steel / Special steel	3	12.7	16.0	3.4	1.5	0.1
	Stainless steel	4	7.0	4.0	(3.5)	1.5	(0.5)
	Total	5	19.7	20.0	(0.1)	3.0	(0.4)
Net income	6	17.7	16.0	(0.8)	6.5	0.9	

Inventory evaluation	Ordinary steel / Special steel	7	2.5	(2.0)	(5.0)	0.5	(0.5)
	Stainless steel	8	1.5	3.0	1.0	(2.5)	(0.5)
	Total	9	4.0	1.0	(4.0)	(2.0)	(1.0)

2. Other Information

	No	FY2015		C	
		1st half (Actual) A	2nd half (Actual) B		
Crude steel production (10,000tons)	Ordinary steel / Special steel	1	168	159	327
	Stainless steel	2	39	32	71
	Total	3	207	191	398
Sales volume (10,000tons)	Ordinary steel / Special steel	4	160	161	321
	Stainless steel	5	32	28	60
	Total	6	192	189	381
Average sales price of steel products(1,000yen/tons)	7	127	126	127	
Export ratio(monetary basis;%)	8	17	17	17	
Export exchange rate(yen/US\$)	9	103	117	109	

	No	FY2014 (Actual) D	FY2015 (Previous forecast) E	Difference			
				(i) F=C-D	(ii) G=B-A	(iii) H=C-E	
Crude steel production (10,000tons)	Ordinary steel / Special steel	1	318	328	9	(9)	(1)
	Stainless steel	2	75	72	(4)	(7)	(1)
	Total	3	393	400	5	(16)	(2)
Sales volume (10,000tons)	Ordinary steel / Special steel	4	309	319	12	1	2
	Stainless steel	5	60	61	0	(4)	(1)
	Total	6	369	380	12	(3)	1
Average sales price of steel products(1,000yen/tons)	7	123	127	4	(1)	0	
Export ratio(monetary basis;%)	8	16	17	1	0	0	
Export exchange rate(yen/US\$)	9	100	108	9	14	1	

3. Breakdown of Differences in Ordinary Income

i) FY2014(Actual) vs FY2015(Actual)

(Billions of yen) (Of which stainless steel)

FY2014(Actual)	19.7	Breakdown	7.0
Sales related	15.5	Price difference 10.0, Volume and composition difference 1.5, Export exchange difference 4.0	15.0
Purchasing price	(7.5)	Iron ore 12.0, Coking coal 6.0, Nickel (7.5), Import exchange difference (19.0)	(14.5)
Cost improvement, etc.	2.4	Rationalization, etc.	1.5
Subsidiaries, etc.	(6.5)	Overseas consolidated subsidiaries (4.0), Unconsolidated affiliates, etc. (2.5)	(6.5)
Inventory evaluation	(4.0)	4.0→0.0 (Of which, stainless steel 1.5→2.5)	1.0
Total	(0.1)		(3.5)
FY2015(Actual)	19.6		3.5

ii) 1st half of FY2015(Actual) vs 2nd half of FY2015(Actual)

(Billions of yen) (Of which stainless steel)

1st half of FY2015(Actual)	8.3	Breakdown	1.0
Sales related	0.0	Price difference (1.0), Volume and composition difference (2.0), Export exchange difference 3.0	4.5
Purchasing price	5.5	Iron ore 8.0, Oil 2.5, Nickel 2.5, Import exchange difference (8.0)	0.0
Cost improvement, etc.	1.0	Rationalization, etc.	1.0
Subsidiaries, etc.	(1.5)	Unconsolidated affiliates, etc.	(1.5)
Inventory evaluation	(2.0)	1.0→(1.0) (Of which, stainless steel 2.5→0.0)	(2.5)
Total	3.0		1.5
2nd half of FY2015(Actual)	11.3		2.5

iii) FY2015(Previous forecast) vs FY2015(Actual)

(Billions of yen) (Of which stainless steel)

FY2015(Previous forecast)	20.0	Breakdown	4.0
Sales related	(0.5)	Volume and composition difference(0.5)	(0.5)
Purchasing price	0.5	Nickel 0.5	0.5
Cost improvement, etc.	0.6		0.0
Subsidiaries, etc.	0.0		0.0
Inventory evaluation	(1.0)	1.0→0.0 (Of which, stainless steel 3.0→2.5)	(0.5)
Total	(0.4)		(0.5)
FY2015(Actual)	19.6		3.5

4. Cash Dividends

We have decided to pay year-end cash dividends of ¥40.0 per share for stable shareholder returns.

5. Financial Status, etc.

i) Consolidated Balance Sheet (Summary)

(Billions of yen)

		vs Mar 31, 2014			vs Mar 31, 2014
Cash on hand and in banks	26.3	(14.5)	Interest-bearing debt	289.8	(33.6)
Accounts receivable	79.0	(0.4)	Other liabilities	208.7	6.4
Inventories	144.2	0.5	Total liabilities	498.5	(27.1)
Other current assets	30.8	(6.6)	Common stock and additional paid-in capital	121.0	1.0
Tangible and intangible fixed assets	277.7	9.7	Retained earnings	74.1	7.9
Investments in securities, etc.	212.3	40.1	Treasury stock, at cost	(0.5)	8.1
			Accumulated other comprehensive income	68.1	37.9
			Minority interests	9.0	0.9
Total assets	770.5	28.8	Total net assets	271.9	56.0
			Total liabilities and net assets	770.5	28.8

ii) Consolidated Cash Flows

(Billions of yen)

	FY 2015	Main factor	FY 2014
Cash flows from operating activities	39.3	Income before provision for income taxes	19.2
		Depreciation and amortization	24.1
		Accounts receivable (Decrease)	1.4
		Accounts payable (Decrease)	(4.4)
Cash flows from investing activities	(29.3)	Acquisition of property, plant and equipment	(25.6)
Cash flows from financing activities	(26.0)	Decrease in interest-bearing debt	(33.5)
		Proceeds from disposal of treasury shares	9.2
		Cash dividends	(1.4)
Cash and cash equivalents at end of year	26.1		40.6

{Reference}

i) Capital Expenditures (Tangible)/ Depreciation and Amortization

(Billions of yen)

	FY 2013	FY 2014	FY 2015
Capital expenditures (Tangible)	21.5	21.1	30.1
Depreciation and amortization	30.9	22.1	24.1

ii) Interest-Bearing Debt and Net D/E Ratio

	31-Mar-13	31-Mar-14	31-Mar-15
Cash on hand and in banks(Billions of yen)	43.2	40.8	26.3
Interest-bearing debt(Billions of yen)	333.5	323.5	289.8
Net D/E ratio	1.69	1.36	1.00
" (based on the credit rating) ※	1.35	1.11	0.86

※Net D/E ratio with 50% of the principal of hybrid securities/hybrid loans, which receive equity credit from Japan Credit Rating Agency, deemed as capital. (50% of 50 billion yen each at the end of March of 2013 and 2014, as well as 50% of 40 billion yen at the end of March of 2015 entered as capital respectively)

iii) Change of Operating Income

(Billions of yen)

	FY2013 (Actual)	FY2014 (Actual)	FY2015 (Actual)
Operating income	(21.9)	16.5	21.0
Inventory evaluation	(8.5)	4.0	0.0
Operating income (excluding inventory evaluation) ※	(13.4)	12.5	21.0

※ FY2013 results include Nippon Metal Industry's first 6-months figure (Operating income:(5.1), Inventory evaluation:(0.5))

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