#### Consolidated Financial Results for the Fiscal Year Ended March 31, 2017

1. Consolidated Operating Results for the Fiscal Year Ended March 31

(Billions of yen)

			2017		2016	Diffe	rence
			(Actual)	(Forecastl)	(Actual)	(i)	( ii )
		No	а	b	С	a-b	а-с
Net sales		1	525.5	512.0	547.0	13.5	(21.5)
Operating income		2	7.8	8.5	10.0	(0.7)	(2.2)
Ordinary income	Ordinary steel / Special steel	3	10.4	9.5	17.2	0.9	(6.8)
	Stainless steel	4	(4.5)	(4.0)	(11.0)	(0.5)	6.5
	Total	5	5.9	5.5	6.2	0.4	(0.3)
Profit attributable to owners of parent		6	1.6	1.0	(6.6)	0.6	8.2
Inventory evaluation	Ordinary steel / Special steel	7	2.5	2.5	(4.5)	0.0	7.0
	Stainless steel	8	(3.5)	(2.5)	(9.0)	(1.0)	5.5
	Total	9	(1.0)	0.0	(13.5)	(1.0)	12.5

#### 2. Other Information

			2017		2016	Diff	erence
			(Actual)	(Forecastl)	(Actual)	( i )	( ii )
		No	а	b	С	a-b	a-c
Crude steel production	Ordinary steel / Special steel	1	294	294	314	(	(20)
(10,000tons)	Stainless steel	2	66	66	65	(	1
	Total	3	360	360	379	(	(19)
Sales volume	Ordinary steel / Special steel	4	308	304	306	4	2
(10,000tons)	Stainless steel	5	53	53	52	(	1
	Total	6	361	357	358	4	3
Average sales price of steel products(1,000yen/tons)		7	109	109	117	(	(8)
Export ratio(monetary basis;%)		8	15	15	15	(	0
Export exchange rate(y	en/US\$)	9	108	107	120	1	(12)

## 3. Breakdown of Differences in Ordinary Income

i ) Fiscal Year Ended March 31, 2017 (Forecast) vs Fiscal Year Ended March 31, 2017 (Actual)

( Billions of yen ) (Of which stainless steel)

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FY Ended March 31, 2017(Forecast)	5.5	Breakdown		
Sales related	2.5	Price difference 1.0, Volume and composition difference 1.0		
Purchasing price	(1.5)	Import exchange difference (1.0)		
Cost improvement, etc.	(0.1)		0.5	
Subsidiaries, etc.	0.5		0.5	
Inventory evaluation	(1.0)	0.0→(1.0) (Of which, stainless steel (2.5)→(3.5))	(1.0)	
Total	0.4		(0.5)	
FY Ended March 31, 2017(Actual)	5.9		(4.5)	

## ii ) Fiscal Year Ended March 31, 2016 (Actual) vs Fiscal Year Ended March 31, 2017 (Actual)

( Billions of yen ) (Of which stainless steel)

FY Ended March 31, 2016(Actual)	6.2	Breakdown	(11.0)
Sales related	(28.5)	Price difference (23.5), Volume and composition difference 0.5,	
		Export exchange difference (5.5)	
Purchasing price	14.0	Iron ore 2.5, Coking coal (10.0), Oil 1.5, Nickel 5.0,	13.5
		Import exchange difference 14.0	
Cost improvement, etc.	(0.8)	Rationalization, etc.	0.5
Subsidiaries, etc.	2.5	Consolidated subsidiaries, etc. 2.5	1.5
Inventory evaluation	12.5	(13.5)→(1.0) (Of which, stainless steel (9.0)→(3.5))	5.5
Total	(0.3)		6.5
FY Ended March 31, 2017(Actual)	5.9		(4.5)

#### 4. Cash Dividends

We have decided to pay year-end cash dividends of ¥5.0 per share considering consolidated results and appropriate shareholder returns.

#### 5. Financial Status, etc.

## i ) Consolidated Balance Sheet ( Summary )

( Billions of yen )
As of March 31, 2017
vs Mar 31.2016

	As of March 31, 2017	
		vs Mar 31,2016
Cash on hand and in banks	16.7	(14.7)
Accounts receivable	60.5	(16.9)
Inventories	132.1	7.3
Other current assets	48.3	22.7
Tangible and intangible fixed assets	287.3	8.5
Investments in securities, etc.	161.2	(8.7)
Total assets	706.4	(1.7)

	As of March 31, 201	
		vs Mar 31,2016
Interest-bearing debt	245.0	(34.4)
Other liabilities	235.1	24.4
Total liabilities	480.1	(9.9)
Common stock and additional paid-in capital	106.3	0.0
Retained earnings	77.1	(1.1)
Treasury stock, at cost	(0.5)	(0.0)
Accumulated other comprehensive income	30.3	2.7
Non-controlling interests	12.9	6.6
Total net assets	226.2	8.2
Total liabilities and net assets	706.4	(1.7)

### ii ) Consolidated Cash Flows

(Billions of ven )

			( Dill	ions of yen )
	FY Ended			FY Ended
	March 31,	Main factor		March 31,
	2017			2016
Cash flows from operating activities	1	Income before provision for income taxes Depreciation and amortization Accounts receivable (Decrease)	0.5 27.8 17.0	50.5
Cash flows from investing activities	(37.5)	Acquisition of property, plant and equipment	(31.5)	(28.2)
Cash flows from financing activities	(36.1)	Decrease in interest-bearing debt Cash dividends	(34.4)	(16.5)
Cash and cash equivalents at end of year	20.6			31.3

# (Reference)

#### i ) Capital Expenditures (Tangible)/ Depreciation and Amoritization

(Billions of yen)

	Fiscal Year Ended March 31			
	2014	2015	2016	2017
Capital expenditures (Tangible)	21.1	30.1	28.8	26.6
Depreciation and amortization	22.1	24.1	26.5	27.8

## ii ) Interest-Bearing Dept and Net D/E Ratio

	31-Mar-14	31-Mar-15	31-Mar-16	31-Mar-17
Cash on hand and in banks(Billions of yen)	40.8	26.3	31.4	16.7
Interest-bearing debt(Billions of yen)	323.5	289.8	279.5	245.0
Net D/E ratio	1.36	1.00	1.17	1.07
	1.11	0.86	0.98	0.89

XNet 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 at the end of March of 2014,

as well as 50% of 40 billion yen each at the end of March of 2015, 2016 and 2017 entered as capital respectively)