

## (Presentation Materials)

## I. Financial Results for the Fiscal Year ended March 31, 2010

## 1. Results of Operations

(Billions of yen)

	FY ended March 31, 2010	FY ended March 31, 2009	Difference	FY ended March 31, 2010 (Current forecast)	Difference
	a	b	a-b	c	a-c
Net sales	441.4	617.3	(175.9)	440.0	1.4
Operating income	(43.2)	(7.3)	(35.9)	(42.0)	(1.2)
Income before special items	(53.7)	(12.3)	(41.4)	(51.0)	(2.7)
Net income	(61.7)	(25.4)	(36.3)	(61.0)	(0.7)
Net income per share (Yen)	(68.28)	(28.15)	(40.13)	(67.49)	(0.79)
Unrealized holding gains on inventories	(26.5)	(17.5)	(9.0)	(24.0)	(2.5)

## (Of which) Stainless Steel Business Results

Net sales	115.0	150.0	(35.0)	110.0	5.0
Income before special items	(16.5)	(30.0)	13.5	(16.0)	(0.5)
Unrealized holding gains on inventories	(11.5)	(28.0)	16.5	(11.0)	(0.5)

## 2. Other Information (Non-Consolidated)

	FY ended March 31, 2010			FY ended March 31, 2009
	1st half	2nd half	Full year	Full year
Crude steel production (1,000 tons)	1,474	1,847	3,321	3,680
Of which, stainless steel	251	289	540	473
Sales volume (1,000 tons)	1,453	1,889	3,342	3,473
Of which, stainless steel	216	262	478	454
Average sales price of steel products (¥1,000/ton)	99	110	105	138
Export ratio (monetary basis:%)	23	17	19	17
Export exchange rate (¥/US\$)	95	90	92	103
Excess of imports over exports (US\$ million)	286	339	625	1,688

## 3. Income Before Special Items Differential Breakdown

(Billions of yen)(Of which, Stainless steel)

FY ended March 31, 2009	(12.3)	Breakdown	(30.0)
Sales related	(121.5)	Price difference(103), Volume and composition difference(18.5)	(46.5)
Purchasing price	67.0	Coke 17, Iron ore 11, Nickels 19, Chromium 9.5, Oil 5	31.5
Cost improvement, etc.	26.1	Rationalization 22.5, Exchange rate 7, Cost for reduced production(2)	12.0
Subsidiaries	(4.0)		—
Unrealized holding gain on inventories	(9.0)	(17.5)→(26.5) Of which, Stainless(28)→(11.5)	16.5
Total	(41.4)		13.5
FY ended March 31, 2010	(53.7)		(16.5)

(Billions of yen)(Of which, Stainless steel)

FY ended March 31, 2010 (Current forecast)	(51.0)	Breakdown	(16.0)
Sales related	0.5	Volume and composition difference 0.5	0.0
Purchasing price	0.0		0.0
Cost improvement, etc.	0.3		0.0
Subsidiaries	(1.0)		—
Unrealized holding gain on inventories	(2.5)	(24)→(26.5) Of which, Stainless(11)→(11.5)	(0.5)
Total	(2.7)		(0.5)
FY ended March 31, 2010 (Actual)	(53.7)		(16.5)

(Billions of yen)(Of which, Stainless steel)

1st half of FY ended March 31, 2010	(65.1)	Breakdown	(18.0)
Sales related	31.0	Price difference 14, Volume and composition difference 17	9.5
Purchasing price	6.0	Iron ore 3.5, Coke 9.5, Nickels(5.5), Chromium(1.5)	(7.0)
Cost improvement, etc.	1.5	Exchange rate 3, Depreciation(2)	0.5
Subsidiaries	6.5		—
Unrealized holding gain on inventories	31.5	(29)→2.5 Of which, Stainless(14)→2.5	16.5
Total	76.5		19.5
2nd half of FY ended March 31, 2010	11.4		1.5

#### 4. Dividends

The planned year-end dividend is ¥1 per share.

#### 5. Balance sheet

(Billions of yen)

		VS. March, 2009			VS. March, 2009
Cash on hand and in banks	41.7	2.1	Interest-bearing debt	297.8	11.5
Accounts receivable	71.6	14.5	Intangible debt	1.0	(0.1)
Inventories	119.5	(57.9)	Other liabilities	166.0	(8.0)
Other current assets	10.0	(10.5)	Total liabilities	465.0	3.4
Property, plant and equipment	266.1	(9.0)	Common stock and additional paid-in capital	129.8	—
Investments and long-term receivables	152.9	12.1	Retained earnings	84.6	(66.4)
Intangible assets	8.2	(3.2)	Treasury stock, at cost	(26.4)	(0.0)
Total assets	670.3	(51.9)	Valuation and translation adjustments	11.3	10.7
			Minority interests	5.9	0.4
			Total net assets	205.3	(55.3)
			Total liabilities and total net assets	670.3	(51.9)

## 6. Cash flows

(billions of yen)

	FY ended Mar. 31, 2010		FY ended Mar. 31, 2009
Cash flows from operating activities	25.7	Loss before provision for income	(62.3)
		Depreciation and amortization	39.0
		Increase in notes and accounts receivable	(14.5)
		Decrease in notes and accounts payable	(9.0)
		Decrease in inventories	57.9
Cash flows from investing activities	(29.9)	Acquisition of property, plant and	(27.9)
		Acquisition of investments in securities	(1.6)
Cash flows from financing activities	7.3	Increase in interest-bearing debt	10.2
		Cash dividends	(2.7)
Cash and cash equivalents at end of year	41.7		39.6

(Reference)

### ① Investment and Depreciation

(Billions of yen)

	FY ended March 31, 2009	FY ended March 31, 2010		
		1st half	2nd half	Total
Investment	38.0	11.3	17.1	28.4
Depreciation	40.4	18.2	20.8	39.0

### ② Interest-bearing debt and D/E ratio

	March 2009	September 2009	March 2010
Interest-bearing debt (Billions of yen)	286.2	314.0	297.8
D/E ratio	1.12	1.70	1.49
// (based on the credit rating)※	-	-	1.22

※ Hybrid securities that are accepted as capital according to the credit rating by the Japan Credit Rating Agency

(Interest payment deferral provision·Unsecured corporate bond with prepayment provision  
<Subordinated corporate bond·Limited to qualified institutional investors>)

D/E ratio for 5 billion yen, 50% of which is considered to be capital.

## Quarterly Operating Results

	FY ended March 31, 2010						
	1Q	2Q	1st half	3Q	4Q	2nd half	Full year
Net sales	83.9	104.0	187.9	125.7	127.8	253.5	441.4
Operating income	(42.1)	(15.1)	(57.2)	7.1	6.9	14.0	(43.2)
Income before special items	(45.0)	(20.1)	(65.1)	6.2	5.2	11.4	(53.7)
Net income per share	(52.5)	(21.4)	(73.9)	5.1	7.1	12.2	(61.7)
Unrealized holding on inventories	(25.0)	(4.0)	(29.0)	1.5	1.0	2.5	(26.5)