

I. Financial Results for The 1st Quarter (April 1 - June 30) of The Fiscal Year 2012

1. Results of Operations

(Billions of yen)

	1Q of FY2012	1Q of FY2011	Difference
Net sales	136.9	132.8	4.1
Operating income	2.9	4.3	(1.4)
Income before special items	3.4	1.6	1.8
Net income	2.1	0.3	1.8
Net income per share (Yen)	2.37	0.36	2.01

(Of which) Stainless Steel Business Results

Net sales	37.0	35.0	2.0
Income before special items	2.0	1.0	1.0

2. Other Information (Non-Consolidated)

	1Q of FY2012	1Q of FY2011	Difference
Crude steel production (10,000 tons)	91	96	(5)
Of which, stainless steel	14	14	0
Sales volume (10,000 tons)	85	92	(7)
Of which, stainless steel	12	13	(1)
Average sales price of steel products (¥1,000/ton)	129	115	14
Export ratio (monetary basis;%)	16	20	(4)
Export exchange rate (¥/\$)	82	92	(10)

3. Income Before Special Items Differential Breakdown

1Q of FY ended March 31, 2011 vs 1Q of FY ending March 31, 2012

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

1Q of FY ended March 31, 2011	1.6	Breakdown	1.0
Sales related	12.0	Price difference 12.5, Volume and Composition difference(0.5)	4.5
Purchasing price	(16.0)	Iron ore(5.5), Coke(5.0), Nickels(3.0), Chromium(0.5), Oil(1.5)	(4.0)
Cost improvement, etc.	4.8	Rationalization, Exchange rate	1.5
Subsidiaries	2.0		-
Unrealized holding gains on inventories	(1.0)	4.0→3.0(Of which, Stainless steel 2.0→1.0)	(1.0)
Total	1.8		1.0
1Q of FY ending March 31, 2012	3.4		2.0

Ex. rate: 92→82¥/\$ FeNi: 9.1→12.2\$/Lb FeCr: 109→133¢/Lb

4. Balance Sheet (June, 2011)

(Billions of yen)

Debit	Vs. March, 2011		Credit	Vs. March, 2011	
Cash on hand and in banks	17.5	(0.8)	Interest-bearing debt	289.7	6.8
Accounts receivable	85.9	(4.6)	Deffered tax liabilities	1.0	0.0
Inventories	142.1	8.5	Other liabilities	167.3	(7.4)
Other current assets	18.6	0.1	Total liabilities	458.1	(0.6)
Tangible and intangible fixed assets	243.0	(6.3)	Common stock and additional paid-in capital	129.8	-
Deffered tax assets	11.2	0.4	Retained earnings	96.0	0.3
Investments in securities	146.5	4.0	Treasury stock, at cost	(26.4)	(0.0)
			Accumulated other comprehensive income	1.3	1.6
			Minority interests	6.3	0.0
Total assets	665.2	1.3	Total net assets	207.1	2.0
			Total liabilities and total net assets	665.2	1.3

II. Forecasts of Results of Operations
for the 1st half (April 1 – September 30) of the Fiscal Year 2012

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1. Results of Operations

(Billions of yen)

		1st half of FY2012			2nd half of FY2011	Difference
		1Q of FY2012 Actual (a)	2Q of FY2012 Forecast (b)	(c)=(a)+(b)		
Consolidated	Net sales	136.9	143.1	280.0	269.3	10.7
	Operating income	2.9	6.1	9.0	9.1	(0.1)
	Income before special items	3.4	5.6	9.0	6.8	2.2
	Net income	2.1	4.9	7.0	2.6	4.4
	Net income per share (Yen)	2.37	5.38	7.75	2.82	4.93
Non-consolidated	Net sales	—	—	230.0	217.3	12.7
	Operating income	—	—	7.0	7.6	(0.6)
	Income before special items	—	—	4.0	3.7	0.3
	Net income	—	—	3.0	1.5	1.5

(Of which) Stainless Steel Business Results

Net sales	37.0	38.0	75.0	70.0	5.0
Income before special items	2.0	1.0	3.0	3.0	0.0

2. Other Information (Non-Consolidated)

	1st half of FY2012			2nd half of FY 2011	Difference
	1Q of FY2012 Actual (a)	2Q of FY2012 Forecast (b)	(c)=(a)+(b)		
Crude steel production (10,000 tons)	91	99	190	190	0
Of which, stainless steel	14	16	30	29	1
Sales volume (10,000 tons)	85	88	173	175	(2)
Of which, stainless steel	12	13	25	25	0
Average sales price of steel products (¥1,000/ton)	129	134	131	125	6
Export ratio (monetary basis:%)	16	14	15	15	0
Export exchange rate (¥/\$)	82	80	81	82	(1)

3. Income Before Special Items Differential Breakdown

① 1Q of FY ending March 31, 2012 vs 2Q of FY ending March 31, 2012

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

1Q of FY ending March 31, 2012	3.4	Breakdown	2.0
Sales related	4.5	Price difference 4.0, Volume and Composition difference 0.5	0.0
Purchasing price	(2.5)	Iron ore(1.5), Coke(1.0)	0.0
Cost improvement, etc.	0.7	Rationalization, Exchange rate	0.0
Subsidiaries	0.0		—
Unrealized holding gains on inventories	(0.5)	3.0→2.5(Of which, Stainless steel 1.0→0.0)	(1.0)
Total	2.2		(1.0)
2Q of FY ending March 31, 2012	5.6		1.0

Ex. rate: 82→80¥/\$ FeNi: 12.2→11.0\$/Lb FeCr: 133→143 ¢ /L

② 2nd half of FY ended March 31, 2011 vs 1st half of FY ending March 31, 2012

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

2nd half of FY ended March 31, 2011	6.8	Breakdown	3.0
Sales related	10.0	Price difference 10.0	2.0
Purchasing price	(14.0)	Iron ore(4.0), Coke(7.5), Oil(1.0)Nickels(1.0)	(2.0)
Cost improvement, etc.	0.7	Rationalization, Exchange rate	(1.0)
Subsidiaries	2.0	Wheeling-Nisshin 0.5, Unconsolidated subsidiaries 1.5	—
Unrealized holding gains on inventories	3.5	2.0→5.5(Of which, Stainless steel 0.0→1.0)	1.0
Total	2.2		0.0
1st half of FY ending March 31, 2012	9.0		3.0

Ex. rate: 82→81¥/\$ FeNi: 10.2→11.6\$/Lb FeCr: 138→138 ¢ /L

III. Forecasts of Results of Operations

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for the Fiscal Year 2012 (April 1, 2011 – March 31, 2012)

1. Results of Operations

(Billions of yen)

		FY2012 Forecast	FY2011 Actual	Difference
Consolidated	Net sales	590.0	545.3	44.7
	Operating income	25.0	23.9	1.1
	Income before special items	24.0	18.5	5.5
	Net income	21.0	12.0	9.0
	Net income per share (Yen)	23.24	13.33	9.91
Non-consolidated	Net sales	480.0	437.0	43.0
	Operating income	21.0	19.4	1.6
	Income before special items	14.0	13.5	0.5
	Net income	12.0	10.3	1.7

(Of which) Stainless Steel Business Results

Net sales	152.0	140.0	12.0
Income before special items	6.0	8.0	(2.0)

2. Dividends

We regret to announce that we are obliged to forgo the payment of mid-term dividends at the end of the 2nd Quarter.

Dividends for the full fiscal year will be decided taking future performance and other factors into account, and thus are undetermined at the moment.

(Reference) Change in Interest-Bearing Debt and D/E Ratio

	Mar-11 Actual	Jun-11 Actual	Sep-11 Forecast
Interest-bearing debt (Billions of yen)	282.9	289.7	281.5
D/E ratio	1.42	1.44	1.37
“ (based on the credit rating) ※	1.15	1.17	1.11

※ 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.