Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 [Japanese GAAP]

April 30,2015

Company name: Daido Steel Co., Ltd.
Stock exchange listing: Tokyo Stock Exchange, Nagoya Stock Exchange
Code number: 5471
URL: http://www.daido.co.jp/
Representative: Tadashi Shimao, President and Representative Executive Director
Contact: Shinichiro Azuma, General Manager, General Affairs Department
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Scheduled date of ordinary general shareholders' meeting: June 26,2015
Scheduled date of filing annual securities report: June 26,2015
Scheduled date of commencing dividend payments: June 29,2015
Availability of supplementary briefing material on annual financial results: Available
Schedule of annual financial results briefing session: Scheduled (for securities analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2015	483,633	5.7	20,408	7.5	21,729	7.1	10,886	(13.7)
March 31, 2014	457,731	3.9	18,977	23.0	20,287	23.1	12,616	14.9

(Note) Comprehensive income: Year ended March 31,2015: ¥31,110 million [37.6%]
Year ended March 31,2014: ¥22,608 million [24.5%]

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
March 31, 2015	25.10	—	4.5	3.8	4.2
March 31, 2014	29.09	—	5.7	3.8	4.1

(Reference) Equity in earnings (losses) of affiliates: Year ended March 31,2015: ¥716 million
Year ended March 31,2014: ¥629 million

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2015	588,590	292,405	43.5	590.34
March 31, 2014	557,522	267,625	41.6	535.28

(Reference) Shareholders' equity: As of March 31, 2015: ¥256,021 million
As of March 31, 2014: ¥232,153 million

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the period
	Million yen	Million yen	Million yen	Million yen
March 31, 2015	25,739	(32,178)	(2,792)	31,776
March 31, 2014	28,567	(34,313)	(7,633)	39,905

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2014	—	2.50	—	2.50	5.00	2,169	17.2	1.0
March 31, 2015	—	3.00	—	3.50	6.50	2,819	25.9	1.2
Fiscal year ending March 31, 2016 (Forecast)	—	5.00	—	5.00	10.00		22.8	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit attributable to owners of parent per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	242,000	1.3	11,000	27.0	12,000	24.1	7,500	82.2	17.29
Full year	500,000	3.4	27,000	32.3	29,000	33.5	19,000	74.5	43.81

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Newly included: 1 (Company name) Intermetallics Japan Corporation

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2015 434,487,693 shares

March 31, 2014 434,487,693 shares

2) Total number of treasury shares at the end of the period:

March 31, 2015 805,395 shares

March 31, 2014 783,783 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2015 433,692,310 shares

Fiscal year ended March 31, 2014 433,726,492 shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2015	300,752	6.4	9,270	10.0	11,922	14.0	4,351	(44.1)
March 31, 2014	282,708	4.3	8,427	22.2	10,455	14.1	7,779	21.5

	Net income per share	Diluted net income per share
	Yen	Yen
March 31, 2015	10.03	nil
March 31, 2014	17.93	nil

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2015	398,922	170,550	42.8	393.17
March 31, 2014	395,938	163,113	41.2	376.00

(Reference) Shareholders' equity: As of March 31, 2015: ¥170,550 million

As of March 31, 2014: ¥163,113 million

* Presentation regarding the implementation status of the audit process

These financial results are outside the scope of audit process procedures under the Financial Instruments and Exchange Act. At the time of disclosure of these financial results, audit process procedures for the financial statements have not been completed.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information available to the Company and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors.

Supplementary briefing material

April 30,2015
Daido Steel Co., Ltd.

Financial Results for the Fiscal Year Ended March 31, 2015

(1) Net sales by reportable segment

(Millions of yen, %)

	Fiscal year ended March 31, 2015	(YoY change)	
		Change	% of Change
Specialty Steel	189,124	5,024	2.7
High Performance Materials and Magnetic Materials	161,758	18,272	12.7
Parts for Automobile and Industrial Equipment	99,386	2,384	2.5
Engineering	22,904	(1,200)	(5.0)
Trading and Service	10,459	1,420	15.7
Total	483,633	25,902	5.7

(2) Condensed statement of profit and loss (cumulative)

(Millions of yen, %)

	Fiscal year ended March 31, 2015	(YoY change)	
		Change	% of Change
Net sales	483,633	25,902	5.7
Operating income	20,408	1,431	7.5
Non-operating income	5,140	151	–
Non-operating expenses	3,819	140	–
Ordinary income	21,729	1,441	7.1
Extraordinary income	5,596	4,525	–
Extraordinary losses	7,855	7,461	–
Income before income taxes	19,470	(1,494)	–
Income taxes	6,718	287	–
Minority interests in income	1,865	(51)	–
Net income	10,886	(1,730)	(13.7)

(3) Reasons for change in the amount of ordinary income (YoY comparison)

(100 millions of yen)

Reasons for increase	Amount	Reasons for decrease	Amount
1. Sales volume	47	1. Raw material and fuel cost	82
2. Sales price	58	2.Sales mix change	3
3. Variable cost	21	3. Fixed cost	27
Total (a)	126	Total (b)	112
		Change (a) – (b)	14

(Reference: Market condition of raw material)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
H2 (Thousands of yen/t)	28.8	25.3
Nickel (LME) (One dollar/1b)	6.5	7.6
Molybdenum (MD) (One dollar/1b)	10.0	11.0

(4) Condensed balance sheet

(Millions of yen)

Item	As of March 31, 2014	As of March 31, 2015	Change	Item	As of March 31, 2014	As of March 31, 2015	Change
Current assets	248,061	256,181	8,120	Liabilities	289,897	296,184	6,287
Cash and deposits	40,674	32,585	(8,088)	Trade payables	76,895	78,039	1,144
Trade receivables	100,719	105,006	4,287	Interest-bearing debt	143,085	146,208	3,123
Inventories	97,746	108,561	10,814	Other	69,916	71,937	2,020
Other	8,921	10,027	1,105				
Non-current assets	309,460	332,408	22,947	Net assets	267,625	292,405	24,779
Property, plant and equipment	184,900	189,375	4,474	Shareholders' equity	211,423	217,463	6,039
Intangible assets	5,925	7,283	1,358	Accumulated other comprehensive income	20,729	38,558	17,828
Investments and other assets	118,634	135,749	17,114	Minority interests	35,472	36,383	911
Total assets	557,522	588,590	31,067	Total liabilities and net assets	557,522	588,590	31,067

(5) Net sales forecast by reportable segment

(Millions of yen, %)

	Forecast for fiscal year ending March 31, 2016	(YoY change)	
		Change	% of Change
Specialty Steel	194,000	4,875	2.6
High Performance Materials and Magnetic Materials	167,600	5,841	3.6
Parts for Automobile and Industrial Equipment	104,300	4,913	4.9
Engineering	23,900	995	4.3
Trading and Service	10,200	(259)	(2.5)
Total	500,000	16,366	3.4

(6) Financial results forecast

(Millions of yen, %)

	Forecast for fiscal year ending March 31, 2016	(YoY change)	
		Change	% of Change
Net sales	500,000	16,366	3.4
Operating income	27,000	6,591	32.3
Ordinary income	29,000	7,270	33.5
Profit attributable to owners of parent	19,000	8,113	74.5

(7) Forecasted reasons for change in the amount of ordinary income (YoY comparison)

(100 millions of yen)

Reasons for increase	Amount	Reasons for decrease	Amount
1. Raw material and fuel cost	74	1. Sales price	39
2. Sales volume	30	2. Fixed cost	35
3. Sales mix change	8		
4. Variable cost	28		
5.Non-operating income or loss	7		
Total (a)	147	Total (b)	74
		Change (a) – (b)	73

(Reference: Market condition of raw material)

	Fiscal year ended March 31, 2015	Forecast for fiscal year ending March 31, 2016
H2 (Thousands of yen/t)	25.3	22.0
Nickel (LME) (One dollar/1b)	7.6	7.0
Molybdenum(MD) (One dollar/1b)	11.0	9.0

(8) Amount of capital expenditures (based on completion of construction) and depreciation and amortization

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	(YoY change)	Forecast for fiscal year ending March 31, 2016	(YoY change)
			Change		Change
Capital expenditures	44,404	30,295	(14,108)	23,600	(6,695)
Depreciation and amortization	20,052	22,436	2,384	24,300	1,864

(Reference) Historical Financial Results

(Millions of yen)

	Actual results				Forecast for fiscal year ending March 31, 2016
	Fiscal year ending March 31, 2012	Fiscal year ending March 31, 2013	Fiscal year ending March 31, 2014	Fiscal year ending March 31, 2015	
Net sales	489,154	440,428	457,731	483,633	500,000
Operating income	31,533	15,425	18,977	20,408	27,000
Ordinary income	31,762	16,475	20,287	21,729	29,000
Profit attributable to owners of parent	22,717	10,983	12,616	10,886	19,000