Consolidated Financial Results for the Three Months Ended June 30, 2015 [Japanese GAAP]

July 28, 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
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Scheduled date of filing quarterly securities report: August 13, 2015
Scheduled date of commencing dividend payments: —
Availability of supplementary briefing material on quarterly financial results: Available
Schedule of quarterly 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 Three Months Ended June 30, 2015(April 1, 2015 to June 30, 2015)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2015	116,705	(2.6)	3,967	(5.0)	4,240	(7.3)	1,788	(30.8)
June 30, 2014	119,819	9.1	4,177	(17.5)	4,572	(19.5)	2,582	(30.8)

(Note) Comprehensive income: Three months ended June 30, 2015: ¥5,694 million [20.8%]
Three months ended June 30, 2014: ¥4,714 million [(45.3%)]

	Profit attributable to owners of parent per share	Diluted profit attributable to owners of parent per share
Three months ended	Yen	Yen
June 30, 2015	4.12	—
June 30, 2014	5.95	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of June 30, 2015	589,602	297,310	44.1
As of March 31, 2015	588,590	292,405	43.5

(Reference) Shareholders' equity: As of June 30, 2015 : ¥259,795 million
As of March 31, 2015 : ¥256,021 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2015	—	3.00	—	3.50	6.50
Fiscal year ending March 31, 2016	—				
Fiscal year ending March 31, 2016 (Forecast)		5.00		5.00	10.00

(Note) Revision to the forecast for dividends announced most recently: No

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

(Note) Revision to the financial results forecast announced most recently: No

*** Notes:**

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) 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

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

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

June 30, 2015	434,487,693 shares
March 31, 2015	434,487,693 shares

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

June 30, 2015	811,391 shares
March 31, 2015	805,395 shares

3) Average number of shares during the period:

Three months ended June 30, 2015	433,679,263 shares
Three months ended June 30, 2014	433,703,100 shares

* Presentation regarding the implementation status of the quarterly review procedures

These quarterly financial results are outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act. At the time of disclosure of these quarterly financial results, review procedures for the quarterly financial statements under the Financial Instruments and Exchange Act 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

July 28, 2015
Daido Steel Co., Ltd.

Financial Results for the Three Months Ended June 30, 2015

(1) Net sales by reportable segment

(Millions of yen, %)

	1Q June 2015	(YoY change) Change	(YoY change) % of Change
Specialty Steel	43,305	(5,680)	(11.6)
High Performance Materials and Magnetic Materials	40,883	2,271	5.9
Parts for Automobile and Industrial Equipment	24,622	(185)	(0.7)
Engineering	5,791	714	14.1
Trading and Service	2,102	(233)	(10.0)
Total	116,705	(3,113)	(2.6)

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

(Millions of yen, %)

	1Q June 2015	(YoY change) Change	(YoY change) % of Change
Net sales	116,705	(3,113)	(2.6)
Operating income	3,967	(210)	(5.0)
Non-operating income	1,253	(2)	—
Non-operating expenses	980	119	—
Ordinary income	4,240	(332)	(7.3)
Extraordinary income	—	—	—
Extraordinary losses	604	604	—
Income before income taxes	3,635	(936)	—
Income taxes	1,217	(216)	—
Profit attributable to non-controlling interests	630	73	—
Profit attributable to owners of parent	1,788	(794)	(30.8)

(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. Raw material and fuel cost	12	1. Sales volume	9
2.Sales mix change	6	2. Sales price	10
3. Variable cost	3	3. Fixed cost	4
		4. Non-operating income or loss	1
Total (a)	21	Total (b)	24
		Change (a) – (b)	(3)

(Reference: Market condition of raw material)

	1Q June 2014	1Q June 2015
H2 (Thousands of yen/t)	27.9	20.7
Nickel (LME) (One dollar/1b)	8.4	5.9
Molybdenum (MD) (One dollar/1b)	13.6	7.5

(4) Condensed balance sheet

(Millions of yen)

Item	As of March 31, 2015	As of June 30, 2015	Change	Item	As of March 31, 2015	As of June 30, 2015	Change
Current assets	256,181	252,542	(3,639)	Liabilities	296,184	292,292	(3,892)
Cash and deposits	32,585	34,026	1,441	Trade payables	78,039	74,936	(3,102)
Trade receivables	105,006	100,476	(4,529)	Interest-bearing debt	146,208	146,616	407
Inventories	108,561	108,375	(185)	Other	71,937	70,740	(1,197)
Other	10,027	9,662	(364)				
Non-current assets	332,408	337,060	4,652	Net assets	292,405	297,310	4,904
Property, plant and equipment	189,375	189,753	377	Shareholders' equity	217,463	217,882	419
Intangible assets	7,283	7,306	23	Accumulated other comprehensive income	38,558	41,913	3,354
Investments and other assets	135,749	140,000	4,251	Non-controlling interests	36,383	37,514	1,130
Total assets	588,590	589,602	1,012	Total liabilities and net assets	588,590	589,602	1,012