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Disclosures on the Internet under Laws, Regulations and the Articles of Incorporation

94th Fiscal Year (April 1, 2017 - March 31, 2018)

(i) Notes to the Consolidated Financial Statements

(ii) Notes to the Non-consolidated Financial Statements

Mitsubishi Steel Mfg. Co., Ltd.

This information is posted on the Company's website and thereby provided to its shareholders pursuant to the provisions of laws, regulations and Article 14 of the Articles of Incorporation.

Notes to the Consolidated Financial Statements

(April 1, 2017 - March 31, 2018)

(Notes on Significant Information Regarding the Preparation of Consolidated Financial Statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 17

Names of major consolidated subsidiaries: MSSC CANADA INC.
MSSC US INC.
MSM NINGBO SPRING CO., LTD.
MSM CEBU, INC.
MSM SPRING INDIA PVT. LTD.
MSSC MFG MEXICANA, S.A. DE C.V.
MSM (THAILAND) CO., LTD.
PT. JATIM TAMAN STEEL MFG.
Mitsubishi Steel Muroran Inc.
Mitsubishi Nagasaki Machinery Mfg. Co., Ltd.
Ryokoh Express Co., Ltd.

Because PT. JATIM TAMAN STEEL MFG., which was an affiliate accounted for under the equity method, became a subsidiary through an additional share acquisition by the Company during the consolidated fiscal year under review, it is included within the scope of consolidation.

PT. JATIM TAMAN STEEL MFG. closes its books on December 31.

In preparing consolidated financial statements, the Company uses data as of the subsidiary's closing date, and makes the necessary adjustments to reflect important transactions that occurred between the subsidiary's closing date and the consolidation date.

2. Application of the equity method

(1) Number of affiliates accounted for under the equity method: 3

Name of affiliates accounted for under the equity method:
Hokkai Iron & Coke Corporation
CROFT PROPERTIES HOLDINGS, INC.
Stumpp Schuele & Somappa Auto Suspension Systems Pvt. Ltd.

(2) Affiliate not accounted for under the equity method:

Name of major affiliate: Dai-ichi Heat Muroran Co., Ltd.

Companies not accounted for under the equity method are excluded from the scope of application of the equity method as their impact on net income (amount corresponding to interests), retained earnings (amount corresponding to interests), etc. is not only minuscule individually but is also insignificant as a whole.

3. Accounting policies

(1) Valuation standards and methods of principal assets

(i) Securities

Available-for-sale securities

For which market value is available:

The present market value is recorded based on the market prices, etc., on the last day of the period. (Valuation differences are incorporated into net assets in full. Selling prices were computed based on the moving-average method.)

For which market value is not available:

Stated at cost mainly using the moving-average method.

(ii) Derivatives: Market value method

(iii) Inventories: Stated at cost based mainly on the periodic average method (method in which book values are lowered based on declines in profitability).

(2) Depreciation and amortization methods of principal depreciable assets

(i) Property, plant and equipment (excluding leased assets):

The Company depreciates property, plant and equipment (excluding leased assets) using mainly the declining-balance method.

The range of useful lives of main property, plant and equipment is as follows:

Buildings and structures

8 - 33 years

Machinery, equipment and vehicles

4 - 14 years

(ii) Intangible assets (excluding leased assets):

The Company amortizes intangible assets (excluding leased assets) using the straight-line method.

The range of useful lives and the amortization period of main intangible assets are as follows:

Software (in-house use)

5 years

Goodwill

10 years

Land use right

30 years

(iii) Leased assets: Leased assets associated with finance leases in which ownership of the leased assets is not transferred to the lessee.

The straight-line method is used assuming the lease period equals the estimated useful life and the residual value at the end of the lease term is nil.

(3) Accounting standards for principal provisions and allowances

(i) Allowance for doubtful accounts:

In order to provide for potential credit losses due to accounts receivable being difficult to collect, loans receivable, etc., allowances of the estimated unrecoverable amounts are reported based on historical loan loss rates for general claims, and on an individual basis for specific receivables including doubtful receivables.

(ii) Provision for directors' retirement benefits:

With respect to some consolidated subsidiaries, in order to provide for the payment of retirement benefits for directors, an allowance in the amount to be paid at the end of the fiscal year is reported as required by internal rules.

(iii) Provision for directors' share benefits:

In order to provide for the delivery of the Company’s shares for directors, an allowance is recorded based on the estimated value of share remuneration plan liabilities at the end of the consolidated fiscal year under review.

(4) Method of amortization and amortization period of goodwill

The difference in investment amounts arising upon the application of the equity method is amortized over eight years from the time of accrual using the straight-line method.

Besides, goodwill arising upon the acquisition of additional shares of PT. JATIM TAMAN STEEL MFG. during the consolidated fiscal year under review is amortized over 10 years from the time of accrual using the straight-line method.

(5) Other significant information for the preparation of Consolidated Financial Statements

(i) Hedge accounting method:

Deferral hedge accounting is used. In addition, special treatment is applied to interest rate swap contracts that meet the requirements for special treatment.

(ii) Accounting method for retirement benefits:

In order to provide for the payment of employee retirement benefits, the Company reports the amount of the retirement benefit obligations less pension assets at the end of the consolidated fiscal year under review as net defined benefit liability (or net defined benefit asset if the amount of pension assets exceeds the amount of retirement benefit obligations).

In the calculation of retirement benefit obligations, the benefit formula has been used to attribute expected benefits to periods until the end of the consolidated fiscal year under review.

Prior service costs are expensed using the straight-line method based on a certain number of years (mainly 12 years) within the average remaining service years of the employees when incurred in each fiscal year.

Actuarial differences are expensed from the following fiscal year as incurred using the straight-line method based on a certain number of years (mainly 12 years) within the average remaining services years of the

employees when incurred in each fiscal year.

Unrecognized actuarial differences and unrecognized prior service costs have been recorded under remeasurements of defined benefit plans under accumulated other comprehensive income in net assets upon adjustment of tax effects.

In some of the Company's subsidiaries in North America, non-pension post-retirement health benefits are treated similarly to retirement benefits, i.e. their total amounts are estimated and allocated on the basis of the employee's years of service, and due to their similar nature to retirement benefits, have been included in net defined benefit liability.

(iii) Standards for the recognition of net sales of completed construction contracts and cost of sales of completed construction contracts:

Construction contracts in progress for which the outcome of the progress made by the end of the fiscal year under review is deemed certain are subject to the percentage-of-completion method, and other construction contracts are subject to the completed-contract method.

The percentage of completion as of the end of the current fiscal year of contacts subject to the percentage-of-completion method is estimated on a cost-to-cost basis.

(iv) Accounting for consumption tax:

In terms of accounting for consumption tax and local consumption tax, amounts are shown exclusive of such taxes.

(Additional information)

1. Share remuneration plan for Directors

The Company introduced "BIP Trust" (performance share plan for Directors), from the second quarter consolidated fiscal period, based on a resolution passed at the 93rd Ordinary General Meeting of Shareholders held on June 23, 2017.

(1) Outline of the transaction

The BIP Trust is a plan whereby the Company's shares acquired by the Trust and cash equivalent to the value of such shares upon conversion are delivered and paid to relevant beneficiary Directors in accordance with the degree of performance achieved.

(2) Company's own shares remaining in the trust

The Company's own shares remaining in the trust are recorded as treasury stock in the net asset section based on the book value in the trust (excluding the amount of accompanying expenses). The book value and the number of such shares at the end of the consolidated fiscal year under review are 157 million yen and 54.3 thousand shares, respectively.

(Notes to the Consolidated Balance Sheet)

1. Assets pledged as collateral and secured liabilities

Assets pledged as collateral

Machinery, equipment and vehicles	2,688 million yen
Land	3,780
Inventories	2,184
Accounts receivable - trade	1,260
Total	9,912

Secured liabilities

Short-term loans payable	3,294 million yen
Long-term loans payable	1,097
Total	4,392

The maximum amount of the revolving mortgage related to the assets above is 6,095 million yen.

2. Accumulated depreciation of property, plant and equipment:

82,046 million yen

3. Other

Accounting method for bills that matured on the last day of the consolidated fiscal year under review:

Under the accounting method for bills that matured on the last day of the consolidated fiscal year under review (which fell on a bank holiday), settlement of those bills is made on bill clearing days. Bills that matured on the last day of the consolidated fiscal year under review are as follows.

Notes receivable - trade	92 million yen
Electronically recorded monetary claims - operating	949 million yen
Notes payable - trade	3 million yen
Electronically recorded obligations - operating	1,353 million yen
Other in current liabilities	44 million yen

(Notes to the Consolidated Statement of Changes in Equity)

1. Type and total number of shares outstanding at end of consolidated fiscal year under review:

Common shares 15,709,968 shares

2. Dividends

(1) Dividend payments

Date of resolution	Total dividends	Cash dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 23, 2017	538 million yen	3.50 yen	March 31, 2017	June 26, 2017
Board of Directors Meeting held on October 27, 2017	385 million yen	2.50 yen	September 30, 2017	November 28, 2017

* Dividends per share based on a resolution passed at the Board of Directors Meeting held on October 27, 2017 do not reflect the share consolidation executed on October 1, 2017 because the record date of the dividends is September 30, 2017.

(2) Dividends whose record date is in the current fiscal year and whose effective date is in the following fiscal year

At the Ordinary General Meeting of Shareholders to be held on June 22, 2018, the following proposal on dividends will be submitted.

Total dividends	540 million yen
Cash dividends per share	35 yen
Effective date	June 25, 2018
Record date	March 31, 2018

The source of dividends shall be retained earnings.

(Notes on Financial Instruments)

1. Information regarding status of financial instruments

The Group limits its fund management activities to short-term deposits, etc., and raises funds by borrowings from financial institutions such as banks.

The Group seeks to reduce credit risks of customers concerning notes and accounts receivable-trade in accordance with the Credit Management Rules. Investment securities mainly consist of shares, and the market prices of listed shares are identified on a quarterly basis.

Borrowings are used for operating funds (mainly short term) and capital investment funds (long term). With respect to the risk of interest rate fluctuations for some long-term loans payable, the Group performs interest rate swap transactions to fix interest expenses.

Derivative transactions are forward exchange contracts aimed at hedging exchange rate fluctuation risks involved with monetary receivables and payables denominated in foreign currencies, which are performed in accordance with the Derivative Transaction Management Rules.

2. Information regarding market value, etc. of financial instruments

The Consolidated Balance Sheet amount and market value at the end of the consolidated fiscal year under review and the difference between the two are as follows. Financial instruments whose market value is deemed to be extremely difficult to identify are not included in the table below (see Note 2).

(Millions of yen)

	Consolidated Balance Sheet amount (*1)	Market value (*1)	Difference
(1) Cash and deposits	14,797	14,797	-
(2) Notes and accounts receivable - trade	29,102	29,102	-
(3) Securities	13,600	13,600	-
(4) Investment securities Available-for-sale securities:	10,208	10,208	-
(5) Notes and accounts payable - trade	[10,973]	[10,973]	-
(6) Short-term loans payable	[11,948]	[11,948]	-
(7) Long-term loans payable	[30,065]	[30,270]	(204)
(8) Derivative transactions (*2)	[12]	[12]	-

(*1) Those recorded in Liabilities are shown in parentheses [ ].

(*2) Amounts of claims and obligations that accrued from derivative transactions are shown on a net basis, and net obligations are shown in parentheses [ ].

(Note 1) Calculation method of market value of financial instruments and information regarding securities and derivative transactions

(1) Cash and deposits and (2) Notes and accounts receivable-trade

As these items are settled in a short period of time, their market value is approximately the same as their carrying amount; therefore, they are stated at the carrying amount.

(3) Securities

As these are negotiable deposits and settled in a short period of time, their market value is approximately the same as their carrying amount; therefore, they are stated at the carrying amount.

(4) Investment securities

The market value of shares is based on the exchange price, etc.

(5) Notes and accounts payable-trade and (6) Short-term loans payable

As these items are settled in a short period of time, their market value is approximately the same as their carrying amount; therefore, they are stated at the carrying amount.

(7) Long-term loans payable (including current portion of long-term loans payable)

The calculation method of the market value of long-term loans payable involves discounting the sum of the principal and interest divided into certain periods by the interest rate that is expected to be applied if a similar new loan is taken out. Long-term loans payable with variable interest rates are subject to special treatment for interest rate swaps (see (8) below), and the calculation method involves discounting the sum of the principal and interest processed integrally with such swaps by a reasonably-estimated interest rate that would be applied if a similar loan were taken out.

(8) Derivative transactions

Those subject to special treatment for interest rate swaps are processed integrally with the hedged long-term loans payable, so their market value is included in the market value of such long-term loans payable (see (7) above).

Calculation of market value is based on prices etc. provided by relevant financial institutions.

(Note 2) Unlisted shares (Consolidated Balance Sheet amount: 4,998 million yen) are not included in "(4) Investment securities Available-for-sale securities" since it is deemed extremely difficult to determine their market value because there is no quoted market price and it is impossible to estimate future cash flows.

(Notes on Per Share Information)

1. Net assets per share: ¥4,072.09
2. Profit per share: ¥188.79

* The Company consolidated 10 shares of its common shares into 1 share effective October 1, 2017.
* Net assets per share and profit per share are calculated on the assumption that the share consolidation was executed at the beginning of the consolidated fiscal year under review.

(Notes on Subsequent Event)

The Company acquired all the shares of Gebrüder Ahle GmbH & Co. KG and made it a wholly-owned subsidiary of the Company as of April 12, 2018.

1. Business combination through acquisition
   (1) Name of company acquired and description of business
   Name of company acquired: Gebrüder Ahle GmbH & Co. KG
   Description of business: Design, manufacture, and sales of coil springs used for automobiles, etc.
   (2) Major reasons for business combination
   The Company acquired the targeted manufacturer with the aim of becoming a global supplier of automotive suspension springs, including coil springs and stabilizers, in line with one of the policies of the 2016 Mid-term Business Plan. With this acquisition, the Company has made an advance into Europe, following its entry into Mexico and commercialization of the stabilizer business in China.
   (3) Business combination date
   April 12, 2018
   (4) Legal form of business combination
   Acquisition of shares in exchange for cash
   (5) Name of company after acquisition
   MSSC Ahle GmbH (plan)
   (6) Voting ratio acquired
   100%
   (7) Major ground for determining an acquiring company
   The Company acquired shares in exchange for cash.

1. Acquisition cost with additional purchase and type of consideration

Consideration for the acquisition: Cash,	11.6 million euros
Acquisition cost:	11.6 million euros

3. Amount of goodwill resulting from the acquisition, reason for goodwill, and method and period of amortization

   Not finalized at present.

4. Amount of assets and liabilities transferred on the business combination date and their major breakdown

   Not finalized at present.

5. Impacts on consolidated profits or losses of the acquisition

   The impacts of the said acquisition on forecast of consolidated business results ending March 31, 2019 have not been finalized at present.

(Other related notes)

1. Business combination through acquisition

   (1) Outline of Business combination

   (i) Name of company acquired and description of business

   Name of company acquired: PT. JATIM TAMAN STEEL MFG.

   Description of business: Manufacture and sales of round special steel bars and flat spring steel

   (ii) Major reasons for business combination

   Mitsubishi Steel Mfg. Co., Ltd. had acquired minority share of PT. JATIM TAMAN STEEL MFG. in Indonesia in 2014 with the intention to develop overseas business in Special Steel Bars Business and started Joint Venture business. Since then, PT. JATIM TAMAN STEEL MFG. has proceeded to install Rolling and Inspection & Conditioning mill with technical assistance provided from Mitsubishi Steel Mfg. Co., Ltd., and started to sell flat spring steel from 2016, and round special steel bars from September 2017. It is expected production and sales will become fully in progress from 2018 accompanied with improvement of profitability.

   Special Steel business in Indonesia is considered as a key business in ASEAN strategy for Mitsubishi Steel Mfg. Co., Ltd., because that is not only to sell the steel but also to make leaf spring as final products by using the steel as material. In order to archive further competitiveness in terms of quality and cost, Mitsubishi Steel Mfg. Co., Ltd. acquired additional share of PT. JATIM TAMAN STEEL MFG. to make it subsidiary from equity method company.

   (iii) Business combination date

   January 29, 2018

   (iv) Legal form of business combination

   Acquisition of shares in exchange for cash

   (v) Name of company after acquisition

   The Company name remains the same after acquisition

   (vi) Voting ratio acquired

   Voting ratio held before the acquisition: 35.4%

   Voting ratio additionally acquired on the business combination date: 20.8%

   Voting ratio after the acquisition: 56.2%

   (vii) Major ground for determining an acquiring company

The Company acquired shares in exchange for cash.

(2) Acquisition cost with additional purchase and type of consideration

Market value of the shares held immediately before the additional purchase as of the date of the business combination	5,298 million yen
Cash paid for additional purchase	3,107 million yen
Acquisition cost	8,405 million yen

(3) Details and major costs related to acquisition

Advisory fees, etc. 37 million yen

(4) Difference between acquisition cost of the acquired company and total acquisition cost for each transaction that resulted in the acquisition

Gain on the step acquisition 2,497 million yen

(5) Amount of goodwill arising from company acquisition, reason for accrual, and method and period of amortization

(i) Amount of goodwill

3,409 million yen

(ii) Reason for accrual

It is primarily the additional future income-generating power expected to be derived from manufacturing and sales activities in the special steel business of PT. JATIM TAMAN STEEL MFG.

(iii) Method of amortization and amortization period

Amortization over a 10-year period on a straight-line basis

(6) Amount of assets and liabilities accepted as of the date of the business combination and their major breakdown

Current assets	3,940 million yen
Non-current assets	17,025 million yen
Total Assets	20,966 million yen
Current liabilities	6,457 million yen
Non-current liabilities	5,628 million yen
Total liabilities	12,085 million yen

(7) Amount allocated to intangible assets other than goodwill, breakdown by major type, and weighted-average amortization period in total and by major type

Type	Amount	Amortization period
Land use right	7,856 million yen	30 years

(8) The estimated effect on consolidated statement of income for the consolidated fiscal year under review assuming the business combination was completed as of the date of the commencement of the consolidated fiscal year under review and its calculation method

Net sales	1,061 million yen
Operating income	(1,136 million yen)
Ordinary income	(1,215 million yen)
Income before income taxes	(1,215 million yen)
Profit attributable to owners of parent	(372 million yen)
Profit per share	(24.23 yen)

(Method of calculating estimated amounts)

The above estimated effects are based on the difference between net sales and operating results calculated assuming the business combination had been completed as of the date of commencement of the consolidated fiscal year under review and those of the acquired company shown in the consolidated statement of income of the Group.

These estimated effects have not received audit certification.

Notes to the Non-consolidated Financial Statements

(April 1, 2017 - March 31, 2018)

(Notes on Information Regarding Significant Accounting Standards)

1. Valuation standards and methods of assets

(1) Valuation standards and methods of securities

(i) Shares of subsidiaries and shares of affiliates:

Stated at cost using the moving-average method.

(ii) Available-for-sale securities

For which market value is available:

The present market value is recorded based on the market prices, etc., on the last day of the period. (Valuation differences are incorporated into net assets in full. Selling prices were computed based on the moving-average method.)

For which market value is not available:

Stated at cost using the moving-average method.

(2) Valuation standards and methods of derivatives

Derivatives:

Market value method

(3) Valuation standards and methods of inventories

Finished goods, semi-finished goods, work in process, raw materials and supplies:

Stated at cost based on the periodic average method (method in which book values are lowered based on declines in profitability).

2. Depreciation and amortization methods of depreciable assets

(i) Property, plant and equipment (excluding leased assets):

The Company depreciates property, plant and equipment using the declining-balance method.

Certain buildings and structures are depreciated using the straight-line method.

The range of useful lives of main property, plant and equipment is as follows:

Buildings	8 - 31 years
Machinery and equipment:	8 - 14 years

(ii) Intangible assets (excluding leased assets):

The Company amortizes intangible assets using the straight-line method.

Software used in-house is amortized by the straight-line method over its useful life assuming in-house use (5 years).

(iii) Leased assets: Leased assets associated with finance leases in which ownership of the leased assets is not transferred to the lessee

The straight-line method is used assuming the lease period equals the estimated useful life and the residual value at the end of the lease term is nil.

3. Accounting standards for provisions and allowances

(i) Allowance for doubtful accounts:

In order to provide for potential credit losses due to accounts receivable being difficult to collect, loans receivable, etc., allowances of the estimated unrecoverable amounts are reported based on historical loan loss rates for general claims, and on an individual basis for specific receivables including doubtful receivables.

(ii) Provision for retirement benefits:

In order to provide for the payment of retirement benefits for employees, an allowance in the amount deemed to have accrued at the end of the fiscal year under review is recorded based on the projected amount of retirement benefit obligations and pension assets at the end of the fiscal year under review.

In the calculation of retirement benefit obligations, the benefit formula has been used to attribute expected benefits to periods until the end of the fiscal year under review.

Prior service costs are expensed using the straight-line method based on a certain number of years (12 years) within the average remaining service years of the employees at the time of accrual.

Actuarial differences are expensed from the fiscal year subsequent to the year of accrual using the straight-line method based on a certain number of years (12 years) within the average remaining service years of the employees at the time of accrual in each fiscal year.

(iii) Provision for directors' share benefits:

In order to provide for the delivery of the Company’s shares for directors, in accordance with the Rules of the Performance Share Plan, an allowance is recorded based on the estimated value of share remuneration plan liabilities at the end of the fiscal year under review.

(iv) Provision for loss on business of subsidiaries and associates:

In order to provide for loss on business expected to be incurred by subsidiaries and associates of the Company, an allowance for such losses is recorded as the estimated amount the Company will have to pay beyond investments in those companies.

4. Other basic and significant information regarding the preparation of Non-consolidated Financial Statements

(i) Hedge accounting method: Deferral hedge accounting is used. In addition, special treatment is applied to interest rate swap contracts that meet the requirements for special treatment.

(ii) Accounting for consumption tax:

In terms of accounting for consumption tax and local consumption tax, amounts are shown exclusive of such taxes.

(Notes to the Non-consolidated Balance Sheet)

1. Accumulated depreciation of property, plant and equipment:
   33,825 million yen
2. Contingent liabilities
   Guarantees for borrowings of subsidiaries and affiliates: 2,115 million yen
3. Monetary claims and obligations to subsidiaries and affiliates

Short-term monetary claims:	3,414 million yen
Long-term monetary claims:	6,213
Short-term monetary obligations:	4,196

4. Other

Accounting method of bills that matured on the last day of the fiscal year under review:

Under the accounting methods for bills that matured on the last day of the fiscal year under review (which fell on a bank holiday), settlement of those bills is made on the days the bills clear. Bills that matured on the last day of the fiscal year under review are as follows.

Notes receivable - trade	74 million yen
Electronically recorded monetary claims - operating	820
Notes payable - trade	0
Electronically recorded obligations - operating	555
Other in Current liabilities	43

(Notes to the Non-consolidated Statement of Income)

1. Amount of transactions with subsidiaries and affiliates

Net sales	2,524 million yen
Purchases	42,170
Trades other than operating transactions	
Interest income	71
Dividend income	29
Share transfer	2,682

2. Amount of write-down of inventories held for ordinary sale purposes due to decline in profitability
   Cost of sales 10 million yen

(Notes to the Non-consolidated Statement of Changes in Equity)

1. Type and total number of treasury shares at end of fiscal year under review:
   Common shares 325,198 shares

(Notes on Tax Effect Accounting)

1. Breakdown of major components of deferred tax assets and deferred tax liabilities

Deferred tax assets	
Accrued enterprise tax	51 million yen
Provision for retirement benefits	408
Long-term accounts payable - other (directors' retirement benefits)	4
Loss on disposal of non-current assets	1
Amount in excess of depreciation limit	151
Impairment loss	244
Accrued expenses	250
Loss on valuation of shares of subsidiaries and associates	521
Allowance for doubtful accounts	59
Provision for loss on business of subsidiaries and associates	438
Other	243
Deferred tax assets—Subtotal	2,375
Valuation allowance	(1,520)
Deferred tax assets—Total	854
Deferred tax liabilities	
Valuation difference on available-for-sale securities	1,969 million yen
Reserve for advanced depreciation of non-current assets	523
Prepaid pension cost	81
Deferred tax liabilities—Total	2,574
Deferred tax liabilities—Net	1,720

(Notes on Transactions with Related Parties)

1. Subsidiaries and affiliates, etc.

Type	Company name	Percentage of voting rights held	Relationship with related party	Description of transaction	Transaction amount	Account	Closing balance
					(Millions of yen)		(Millions of yen)
Subsidiary	Mitsubishi Steel Muroran Inc.	Directly owns 70.0%	Purchase of finished goods	Purchase of special steel bars (Note 1)	Purchases 40,761	Accounts payable - trade	3,448
			Debt guarantee	Guarantee for borrowings (Note 2)	Guarantee amount 1,610		
			Lending of funds	Lending of operating funds and equipment funds (Note 3)	Amount of lending -	Long-term loans receivable	2,937
			Sale of shares Common officers	Sale of shares of Mitsubishi Steel Muroran Inc. (Note 4)	Proceeds 2,682		
	MSSC US INC.	Directly owns 100.0%	Lending of funds Common officers	Lending of operating funds and equipment funds (Note 3)	Amount of lending -	Long-term loans receivable	2,466
	PT. JATIM TAMAN STEEL MFG.	Directly owns 56.2%	Sale of finished goods Common officers	Sales of special steel bars (Note 5)	Sales 1,845	Accounts receivable - trade	1,342

(Notes) Terms of transactions, policies for determining terms of transactions, etc.

1. Purchase prices are determined based on order prices in the first half and actual costs in the second half.
2. This is a guarantee for borrowings from banks; no guarantee commission is received.
3. For the lending of funds, the interest rate is determined based on the market interest rate, and the terms of repayment are determined according to the purpose of the funds. No collateral is received.
4. Fair value is determined based on the appraisal value estimated by a third-party appraiser who is independent of the Company.
5. The terms of transactions are determined based on market prices, etc.
6. The amount of transactions does not include consumption tax. The closing balance includes consumption tax.
7. For loans receivable from subsidiaries, allowance for doubtful accounts totaling 193 million yen is recorded.
8. In addition to the above, the Company booked the provision of a loss of 1,432 million yen on its affiliate business at the end of the fiscal year under review.

(Notes on Per Share Information)

1. Net assets per share: ¥3,226.58
2. Profit per share: ¥177.57

*The Company consolidated 10 shares of its common shares into 1 share effective October 1, 2017. Net assets per share and profit per share are calculated on the assumption that the share consolidation was executed at the beginning of the fiscal year under review.

(Notes on Subsequent Event)

The Company acquired all the shares of Gebrüder Ahle GmbH & Co. KG and made it a wholly-owned subsidiary of the Company as of April 12, 2018.

1. Business combination through acquisition
   (1) Name of company acquired and description of business
   Name of company acquired: Gebrüder Ahle GmbH & Co. KG
   Description of business: Design, manufacture, and sales of coil springs used for automobiles, etc.
   (2) Major reasons for business combination
   The Company acquired the targeted manufacturer with the aim of becoming a global supplier of automotive suspension springs, including coil springs and stabilizers, in line with one of the policies of the 2016 Mid-term Business Plan. With this acquisition, the Company has made an advance into Europe, following its entry into Mexico and commercialization of the stabilizer business in China.
   (3) Business combination date
   April 12, 2018
   (4) Legal form of business combination
   Acquisition of shares in exchange for cash
   (5) Name of company after acquisition
   MSSC Ahle GmbH (plan)
   (6) Voting ratio acquired
   100%
   (7) Major ground for determining an acquiring company
   The Company acquired shares in exchange for cash.
2. Acquisition cost with additional purchase and type of consideration

Consideration for the acquisition: Cash,	11.6 million euros
Acquisition cost:	11.6 million euros