

Consolidated Financial Results for the First Half of FY2014

Metal One Corporation (headquartered in Minato-ku, Tokyo; President: Iwao Toide) is pleased to announce the results of its consolidated performance for the first half of FY2014 (April to September) as follows:

Outline of Consolidated Financial Results for the First Half of FY2014

[Overview]

The steel supply glut continued in Asia during the April to September period, the first half of FY2014. While domestic steel demand from both the construction and manufacturing industry sectors remained generally solid, the consumption tax hike had some impact on demand. Exports also remained at normal levels, although they were slightly down compared to the same period of the previous year due to limited surplus export capacity and the economic deceleration in Southeast Asia.

Regarding Metal One's consolidated financial results for the first half of FY2014 in this business climate, sales were up slightly compared to the same period the previous year, while gross profit and operating income were both down, and ordinary income rose a bit. Net income was up ¥259 million year on year, totaling ¥10.4 billion.

[Key items in the consolidated income statement]

Regarding the main items in the consolidated FY2014 first-half income statement, sales increased by ¥23.6 billion, or 1.9 percent, to ¥1.2709 trillion. However, gross profit fell by ¥2.3 billion to ¥61.1 billion, down 3.7 percent, and operating income declined by ¥2.6 billion to ¥14.7 billion, or 15.2 percent. Ordinary income increased by ¥524 million, or 3.3 percent, to ¥16.5 billion.

After deducting taxes of ¥6.5 billion and other expenses, net income rose ¥259 million compared to the previous year, or 2.6 percent, to ¥10.4 billion.

(Unit: ¥ million)

Item	First half of FY2014 (Apr. to Sep.)	Reference First half of FY2013
Sales	1,270,869	1,247,262
Gross profit	61,063	63,396
Operating income	14,705	17,349
Ordinary income	16,453	15,929
Net income	10,402	10,143

[Main items in the consolidated balance sheet]

Consolidated total assets rose by ¥36.3 billion to ¥1.1501 trillion at the end of the first half of FY2014 compared to the end of the previous fiscal year due to increases in inventory and other current assets. Consolidated interest-bearing debt also rose ¥35.9 billion to ¥370.3 billion.

Total net assets excluding minority interests rose ¥5.4 billion to ¥319.6 billion compared to the end of the previous fiscal year thanks to increases in net unrealized gains on securities and favorable foreign currency exchange adjustments.

Outlook for Consolidated Performance for the Entire Fiscal Year

Although the business environment is expected to remain generally steady domestically during the second half, we will need to closely watch overseas developments, starting with China and emerging economies. We will also therefore refrain from announcing full-year projections as we did at the start of the year.