

Consolidated Financial Results for the First Half of FY2015

Metal One Corporation (headquartered in Chiyoda-ku, Tokyo; President: Iwao Toide) is pleased to announce the results of its consolidated performance for the first half of FY2015 (April to September).

Outline of Consolidated Financial Results for the First Half of FY2015

[Overview]

Domestic steel demand from both the construction and manufacturing sectors remained steady as a whole during the April through September period, the first half of FY2015, despite a certain level of impact from delayed inventory adjustments. Exports, however, continued to flag in an environment in which China increased its exports to reduce its oversupply. The repercussions of trade disputes that heated up in connection with various nations' protectionist moves, falling oil prices and resource-producing nations' economic slowdowns also affected exports.

In addition to the external environment noted above, Metal One's consolidated financial results for the first half of FY2015 fell short of the same period during the previous year in sales, gross profit, operating income and ordinary income as Metal One Mitsui Bussan Resources & Structural Steel Corporation (currently MM&KENZAI Corporation) was launched to be an equity method company in the second half of FY2014, among other factors. Net income was down ¥542 million year-on-year, totaling ¥9.9 billion.

[Key items in the consolidated income statement]

Sales decreased by ¥246.5 billion—or 19.4 percent—to ¥1.0244 trillion, compared to the previous year. Gross profit fell by ¥6.2 billion to ¥54.9 billion, down 10.2 percent, and operating income declined by ¥3.4 billion to ¥11.3 billion, or 22.8 percent. Ordinary income decreased by ¥5.0 billion, or 30.2 percent, to ¥11.5 billion.

After deducting taxes of ¥5.8 billion and other expenses, net income declined by 5.2 percent, falling ¥542 million compared to the previous year to ¥9.9 billion.

(Unit: ¥ million)

Item	First half of FY2015 (Apr. to Sep.)	Reference First half of FY2014
Sales	1,024,383	1,270,869
Gross profit	54,854	61,063
Operating income	11,348	14,705
Ordinary income	11,492	16,453
Net income	9,860	10,402

[Key items in the consolidated balance sheet]

Consolidated total assets fell by ¥96.1 billion to ¥1.0002 trillion during the first half of FY2015 compared to the end of the previous fiscal year as a result of reductions in inventory and accounts receivable and payable. Consolidated interest-bearing debt also declined by ¥59.2 billion to ¥312.8 billion.

Total net assets excluding minority interests fell by ¥9.3 billion to ¥333.0 billion compared to the end of the previous fiscal year, reflecting increases in net unrealized gains on securities and foreign currency exchange adjustments.

Outlook for Consolidated Performance for the Entire Fiscal Year

Japan's economy is expected to remain generally steady, while the economy of overseas countries, including China and emerging countries, remain uncertain. With this business environment in mind, no full-year projections will be announced, following our policy set at the start of the year.