

Consolidated Financial Results for the First Half of FY2018

Metal One Corporation (headquartered in Chiyoda-ku, Tokyo; President, Shuichi Iwata) is pleased to announce its consolidated results for the first half of FY2018 (April to September). Details are provided below:

Outline of Consolidated Financial Results for the First Half of FY2018

[Business environment]

Domestic steel demand mainly in the construction, automotive and manufacturing industries remained stable during the first half of FY2018, with increases in capital expenditures noted. However, crude steel production ended up at about the same level it reached during the same period of the previous year due to heavy rains in western Japan, a major typhoon in the Kansai region, an earthquake in Hokkaido and other natural disasters affected production at some steel manufacturers.

Meanwhile, demand in overseas markets rose compared to the same period of the previous year as the U.S. economy remained robust, the economic picture also gradually brightened in Europe and emerging Asian and other nations, and China's economy remained steady.

[Key items in the consolidated income statement]

Thanks to the positive impact of the business environment as described above, the main consolidated profit and loss statement items for the first half of FY2018—under IFRS, unaudited—we outperformed the same period of the previous year.

(Unit: ¥ millions)

Item	First half of FY2018 (Apr. to Sep.)	First half of FY2017 (Apr. to Sep.)	Compared to the same period of the previous year
Sales ¹	1,141,263	1,014,940	126,323
Gross profits	61,538	56,436	5,102
Net income attributable to owners of the parent	12,330	11,175	1,155

¹ Sales based on Japanese GAAP standards shown for reference

[Key items in the consolidated statement of financial position]

Consolidated total assets at the end of the first half of FY2018 increased by ¥41 billion compared to the end of the previous consolidated accounting period, to ¥1.1291 trillion—a gain attributable to increases in inventories, other current assets and other factors—while consolidated interest-bearing debt rose by ¥34.8 billion, to ¥370.6 billion.

Total net assets excluding noncontrolling interests rose by ¥2.8 billion, to ¥369.8 billion compared to the end of the previous fiscal year, due to increases in net unrealized gains on securities, foreign currency adjustments and other factors.

Consolidated Performance Outlook for the Entire Fiscal Year

We anticipate that the business environment and market conditions will remain stable for the second half of the year. However, uncertainties remain, such as high prices for steel raw materials, multilateral trade issues, and developments related to steel demand overseas. As at the start of the fiscal year, we will refrain from announcing full-year numerical projections.