

Consolidated Financial Results for the First Half of FY2017

Metal One Corporation (headquartered in Chiyoda-ku, Tokyo; President, Shuichi Iwata) is pleased to announce its consolidated results for the first half of FY2017 (April to September). Please note that, International Financial Reporting Standard (IFRS) has been applied from FY 2017 instead of Japanese Generally Accepted Accounting Principles (JGAAP) as applied previously.

Outline of Consolidated Financial Results for the First Half of FY2017

[Business environment]

Domestic steel demand has increased as compared to previous year and remained stable in the construction and manufacturing industries during first half of FY2017. Demand in overseas markets has increased as compared to the previous year as well, as the U.S. economy remains solid, China remains stable and emerging economies in Asia and other areas gradually recuperated.

[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 FY20 17—under IFRS, unaudited—we outclassed the same period of the previous year.

(Unit: ¥ million)

Item	First half of FY2017 (Apr. to Sep.)	Reference First half of FY2016 ²	Compared to the same period the previous year
Sales ¹	1,014,940	887,872	127,068
Gross profits	56,436	49,781	6,655
Net income	11,175	7,842	3,333

¹ Sales based on Japanese standards shown for reference

² Shown restated based on IFRS

[Key items in the consolidated balance sheet]

Consolidated total assets at the end of the first half of FY2017 has been increased by ¥87.4 billion as compared to the end of the previous consolidated accounting period, to ¥1.0493 trillion—mainly due to increases in inventory assets and accounts receivable and payable, and other factors—while consolidated interest-bearing debt has been increased by ¥55.4 billion to ¥319.8 billion. Total net assets excluding non-controlling interests have been increased by ¥4.8 billion to ¥354.5 billion as compared to the end of the previous fiscal year due to increase in net unrealized gains on securities and foreign currency exchange adjustments.

Consolidated Performance Outlook for the Entire Fiscal Year

We anticipate that market conditions will remain stable during the second half of the year. Although uncertainties remain over few things such as high prices for the raw materials for steel and overseas steel demand trends in developing nations and China; however, our view is positive in general. We will refrain ourselves from announcing full-year numerical projections now like we did at the start of the current fiscal year.