

## Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2016 (Fiscal Year 2016) (Six Months Ended September 30, 2015)

<Under Japanese GAAP>

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Scheduled date of filing of Quarterly Report: November 12, 2015  
 Scheduled date of payment of dividend: December 9, 2015  
 Preparation of supplementary materials for quarterly financial results: None

*(Millions of yen with fractional amounts rounded off, unless otherwise noted)*

### 1. Consolidated Financial Results for the Second Quarter (from April 1, 2015 to September 30, 2015) of Fiscal Year 2016

(1) Consolidated operating results (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Sep. 30, 2015	83,388	(8.4)	7,069	36.7	7,278	35.1	4,499	41.6
Six months ended Sep. 30, 2014	91,072	18.0	5,171	-	5,387	-	3,176	-

Note: Comprehensive income Six months ended Sep. 30, 2015: 4,363 million yen (up 37.1%)  
Six months ended Sep. 30, 2014: 3,182 million yen (up 138.7%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2015	103.52	-
Six months ended Sep. 30, 2014	73.09	-

### (2) Consolidated financial position

	Total assets	Net assets	Equity to total assets
	Millions of yen	Millions of yen	%
As of Sep. 30, 2015	199,307	141,306	66.4
As of Mar. 31, 2015	201,760	138,052	64.2

Reference: Shareholders' equity As of Sep. 30, 2015: 132,386 million yen As of Mar. 31, 2015: 129,546 million yen

### 2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal Year 2015	-	10.00	-	25.00	35.00
Fiscal Year 2016	-	10.00	-	-	-
Fiscal Year 2016 (Forecast)	-	-	-	25.00	35.00

Note: Revisions to the most recently announced dividend forecast: Yes

### 3. Forecasts of Consolidated Earnings for Fiscal Year 2016 (from April 1, 2015 to March 31, 2016)

(Percentages represent changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	160,000	(11.8)	12,400	5.1	12,500	0.1	7,500	8.3	172.58

Note: Revisions to the most recently announced consolidated earnings forecast: Yes

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly added: None

Excluded: None

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

Note: Please refer to “2. Matters Related to Summary Information (Notes), (3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements” on page 5 of the attachments for further information.

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Sep. 30, 2015:	44,898,730 shares	As of Mar. 31, 2015:	44,898,730 shares
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2) Number of treasury shares at the end of the period

As of Sep. 30, 2015:	1,439,455 shares	As of Mar. 31, 2015:	1,439,389 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2015:	43,459,333 shares	Six months ended Sep. 30, 2014:	43,459,386 shares
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\* Information regarding the implementation of quarterly review procedures

At the time when this report was released, the review procedures for the quarterly consolidated financial statements based on the Financial Instruments and Exchange Act have not been completed.

\* Cautionary statement with respect to forward-looking statements and other special items

Forecasts of future performance in this report are based on information available at the date of publication for this document and certain assumptions regarding factors for uncertainty that would influence future results at the date of publication. Actual results may vary significantly from these forecasts due to a wide range of factors. For discussion of the assumptions for forecasts, notes of caution for usage and other factors, please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecasts and Other Forward-looking Statements” on page 4 of the attached documents.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

In the first half of the fiscal year ending March 31, 2016, the Japanese economy recovered slowly overall as improvements in jobs and personal income continued. However, the economic outlook remained unclear because of the effects of economic downturns in China and other emerging countries.

In the market for steel construction materials, the primary source of demand for the Kyoei Steel Group's products, demand was lackluster in both the building construction and civil engineering sectors. Steel product prices and price of raw materials were lower overseas because of the excess volume of exports from China. Lower prices overseas caused price of steel scrap, the primary raw material, in Japan to plummet. As prices fell, buyers of steel products pushed back their purchases. In this environment, the Kyoei Steel Group continued to cut the cost of manufacturing while keeping production and sales activities in line with demand. The goal was to maintain a suitable metal spread, which is the difference between steel product price and steel scrap price. In Vietnam, the volumes of production and sales increased while preserving a suitable metal spread in order to meet strong demand for steel.

Consequently, consolidated sales decreased by 7,684 million yen (8.4%) to 83,388 million yen. Operating income was up by 1,898 million yen (36.7%) to 7,069 million yen, ordinary income increased by 1,890 million yen (35.1%) to 7,278 million yen, and profit attributable to owners of parent increased 1,323 million yen (41.6%) to 4,499 million yen.

Results by business segment are as follows.

Reportable segments have been revised beginning with the first quarter of the current fiscal year. Comparisons and analysis of first half segment performance are based on the revised segments. More information is provided in "II, 2. Revisions to reportable segments" in Segment and Other Information on page 12.

#### 1) Domestic Steel Business

Shipments decreased 30,000 tons from one year earlier to 818,000 tons, including a 20,000 ton increase in export shipments to 30,000 tons. Product prices decreased by 7,000 yen per ton but price of steel scrap, the primary raw material, fell by 9,000 yen per ton. Therefore, the metal spread, which is the difference between steel product price and steel scrap price, and is the source of earnings in this segment, widened by 2,000 yen.

Segment sales decreased by 10,402 million yen (15.3%) to 57,389 million yen and operating income was up by 1,459 million yen (32.0%) to 6,024 million yen.

#### 2) Overseas Steel Business

This segment includes the operations of Vina Kyoei Steel Ltd. (VKS), which is located in southern Vietnam, and Kyoei Steel Vietnam Company Limited (KSVC), which is located in northern Vietnam. In the first half of 2015 (January to June), Vietnam's economy continued to post strong growth with a real GDP growth rate of 6.3% despite the effects of slowing economic growth in China. Demand for steel was more than 20% higher than in the first half of 2014. VKS completed construction of an integrated steelmaking and rolling factory. Operation of the rolling line started ahead of the steelmaking facility and production and sales at the new factory were strong. The performance of KSVC has improved as this company operated at virtually full capacity because of the high level of demand while cutting costs.

Segment sales increased by 2,719 million yen (13.9%) to 22,349 million yen and operating income increased by 496 million yen (184.0%) to 766 million yen.

**3) Material Recycling Business**

Unit processing fees increased by placing priority on receiving orders for materials that are difficult to process, but processing efficiency decreased in some sectors. Segment sales increased by 29 million yen (0.8%) to 3,504 million yen but operating income was down 69 million yen (9.2%) to 686 million yen.

**4) Others**

This category includes mainly sales of civil engineering materials by a subsidiary and an insurance agent business. Sales decreased by 31 million yen (17.5%) to 145 million yen and operating income was down 3 million yen (20.6%) to 13 million yen.

**(2) Explanation of Financial Position****Assets**

Current assets decreased by 5,963 million yen, or 5.5%, from the end of the previous fiscal year to 102,703 million yen. This was attributable mainly to an increase of 2,400 million yen in securities, and decreases of 2,096 million yen in cash and deposits, 4,128 million yen in notes and accounts receivable-trade and 1,768 million yen in merchandise and finished goods.

Non-current assets increased by 3,510 million yen, or 3.8%, from the end of the previous fiscal year to 96,604 million yen. This was mainly attributable to increases of 1,939 million yen in buildings and structures and 7,114 million yen in machinery, equipment and vehicles, and a decrease of 4,832 million yen in other, net under property, plant and equipment.

Total assets decreased by 2,453 million yen, or 1.2%, from the end of the previous fiscal year to 199,307 million yen.

**Liabilities**

Current liabilities decreased by 4,530 million yen, or 11.2%, from the end of the previous fiscal year to 35,773 million yen. This was attributable mainly to decreases of 1,385 million yen in notes and accounts payable-trade, 1,984 million yen in income taxes payable and 1,125 million yen in other current liabilities.

Non-current liabilities decreased by 1,177 million yen, or 5.0 %, from the end of the previous fiscal year to 22,227 million yen. This was attributable mainly to a decrease of 797 million yen in long-term loans payable.

Total liabilities decreased by 5,707 million yen, or 9.0%, from the end of the previous fiscal year to 58,000 million yen.

**Net assets**

Net assets increased by 3,254 million yen, or 2.4%, from the end of the previous fiscal year to 141,306 million yen. This was attributable mainly to profit attributable to owners of parent of 4,499 million yen and dividends of surplus of 1,086 million yen.

As a result, equity to total assets rose from 64.2% to 66.4%.

**Cash flows**

Cash and cash equivalents at the end of the second quarter of the current fiscal year increased by 1,014 million yen from the end of the previous fiscal year to 35,996 million yen. The cash flow components during the first half and the main reasons for changes are as described below.

**(i) Cash flows from operating activities**

Net cash provided by operating activities was 8,763 million yen. Major components were income before income taxes and non-controlling interests of 6,927 million yen, depreciation of 2,115 million yen, a 4,201 million yen decrease in notes and accounts receivable-trade, a 1,816 million yen decrease in inventories, a 1,418 million yen decrease in notes and accounts payable-trade, and income taxes paid of 4,034 million yen.

**(ii) Cash flows from investing activities**

Net cash used in investing activities was 5,042 million yen. Major components were payments of 5,285 million yen for the purchase of property, plant and equipment.

**(iii) Cash flows from financing activities**

Net cash used in financing activities was 2,704 million yen. Major components were 1,044 million yen for the repayments of long-term loans payable and cash dividends paid of 1,086 million yen.

**(3) Explanation of Consolidated Forecasts and Other Forward-looking Statements**

There are still no prospects for a recovery in demand for steel products in the second half of the fiscal year. Moreover, the price of steel scrap, which is used to make steel, will probably be less than the initial forecast for the fiscal year. The Kyoei Steel Group will continue to take actions, including lowering production, aimed at maintaining a suitable metal spread by matching production and sales activities with demand. The performance of overseas steel business is expected to be better than initially planned because market conditions are stronger than the initial outlook. As a result, we expect earnings for the fiscal year to be higher than initially assumed.

In light of this outlook, we are revising the fiscal year forecasts that were announced on July 31, 2015 with results of operations for the first quarter of fiscal year ending March 31, 2016.

## **2. Matters Related to Summary Information (Notes)**

### **(1) Changes in Significant Subsidiaries during the Period**

Not applicable.

### **(2) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements**

Not applicable.

### **(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements**

Changes in Accounting Policies

Application of the Accounting Standards for Business Combinations

Effective from the first quarter of the current fiscal year, the Company has adopted the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013) and other standards. Accordingly, difference arising from changes in the Company’s ownership interests in subsidiaries in cases where control is retained is recognized in capital surplus, and the acquisition costs in connection with business combinations are recognized as expenses in the fiscal year in which they arise. Regarding business combinations that take place on or after the beginning of the first quarter of the current fiscal year, the Company has revised the method to reflect reviewed allocation of the acquisition costs arising from determination of the provisional accounting treatment on the quarterly consolidated financial statements to which the date of the business combination belongs. In addition, the presentation of net income and other items has been revised, and the minority interests item has been renamed non-controlling interests. For consistency with these changes, the consolidated financial statements for the first half of the previous fiscal year and the previous fiscal year have been revised.

The Company has adopted these accounting standards, etc. from the beginning of the first quarter of the current fiscal year, in accordance with the transitional accounting treatments set forth in Article 58-2 (4) of the Accounting Standard for Business Combinations, Article 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Article 57-4 (4) of the Accounting Standard for Business Divestitures.

The application of these standards does not have a material effect on earnings.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

	(Unit: millions of yen)	
	FY2015 (as of Mar. 31, 2015)	Second quarter of FY2016 (as of Sep. 30, 2015)
<b>Assets</b>		
Current assets		
Cash and deposits	21,179	19,084
Notes and accounts receivable-trade	37,848	33,721
Securities	19,600	22,000
Merchandise and finished goods	18,088	16,320
Raw materials and supplies	8,620	8,681
Other	3,475	3,082
Allowance for doubtful accounts	(144)	(184)
Total current assets	108,666	102,703
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,516	15,455
Machinery, equipment and vehicles, net	19,960	27,074
Land	25,186	25,178
Other, net	17,971	13,139
Total property, plant and equipment	76,633	80,846
Intangible assets	1,153	1,201
Investments and other assets		
Investment securities	11,693	10,786
Other	3,685	3,844
Allowance for doubtful accounts	(71)	(73)
Total investments and other assets	15,307	14,557
Total non-current assets	93,094	96,604
<b>Total assets</b>	<b>201,760</b>	<b>199,307</b>

(Unit: millions of yen)

	FY2015 (as of Mar. 31, 2015)	Second quarter of FY2016 (as of Sep. 30, 2015)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	12,388	11,003
Short-term loans payable	11,439	11,096
Current portion of long-term loans payable	2,071	2,070
Income taxes payable	4,051	2,066
Provision for bonuses	698	1,067
Provision for directors' bonuses	139	78
Other	9,519	8,394
Total current liabilities	40,303	35,773
Non-current liabilities		
Long-term loans payable	19,296	18,499
Deferred tax liabilities	689	335
Deferred tax liabilities for land revaluation	2,731	2,730
Provision for directors' retirement benefits	21	8
Provision for loss on business liquidation	298	298
Net defined benefit liability	57	67
Other	312	291
Total non-current liabilities	23,404	22,227
Total liabilities	63,708	58,000
<b>Net assets</b>		
Shareholders' equity		
Capital stock	18,516	18,516
Capital surplus	21,493	21,493
Retained earnings	81,600	85,012
Treasury shares	(1,699)	(1,699)
Total shareholders' equity	119,909	123,321
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,259	1,545
Revaluation reserve for land	4,835	4,837
Foreign currency translation adjustment	2,160	2,305
Remeasurements of defined benefit plans	382	378
Total accumulated other comprehensive income	9,637	9,064
Non-controlling interests	8,507	8,921
Total net assets	138,052	141,306
Total liabilities and net assets	201,760	199,307

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****(Quarterly Consolidated Statements of Income)****(For the Six-month Period)**

(Unit: millions of yen)

	First six months of FY2015 (from Apr. 1, 2014 to Sep. 30, 2014)	First six months of FY2016 (from Apr. 1, 2015 to Sep. 30, 2015)
Net sales	91,072	83,388
Cost of sales	80,837	71,297
Gross profit	10,235	12,091
Selling, general and administrative expenses	5,064	5,022
Operating income	5,171	7,069
Non-operating income		
Interest income	310	137
Dividend income	101	109
Share of profit of entities accounted for using equity method	218	221
Other	90	133
Total non-operating income	719	599
Non-operating expenses		
Interest expenses	215	213
Sales discounts	27	21
Foreign exchange losses	255	128
Other	6	28
Total non-operating expenses	502	390
Ordinary income	5,387	7,278
Extraordinary income		
Gain on sales and retirement of non-current assets	17	15
Total extraordinary income	17	15
Extraordinary losses		
Loss on sales and retirement of non-current assets	313	316
Other	32	50
Total extraordinary losses	345	366
Income before income taxes and non-controlling interests	5,059	6,927
Income taxes	1,737	2,134
Profit	3,322	4,793
Profit attributable to non-controlling interests	146	294
Profit attributable to owners of parent	3,176	4,499

**(Quarterly Consolidated Statements of Comprehensive Income)**  
**(For the Six-month Period)**

(Unit: millions of yen)

	First six months of FY2015 (from Apr. 1, 2014 to Sep. 30, 2014)	First six months of FY2016 (from Apr. 1, 2015 to Sep. 30, 2015)
Profit	3,322	4,793
Other comprehensive income		
Valuation difference on available-for-sale securities	380	(714)
Revaluation reserve for land	-	1
Foreign currency translation adjustment	(538)	286
Remeasurements of defined benefit plans, net of tax	17	(4)
Total other comprehensive income	(141)	(430)
Comprehensive income	3,182	4,363
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	3,300	3,927
Comprehensive income attributable to non-controlling interests	(119)	436

**(3) Quarterly Consolidated Statements of Cash Flows**

(Unit: millions of yen)

	First six months of FY2015 (from Apr. 1, 2014 to Sep. 30, 2014)	First six months of FY2016 (from Apr. 1, 2015 to Sep. 30, 2015)
<b>Cash flows from operating activities</b>		
Income before income taxes and non-controlling interests	5,059	6,927
Depreciation	2,016	2,115
Increase (decrease) in provision	393	335
Increase (decrease) in net defined benefit liability	(11)	9
Share of (profit) loss of entities accounted for using equity method	(218)	(221)
Loss (gain) on sales and retirement of non-current assets	296	301
Interest and dividend income	(411)	(245)
Interest expenses	215	213
Decrease (increase) in notes and accounts receivable-trade	(2,270)	4,201
Decrease (increase) in inventories	673	1,816
Increase (decrease) in notes and accounts payable-trade	1,502	(1,418)
Increase (decrease) in accrued consumption taxes	625	(1,169)
Increase (decrease) in net defined benefit asset	44	55
Other, net	(428)	(239)
Subtotal	7,485	12,679
Interest and dividend income received	409	333
Interest expenses paid	(200)	(214)
Income taxes paid	(664)	(4,034)
Net cash provided by (used in) operating activities	7,030	8,763
<b>Cash flows from investing activities</b>		
Payments into time deposits	(348)	(608)
Proceeds from withdrawal of time deposits	483	616
Purchase of securities	-	(4,300)
Proceeds from sales of securities	-	5,000
Purchase of investment securities	(1)	(1)
Payments of deposit	(1)	(1)
Proceeds from withdrawal deposit	1	1
Payments of loans receivable	(344)	(8)
Collection of loans receivable	45	23
Purchase of property, plant and equipment	(6,148)	(5,285)
Proceeds from sales of property, plant and equipment	15	9
Purchase of intangible assets	(36)	(117)
Other, net	(185)	(372)
Net cash provided by (used in) investing activities	(6,519)	(5,042)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	577	(550)
Proceeds from long-term loans payable	3,074	-
Repayments of long-term loans payable	(17)	(1,044)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(651)	(1,086)
Proceeds from share issuance to non-controlling shareholders	878	-
Dividends paid to non-controlling interests	(38)	(22)
Other, net	(1)	(1)
Net cash provided by (used in) financing activities	3,822	(2,704)
Effect of exchange rate change on cash and cash equivalents	(480)	(3)
Net increase (decrease) in cash and cash equivalents	3,853	1,014
Cash and cash equivalents at beginning of period	33,871	34,982
Cash and cash equivalents at end of period	37,724	35,996

**(4) Notes to Quarterly Consolidated Financial Statements****Going-concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Segment and Other Information****Segment information**

I. First six months of FY2015 (from Apr. 1, 2014 to Sep. 30, 2014)

1. Information related to net sales, profit/loss for each reportable segment

(Unit: millions of yen)

	Reportable segment				Others (Note 1)	Adjustment (Notes 2)	Amounts shown on quarterly consolidated statement of income (Note 3)
	Domestic Steel Business	Overseas Steel Business	Material Recycling Business	Total			
Net sales							
External sales	67,791	19,630	3,475	90,896	176	-	91,072
Inter-segment sales and transfers	1,158	-	1,089	2,247	-	(2,247)	-
Total	68,949	19,630	4,564	93,143	176	(2,247)	91,072
Segment income	4,565	270	755	5,589	16	(434)	5,171

- Notes:
- Others represent the businesses which are not included in any of the reportable segments and mainly consist of civil engineering materials sales and insurance agent businesses.
  - The adjustment of (434) million yen to segment income includes 39 million yen in eliminations for inter-segment transactions and (473) million yen in corporate costs that are not allocated to reportable segments. Corporate costs mainly include general and administration expenses of the Company's head office that cannot be attributed to reportable segments.
  - Segment income are adjusted to be consistent with operating income shown on the quarterly consolidated statements of income.

2. Information related to impairment of non-current assets, goodwill, etc. for each reportable segment

Impairment losses related to non-current assets

Not applicable.

Significant change in goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

## II. First six months of FY2016 (from Apr. 1, 2015 to Sep. 30, 2015)

## 1. Information related to net sales, profit/loss for each reportable segment

(Unit: millions of yen)

	Reportable segment				Others (Note 1)	Adjustment (Notes 2)	Amounts shown on quarterly consolidated statement of income (Note 3)
	Domestic Steel Business	Overseas Steel Business	Material Recycling Business	Total			
Net sales							
External sales	57,389	22,349	3,504	83,243	145	-	83,388
Inter-segment sales and transfers	1,180	-	976	2,156	-	(2,156)	-
Total	58,569	22,349	4,480	85,398	145	(2,156)	83,388
Segment income	6,024	766	686	7,475	13	(419)	7,069

- Notes:
- Others represent the businesses which are not included in any of the reportable segments and mainly consist of civil engineering materials sales and insurance agent businesses.
  - The adjustment of (419) million yen to segment income includes 109 million yen in eliminations for inter-segment transactions and (528) million yen in corporate costs that are not allocated to reportable segments. Corporate costs mainly include general and administration expenses of the Company's head office that cannot be attributed to reportable segments.
  - Segment income are adjusted to be consistent with operating income shown on the quarterly consolidated statements of income.

## 2. Revisions to reportable segments

Reportable segments have been revised beginning with the first three months of FY2016.

In prior fiscal years, the Kyoei Steel Group had three reportable segments: Steel, Material Recycling and Others. From the current fiscal year, the Steel Segment is divided into Domestic Steel and Overseas Steel segments because the outlook for growth in the scale of operations in Vietnam following the planned completion in this fiscal year of the second steelmaking and rolling line at Vina Kyoei Steel. Also, in prior fiscal years, the Steel segment included recycling operations that involved the sorting and other processing of waste materials that include materials with value, such as steel scrap used to make steel products and non-ferrous scrap containing copper and other materials that are used by companies outside the Kyoei Steel Group. Due to the similarity of these recycling operations and the operations included in the Material Recycling segment, the recycling operations previously in the Steel segment have been moved to the Material Recycling segment.

In addition, "Others" is no longer a reportable segment because its sales and earnings are not significant. This former segment is still called "Others" but it is not a reportable segment.

Segment information for the first six months of FY2015 was prepared using the revised reportable segments.

## 3. Information related to impairment of non-current assets, goodwill, etc. for each reportable segment

Impairment losses related to non-current assets

Not applicable.

Significant change in goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

*This summary report is solely a translation of "Kessan Tanshin" (in Japanese, including the attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*