KYOEI STEEL

April 30, 2015

Consolidated Financial Results of Fiscal Year 2015
(from April 1, 2014 to March 31, 2015)

<Under Japanese GAAP>

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Stock exchange listed: Tokyo, 1st Section
Stock code: 5440
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Date of the annual shareholders' meeting: June 22, 2015
Scheduled date of filing of annual securities report: June 23, 2015
Date to commence dividend payments: June 8, 2015
Preparation of supplementary materials for financial results: None

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

1. Consolidated Financial Results of Fiscal Year 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated operating results (Percentages for net sales and incomes represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal Year 2015	181,436	3.9	11,796	312.9	12,488	299.7	6,923	-
Fiscal Year 2014	174,694	22.8	2,857	(34.2)	3,124	(33.1)	(795)	-

Note: Comprehensive income Fiscal Year 2015: 10,173 million yen (up 490.3%)
Fiscal Year 2014: 1,723 million yen (down 50.7%)

	Net income per share	Fully diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal Year 2015	159.30	-	5.5	6.5	6.5
Fiscal Year 2014	(18.28)	-	(0.7)	1.8	1.6

Reference: Equity in earnings (losses) of affiliates Fiscal Year 2015: 417 million yen Fiscal Year 2014: (301) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal Year 2015	201,760	138,052	64.2	2,980.84
Fiscal Year 2014	180,771	128,788	67.3	2,798.53

Reference: Shareholders' equity Fiscal Year 2015: 129,546 million yen Fiscal Year 2014: 121,622 million yen

(3) Cash flow position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal Year 2015	16,665	(18,934)	1,984	34,982
Fiscal Year 2014	(2,117)	(6,979)	11,647	33,871

2. Dividends

	Dividends per share					Total dividends	Dividend payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal Year 2014	-	5.00	-	15.00	20.00	869	-	0.7
Fiscal Year 2015	-	10.00	-	25.00	35.00	1,521	22.0	1.2
Fiscal Year 2016 (Forecast)	-	10.00	-	20.00	30.00		26.1	

Note: Breakdown of the Fiscal Year 2015 dividends Ordinary dividends: 20.00 yen; Special dividends: 5.00 yen

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
First half	85,000	(6.7)	4,450	(13.9)	4,500	(16.5)	2,600	(18.1)	59.83
Full year	177,000	(2.4)	8,700	(26.2)	8,500	(31.9)	5,000	(27.8)	115.05

*** 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) 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 "4. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)" on page 16 of the attachments for further information.

(3) Number of outstanding shares (common shares)

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

Fiscal Year 2015:	44,898,730 shares	Fiscal Year 2014:	44,898,730 shares

2) Number of treasury shares at the end of the period

Fiscal Year 2015:	1,439,389 shares	Fiscal Year 2014:	1,439,311 shares

3) Average number of shares outstanding during the period

Fiscal Year 2015:	43,459,367 shares	Fiscal Year 2014:	43,459,448 shares

(For reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results of Fiscal Year 2015 (from April 1, 2014 to March 31, 2015)

(1) Non-consolidated operating results (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal Year 2015	114,596	5.9	9,623	388.3	10,666	295.8	6,346	-
Fiscal Year 2014	108,223	10.4	1,971	(44.4)	2,695	(32.5)	(542)	-

	Net income per share	Fully diluted net income per share
	Yen	Yen
Fiscal Year 2015	146.03	-
Fiscal Year 2014	(12.47)	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal Year 2015	137,987	110,840	80.3	2,550.43
Fiscal Year 2014	129,168	104,999	81.3	2,416.02

Reference: Shareholders' equity Fiscal Year 2015: 110,840 million yen Fiscal Year 2014: 104,999 million yen

Information regarding the implementation of audit procedures

At the time when this report is released, the audit procedures for 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. Analysis of Business Results and Financial Position, (1) Analysis of Business Results" on page 2 of the attached documents.

Contents of Attachments

1. Analysis of Business Results and Financial Position

(1) Analysis of Business Results

In the fiscal year that ended on March 31, 2015, there was a slow economic recovery in Japan as higher corporate earnings and other improvements offset somewhat sluggish consumer spending following the rush to make purchases prior to the April 2014 consumption tax hike.

In the market for steel construction materials, the primary source of demand for the Kyoei Steel Group's products, demand was firm overall during the first half of the fiscal year. But the price of steel scrap started falling significantly in the fall of 2014. As prices dropped, customers began to delay purchases of steel products during the fiscal year's second half.

In response to these market conditions, the Kyoei Steel Group focused on holding the prices of its products steady by working even harder at ensuring that production and sales activities were in line with demand. The aim was to maintain a positive metal spread, which is the difference between steel product price and steel scrap price.

The Osaka Mill, which produces billets (a semi-finished steel product), will cease operations in March 2016 and be closed. We made this decision because of the challenging market environment for billets in Japan and other countries.

Consolidated sales increased by 6,741 million yen (3.9%) to 181,436 million yen. Earnings were significantly higher due to a larger metal spread in the steel business and for other reasons. Operating income was up by 8,939 million yen (312.9%) to 11,796 million yen and ordinary income increased by 9,363 million yen (299.7%) to 12,488 million yen. Although there was an extraordinary loss at the end of the fiscal year associated with the decision to close the Osaka Mill, net income was 6,923 million yen, an improvement of 7,718 million yen over the previous fiscal year's 795 million yen net loss.

Results by business segment are as follows.

1) Steel Business

Shipments from production facilities in Japan were down by 39,000 tons (2.3%) as customers postponed purchases due to the decline in price of steel scrap. However, product prices increased by 4,300 yen per ton from the previous fiscal year. And price of steel scrap, the primary raw material, dropped by 4,000 yen per ton. Therefore, the metal spread, which is the source of earnings in this business, widened by 8,300 yen per ton. But operating costs in this segment were higher primarily because of an increase in electricity rates in Japan and the higher cost of imported materials as the yen weakened.

As a result, segment sales increased by 6,190 million yen (3.7%) to 173,981 million yen and operating income was up by 8,962 million yen (386.5%) to 11,281 million yen.

2) Material Recycling Business

As competition remained intense, this business concentrated on receiving orders for materials that are difficult to process and thus have higher unit processing fees. There were also measures to receive business from new customers. As a result, sales increased by 524 million yen (8.0%) to 7,035 million yen and ordinary income was up by 82 million yen (6.1%) to 1,421 million yen.

3) Other Business

This segment includes mainly sales of civil engineering materials by a subsidiary and an insurance agent business. Sales increased by 28 million yen (7.2%) to 420 million yen but operating income was down 19 million yen (51.7%) to 18 million yen.

In the fiscal year ending on March 31, 2016, the outlook is for the slow recovery of the Japanese economy to continue. In the steel construction materials market, total demand will probably be about the same as in the previous fiscal year. Private-sector building construction activity is expected to recover after the drop after the consumption tax hike but public-sector construction activity is expected to decline. The price of steel scrap is currently low because of weak overseas demand and the downturn in the price of iron ore. But current signs of a rebound indicate that the price of steel scrap will probably increase.

Based on this outlook, although the volume of shipments is expected to be the same as in the previous fiscal year, there are concerns about a narrowing of the metal spread caused by the higher price of steel scrap.

In addition, the cost of electricity has been increasing year after year. In locations where we have production facilities, Chubu Electric Power raised rates in April 2014 and Kansai Electric Power raised rates for the second time in April 2015. We will continue to take extensive actions to cut costs, chiefly by conserving electricity to lower the amount of power we consume.

Vina Kyoei Steel Ltd., which is located in southern Vietnam, will start operating the Kyoei Steel Group's largest and most advanced integrated steelmaking and rolling production line. Since this line will be slowly raised to full production during its first year of operation, earnings at this company are expected to decrease due to the higher depreciation expenses.

In the fiscal year ending on March 31, 2016, the Group forecasts consolidated net sales of 177,000 million yen, operating income of 8,700 million yen, ordinary income of 8,500 million yen, and profit attributable to owners of parent of 5,000 million yen.

(2) Analysis of Financial Position

1) Assets, liabilities and net assets

(i) Assets

Current assets increased by 7,698 million yen, or 7.6%, from the end of the previous fiscal year to 108,666 million yen. This was attributable mainly to increases of 13,000 million yen in securities and 695 million yen in notes and accounts receivable-trade, and a decrease of 6,845 million yen in cash and deposits.

Non-current assets increased by 13,291 million yen, or 16.7%, from the end of the previous fiscal year to 93,094 million yen. There were increases of 12,036 million yen in construction in progress and 739 million yen in investment securities, and a decrease of 244 million yen in land.

Total assets increased by 20,989 million yen, or 11.6%, from the end of the previous fiscal year to 201,760 million yen.

(ii) Liabilities

Current liabilities increased by 5,412 million yen, or 15.5%, from the previous fiscal year to 40,303 million yen. This was attributable mainly to increases of 3,423 million yen in income taxes payable and 1,130 million yen in current portion of long-term loans payable.

Non-current liabilities increased by 6,313 million yen, or 36.9 %, from the previous fiscal year to 23,404 million yen. This was attributable mainly to an increase of 6,394 million yen in long-term loans payable.

Total liabilities increased by 11,725 million yen, or 22.6%, from the previous fiscal year to 63,708 million yen.

(iii) Net assets

Net assets increased 9,265 million yen, or 7.2%, from the previous fiscal year to 138,052 million yen. This was attributable mainly to net income of 6,923 million yen and dividends of surplus of 1,086 million yen.

As a result, compared to the end of the previous fiscal year, net assets per share increased by 182.31 yen to 2,980.84 yen, and equity to total assets declined from 67.3% to 64.2%.

2) Cash flows

Cash and cash equivalents at the end of the current fiscal year increased by 1,111 million yen from the end of the previous fiscal year to 34,982 million yen. The cash flow components during the fiscal year and the main reasons for changes are as described below.

(i) Cash flows from operating activities

Net cash provided by operating activities was 16,665 million yen. Major components were income before income taxes and minority interests of 10,730 million yen, depreciation of 4,147 million yen, a 1,433 million yen increase in accrued consumption taxes, income taxes paid of 1,176 million yen, and a 1,071 million yen decrease in notes and accounts payable-trade.

(ii) Cash flows from investing activities

Net cash used in investing activities was 18,934 million yen. Major components were payments of 13,654 million yen for the purchase of property, plant and equipment, and 5,000 million yen for the purchase of short-term investment securities and other.

(iii) Cash flows from financing activities

Net cash provided by financing activities was 1,984 million yen. Major components were proceeds of 6,415 million yen from long-term loans payable, a net decrease of 3,014 million yen in short-term loans payable, and cash dividends paid of 1,086 million yen.

Trends in cash flow indicators

Fiscal years ended	March 31, 2011	March 31, 2012	March 31, 2013	March 31, 2014	March 31, 2015
Equity to total assets	81.3%	73.2%	74.2%	67.3%	64.2%
Equity to total assets based on market prices	43.6%	44.1%	44.2%	44.0%	43.7%
Interest-bearing debt to cash flow ratio	2,312.4%	160.0%	114.1%	-	196.9%
Interest coverage ratio	0.9x	79.9x	24.3x	-	44.4x

Notes: 1. The above figures are calculated as follows.
Equity to total assets: Shareholders' equity / Total assets
Equity to total assets based on market prices: Market capitalization / Total assets
Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flows
Interest coverage ratio: Operating cash flows / Interest payments
2. All indices are calculated based on consolidated figures.
3. The interest-bearing debt to cash flow ratio and interest coverage ratio are not shown for the fiscal year ended March 31, 2014 because operating cash flows were negative in this fiscal year.

(3) Basic Policy for Earnings Distributions and Dividends in the Current and Next Fiscal Years

We believe that increasing corporate value is the most effective means of distributing earnings to shareholders. As a result, our policy for dividends is to pay a reasonable dividend while retaining the earnings needed to achieve growth and make the entire group stronger from a long-term perspective.

We plan to pay a year-end dividend of 25 yen per share for the fiscal year that ended on March 31, 2015. This is the sum of an ordinary dividend of 20 yen, which is 5 yen higher than our forecast, and a special dividend of 5 yen per share. These dividends reflect the improvement in sales and earnings, the 20th anniversary of southern Vietnam subsidiary Vina Kyoei Steel, and the just about completion of this subsidiary's new production line. Including the interim dividend of 10 yen, this will result in a dividend of 35 yen per share for the fiscal year ended on March 31, 2015.

For the fiscal year ending on March 31, 2016, we forecast a dividend of 30 yen per share, the sum of an interim dividend of 10 yen and a year-end dividend of 20 yen.

(4) Business and Other Risks

Information concerning the business risk is not presented because there have been no significant changes since the most recent Securities Report dated June 25, 2014.

2. Management Policy

(1) Fundamental Management Policy

The fundamental policy of the Kyoei Steel Group is to contribute to the national economic growth and regional prosperity through our resource recycling operations with a focus on the steel business, coexisting in harmony with society. This commitment also defines our corporate philosophy. To achieve these goals, our operations are centered on three themes: establish a management mindset with a strong commitment to compliance; create a corporate culture that encourages everyone to take on challenges without any fear of enterprise and innovation; and build a management framework that place priority on production sites, which are the essence of the group as a manufacturer. The entire group is dedicated to creating an organization that is firmly rooted in these goals and guidelines.

(2) Target Performance Indicators

The goal of the Kyoei Steel Group is to earn stable ordinary income of 20 billion yen every fiscal year. Maintaining this level of earnings is equivalent to reaching our long-standing targets of a return on assets of 15% and a return on equity of 12%, which are both indicators of the efficient use of assets and capital. In addition, our overall objective is to become the number-one mill in the regions where we operate by maximizing synergies through cooperation among business sites and group companies and by becoming the most cost-competitive organization in our markets.

(3) Medium to Long-term Management Strategies

To adapt to the significant changes taking place in our operating environment, we established a Medium- to Long-Term Business Vision in April 2010. The Group is focusing its energy on increasing corporate value with emphasis on the following items which are designated as business priorities.

1) Implement the strategy for growth

(a) We are working on the following measures for growth in order to prevail in the Japanese steel market, which is expected to shrink further.

- As a linchpin company in the reorganization and consolidation of Japanese steel industry, we will promote an alliance strategy leading to realize synergies and strengthen our competitiveness.
- We will strengthen our competitiveness by cutting costs and boosting productivity at all factories.
- We will upgrade sales capabilities by sales activities that are not limited to individual business sites.
- We will promote the development of new high-value-added products ascertain needs of customers and dealing with them expeditiously.
- We will endeavor to procure raw materials in a consistent and dependable manner by strengthening our network of raw material suppliers.

(b) Expand the overseas steel business

We have two subsidiaries in Vietnam: Vina Kyoei Steel Ltd. (VKS) and Kyoei Steel Vietnam Company Limited (KSVC). To respond the demand increase overseas, especially in Southeast Asian countries accompanying their medium- and long-term economic growth, we have increased the output capacity of these companies.

VKS, which is located in southern Vietnam, is about to complete a three-year project to construct an integrated steel making and rolling line with annual production capacity of 500,000 tons. Operation of the steelmaking line is expected to start in early June, somewhat behind schedule. The rolling line is about to start making products. Sales activities are under way to enlarge sales channels for distributing the output of the new production line.

KSVC, which is located in northern Vietnam, decided in August 2014 to temporarily suspend the plan to increase output capacity because of changes in supply-demand dynamics and the competitive environment in this area. This company is currently modifying and upgrading its existing production line in order to increase output and cut costs.

In southern Vietnam, we started a port business in 2014. Thi Vai International Port Co., Ltd., an affiliate of Kyoei Steel, has prepared a site for a VKS warehouse and is preparing to start construction in this fiscal year of port facilities.

Our steel business in Vietnam is continuing to make progress as an important element of the Group’s growth strategy.

(c) Achieve steady growth in the material recycling business

Our material recycling business is supported by solid demand backed by the needs of society to create a recycling-oriented society. As a result, this business has grown while remaining consistently profitable. Despite competition has become even more heated in recent years, we will strengthen our activities in this business, which we regard as one of our drivers of growth. During the fiscal year ended on March 31, 2015, affiliated company Sakai Recycling Center, Inc., which is located in Sakai city, Osaka, gained permission for industrial waste processing business in December 2014.

We will continue our efforts in this business, including at all workplaces and group companies. Upon obtaining licenses from local governments and the understanding of local citizens, we will work to expand this business on a company-wide scale.

2) Create an energetic workforce and organization

To achieve the goals of this growth strategy, we will create an energetic workforce and organization. Key components of our initiatives will be utilizing senior workers, promoting young employees, rotating assignments based on a human resources map, and conducting well-planned training programs.

3. Basic Approach to the Selection of Accounting Standards

The Group will continue to prepare consolidated financial statements using generally accepted accounting principles in Japan for the time being to permit comparisons with prior years and with the financial data of other companies. We will take suitable actions with regard to the application of the International Financial Reporting Standards (IFRS) by taking into account associated factors in Japan and other countries.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: millions of yen)

	FY2014 (as of March 31, 2014)	FY2015 (as of March 31, 2015)
Assets		
Current assets		
Cash and deposits	28,024	21,179
Notes and accounts receivable-trade	37,153	37,848
Securities	6,600	19,600
Merchandise and finished goods	17,807	18,088
Raw materials and supplies	8,691	8,620
Deferred tax assets	432	752
Other	2,381	2,722
Allowance for doubtful accounts	(121)	(144)
Total current assets	100,968	108,666
Non-current assets		
Property, plant and equipment		
Buildings and structures	38,010	38,902
Accumulated depreciation	(24,287)	(25,386)
Buildings and structures, net	13,723	13,516
Machinery, equipment and vehicles	90,963	92,984
Accumulated depreciation	(70,951)	(73,025)
Machinery, equipment and vehicles, net	20,012	19,960
Land	25,431	25,186
Construction in progress	5,464	17,500
Other	2,157	2,274
Accumulated depreciation	(1,733)	(1,803)
Other, net	424	471
Total property, plant and equipment	65,054	76,633
Intangible assets	1,167	1,153
Investments and other assets		
Investment securities	10,954	11,693
Long-term loans receivable	190	503
Net defined benefit asset	444	967
Deferred tax assets	502	699
Other	1,566	1,517
Allowance for doubtful accounts	(75)	(71)
Total investments and other assets	13,582	15,307
Total non-current assets	79,802	93,094
Total assets	180,771	201,760

(Unit: millions of yen)

	FY2014 (as of March 31, 2014)	FY2015 (as of March 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	13,122	12,388
Short-term loans payable	12,681	11,439
Current portion of long-term loans payable	941	2,071
Income taxes payable	628	4,051
Provision for bonuses	645	698
Provision for directors' bonuses	9	139
Other	6,866	9,519
Total current liabilities	34,891	40,303
Non-current liabilities		
Long-term loans payable	12,901	19,296
Deferred tax liabilities	649	689
Deferred tax liabilities for land revaluation	3,119	2,731
Provision for directors' retirement benefits	19	21
Provision for loss on business liquidation	-	298
Net defined benefit liability	64	57
Other	339	312
Total non-current liabilities	17,092	23,404
Total liabilities	51,983	63,708
Net assets		
Shareholders' equity		
Capital stock	18,516	18,516
Capital surplus	21,493	21,493
Retained earnings	75,674	81,600
Treasury shares	(1,699)	(1,699)
Total shareholders' equity	113,983	119,909
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,700	2,259
Revaluation reserve for land	4,735	4,835
Foreign currency translation adjustment	1,205	2,160
Remeasurements of defined benefit plans	(1)	382
Total accumulated other comprehensive income	7,639	9,637
Minority interests	7,165	8,507
Total net assets	128,788	138,052
Total liabilities and net assets	180,771	201,760

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Unit: millions of yen)

	FY2014 (from Apr. 1, 2013 to Mar. 31, 2014)	FY2015 (from Apr. 1, 2014 to Mar. 31, 2015)
Net sales	174,694	181,436
Cost of sales	162,401	159,536
Gross profit	12,293	21,900
Selling, general and administrative expenses	9,436	10,104
Operating income	2,857	11,796
Non-operating income		
Interest income	558	641
Dividend income	176	176
Share of profit of entities accounted for using equity method	-	417
Foreign exchange gains	112	-
Other	254	194
Total non-operating income	1,100	1,427
Non-operating expenses		
Interest expenses	461	429
Sales discounts	44	52
Share of loss of entities accounted for using equity method	301	-
Foreign exchange losses	-	203
Other	26	52
Total non-operating expenses	833	735
Ordinary income	3,124	12,488
Extraordinary income		
Gain on sale and retirement of non-current assets	35	32
Gain on sales of investment securities	-	247
Other	-	3
Total extraordinary income	35	282
Extraordinary losses		
Loss on sales and retirement of non-current assets	476	891
Impairment loss	2,651	96
Loss on liquidation of business	-	901
Other	24	153
Total extraordinary losses	3,151	2,040
Income before income taxes and minority interests	9	10,730
Income taxes-current	997	4,565
Income taxes-deferred	(577)	(819)
Total income taxes	419	3,746
Income (loss) before minority interests	(411)	6,984
Minority interests in income	384	61
Net income (loss)	(795)	6,923

(Consolidated Statements of Comprehensive Income)

(Unit: millions of yen)

	FY2014 (from Apr. 1, 2013 to Mar. 31, 2014)	FY2015 (from Apr. 1, 2014 to Mar. 31, 2015)
Income (loss) before minority interests	(411)	6,984
Other comprehensive income		
Valuation difference on available-for-sale securities	376	559
Deferred gains or losses on hedges	(117)	-
Foreign currency translation adjustment	1,875	1,961
Revaluation reserve for land	-	286
Remeasurements of defined benefit plans, net of tax	-	383
Total other comprehensive income	2,134	3,189
Comprehensive income	1,723	10,173
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	426	9,106
Comprehensive income attributable to minority interests	1,298	1,067

(3) Consolidated Statements of Changes in Equity

FY2014 (from Apr. 1, 2013 to Mar. 31, 2014)

(Unit: millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	18,516	21,493	77,300	(1,699)	115,610
Cumulative effects of changes in accounting policies			-		-
Restated balance	18,516	21,493	77,300	(1,699)	115,610
Changes of items during period					
Dividends of surplus			(869)		(869)
Net loss			(795)		(795)
Reversal of revaluation reserve for land			595		595
Purchase of treasury shares				(0)	(0)
Change of scope of consolidation			(557)		(557)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	(1,626)	(0)	(1,627)
Balance at end of current period	18,516	21,493	75,674	(1,699)	113,983

	Accumulated other comprehensive income						Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,324	117	5,330	135	-	6,906	2,742	125,257
Cumulative effects of changes in accounting policies								-
Restated balance	1,324	117	5,330	135	-	6,906	2,742	125,257
Changes of items during period								
Dividends of surplus								(869)
Net loss								(795)
Reversal of revaluation reserve for land								595
Purchase of treasury shares								(0)
Change of scope of consolidation								(557)
Net changes of items other than shareholders' equity	376	(117)	(595)	1,070	(1)	733	4,423	5,157
Total changes of items during period	376	(117)	(595)	1,070	(1)	733	4,423	3,530
Balance at end of current period	1,700	-	4,735	1,205	(1)	7,639	7,165	128,788

FY2015 (from Apr. 1, 2014 to Mar. 31, 2015)

(Unit: millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	18,516	21,493	75,674	(1,699)	113,983
Cumulative effects of changes in accounting policies			(96)		(96)
Restated balance	18,516	21,493	75,578	(1,699)	113,887
Changes of items during period					
Dividends of surplus			(1,086)		(1,086)
Net income			6,923		6,923
Reversal of revaluation reserve for land			185		185
Purchase of treasury shares				(0)	(0)
Change of scope of consolidation					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	6,022	(0)	6,022
Balance at end of current period	18,516	21,493	81,600	(1,699)	119,909

	Accumulated other comprehensive income						Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,700	-	4,735	1,205	(1)	7,639	7,165	128,788
Cumulative effects of changes in accounting policies								(96)
Restated balance	1,700	-	4,735	1,205	(1)	7,639	7,165	128,691
Changes of items during period								
Dividends of surplus								(1,086)
Net income								6,923
Reversal of revaluation reserve for land								185
Purchase of treasury shares								(0)
Change of scope of consolidation								-
Net changes of items other than shareholders' equity	559	-	100	955	383	1,997	1,342	3,339
Total changes of items during period	559	-	100	955	383	1,997	1,342	9,361
Balance at end of current period	2,259	-	4,835	2,160	382	9,637	8,507	138,052

(4) Consolidated Statements of Cash Flows

(Unit: millions of yen)

	FY2014 (from Apr. 1, 2013 to Mar. 31, 2014)	FY2015 (from Apr. 1, 2014 to Mar. 31, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	9	10,730
Depreciation	4,232	4,147
Impairment loss	2,651	649
Increase (decrease) in provision	37	490
Increase (decrease) in net defined benefit liability	(68)	(11)
Share of (profit) loss of entities accounted for using equity method	301	(417)
Loss (gain) on sales of investment securities	-	(247)
Loss (gain) on sales and retirement of non-current assets	441	859
Interest and dividend income	(735)	(817)
Interest expenses	461	429
Decrease (increase) in notes and accounts receivable-trade	(305)	2
Decrease (increase) in inventories	(3,528)	785
Increase (decrease) in notes and accounts payable-trade	(3,899)	(1,071)
Increase (decrease) in accrued consumption taxes	(516)	1,433
Decrease (increase) in net defined benefit asset	(90)	(114)
Other, net	(289)	685
Subtotal	(1,297)	17,531
Interest and dividend income received	736	773
Interest expenses paid	(453)	(375)
Compensation for damage paid	-	(89)
Income taxes paid	(1,103)	(1,176)
Net cash provided by (used in) operating activities	(2,117)	16,665
Cash flows from investing activities		
Payments into time deposits	(1,221)	(901)
Proceeds from withdrawal of time deposits	1,192	900
Purchase of short-term investment securities and other	-	(5,000)
Purchase of investment securities	(92)	(8)
Proceeds from sales and redemption of investment securities	-	641
Payments of deposit	(1)	(1)
Proceeds from withdrawal deposit	100	1
Purchase of shares of subsidiaries	-	(376)
Payments of loans receivable	(18)	(323)
Collection of loans receivable	100	81
Purchase of property, plant and equipment	(6,611)	(13,654)
Proceeds from sales of property, plant and equipment	53	24
Purchase of intangible assets	(70)	(129)
Other, net	(412)	(189)
Net cash provided by (used in) investing activities	(6,979)	(18,934)

(Unit: millions of yen)

	FY2014 (from Apr. 1, 2013 to Mar. 31, 2014)	FY2015 (from Apr. 1, 2014 to Mar. 31, 2015)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,930	(3,014)
Proceeds from long-term loans payable	8,144	6,415
Repayments of long-term loans payable	(131)	(977)
Repayments of installment payables	(4)	(2)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(870)	(1,086)
Cash dividends paid to minority shareholders	(35)	(228)
Proceeds from share issuance to minority shareholders	1,615	877
Other, net	(2)	-
Net cash provided by (used in) financing activities	11,647	1,984
Effect of exchange rate change on cash and cash equivalents	1,983	1,396
Net increase (decrease) in cash and cash equivalents	4,534	1,111
Cash and cash equivalents at beginning of period	29,216	33,871
Increase in cash and cash equivalents from newly consolidated subsidiary	121	-
Cash and cash equivalents at end of period	33,871	34,982

(5) Notes to Consolidated Financial Statements

Going-concern Assumption

Not applicable.

Changes in Accounting Policies

(Application of the accounting standard for retirement benefits)

The Company has applied the "Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012)" and the "Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, March 26, 2015)" from the current fiscal year, for provisions set forth in the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits. Accordingly, the Company reviewed the methods for calculating retirement benefit obligations and service costs, and revised the method of attributing estimated retirement benefit obligations to periods from the straight-line basis to the benefit formula basis, and revised the method of determining the discount rate from the method using the expected average length of remaining service period of employees to the method using a single weighted average discount rate reflecting the estimated period and amount of benefit payment.

For the application of these accounting standards, etc. in accordance with the transitional accounting treatments set forth in Paragraph 37 of the Accounting Standard for Retirement Benefits, the adjustments associated with the change in calculation methods of retirement benefit obligations and service costs are recorded in retained earnings at the beginning of the current fiscal year.

The result was decreases of 149 million yen in net defined benefit liability and 96 million yen in retained earnings at the beginning of the current fiscal year. The effect of this change on operating income, ordinary income and income before income taxes and minority interests in the current fiscal year is insignificant.

Reclassifications

(Consolidated statements of income)

"Gain on sales of scraps" under "Non-operating income" presented as a separate item in the previous fiscal year, is included in "Other" in the current fiscal year given the reduced materiality of impact of the amount on the consolidated financial statements. To conform to this change, the consolidated financial statements for the previous fiscal year are reclassified.

As a result, "Gain on sales of scraps" (82 million yen) under "Non-operating income" shown in the previous fiscal year's consolidated statements of income is reclassified into "Other."

(Consolidated statements of cash flows)

"Increase (decrease) in accrued consumption taxes" which was included in "Other" under "Cash flows from operating activities" in the previous fiscal year is reclassified and presented as a separate item in the current fiscal year since it has increased the materiality of impact in the context of consolidated financial statements. To conform to this change, the consolidated financial statements for the previous fiscal year are reclassified.

As a result, "Other" ((805) million yen) under "Cash flows from operating activities" shown in the previous fiscal year's consolidated statements of income is reclassified and divided into "Increase (decrease) in accrued consumption taxes" ((516) million yen) and "Other" ((289) million yen).

Segment and Other Information

Segment information

1. Overview of reportable segments

Segments used for financial reporting are the Group's constituent units for which separate financial information is available and for which the highest management decision-making body performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Group consists of three business units: the steel business, material recycling business, and other business. Each business unit determines its own comprehensive strategies and has devised for products and services in both domestic and overseas markets.

Consequently, the Group has three reportable business segments: the steel business, material recycling business, and other business.

The steel business manufactures and sells steel products, mainly for building construction and civil engineering, and has a cargo transportation business. The material recycling business performs intermediate and final processing of medical waste and industrial waste and has a recycled crushed stone business and other activities. Others includes the sale of civil engineering materials, a financial asset management business, an insurance agent and other activities.

2. Calculation method for net sales, profit/loss, assets, liabilities, and other items for each reportable segment

The accounting treatment methods for reportable segments comply with accounting principles and procedures used for the preparation of the consolidated financial statements.

Earnings for reportable segments are operating income.

Inter-segment sales and transfers are based on market prices.

3. Information related to net sales, profit/loss, assets, liabilities, and other items for each reportable segment

FY2014 (from Apr. 1, 2013 to Mar. 31, 2014)

(Unit: millions of yen)

	Reportable segment				Adjustment (Notes 1, 2, 3 and 4)	Amounts shown on consolidated financial statements (Note 5)
	Steel business	Material recycling business	Other business	Total		
Net sales						
External sales	167,792	6,511	391	174,694	-	174,694
Inter-segment sales and transfers	255	2,089	-	2,345	(2,345)	-
Total	168,047	8,600	391	177,039	(2,345)	174,694
Segment income	2,319	1,339	37	3,695	(838)	2,857
Segment assets	147,464	5,928	3,794	157,186	23,585	180,771
Other items						
Depreciation	3,954	203	13	4,169	62	4,232
Impairment loss	2,651	-	-	2,651	-	2,651
Increase in property, plant and equipment and intangible assets	7,059	183	17	7,259	85	7,344

Notes: 1. The adjustment of (838) million yen to segment income includes 20 million yen in eliminations for inter-segment transactions and (858) 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.

2. The adjustment of 23,585 million yen to segment assets includes the Company's excess funds (cash and marketable securities), long-term investments (investment securities), and assets which belong to the administration department.

3. The adjustment of 62 million yen to depreciation is related to the general and administrative operations of the Company's head office that cannot be attributed to reportable segments.
4. The adjustment of 85 million yen to an increase in property, plant and equipment and intangible assets is related to the general and administrative operations of the Company's head office that cannot be attributed to reportable segments.
5. Segment income is adjusted to be consistent with operating income shown on the consolidated statements of income.

FY2015 (from Apr. 1, 2014 to Mar. 31, 2015)

(Unit: millions of yen)

	Reportable segment				Adjustment (Notes 1, 2, 3 and 4)	Amounts shown on consolidated financial statements (Note 5)
	Steel business	Material recycling business	Others	Total		
Net sales						
External sales	173,981	7,035	420	181,436	-	181,436
Inter-segment sales and transfers	259	2,131	-	2,390	(2,390)	-
Total	174,240	9,166	420	183,825	(2,390)	181,436
Segment income	11,281	1,421	18	12,720	(924)	11,796
Segment assets	156,129	6,131	4,144	166,405	35,355	201,760
Other items						
Depreciation	3,873	204	12	4,089	59	4,147
Impairment loss	-	-	-	-	96	96
Increase in property, plant and equipment and intangible assets	15,632	185	-	15,817	103	15,920

Notes: 1. The adjustment of (924) million yen to segment income includes 21 million yen in eliminations for inter-segment transactions and (946) 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.
2. The adjustment of 35,355 million yen to segment assets includes the Company's excess funds (cash and marketable securities), long-term investments (investment securities), and assets which belong to the administration department.
3. The adjustment of 59 million yen to depreciation is related to the general and administrative operations of the Company's head office that cannot be attributed to reportable segments.
4. The adjustment of 103 million yen to an increase in property, plant and equipment and intangible assets is related to the general and administrative operations of the Company's head office that cannot be attributed to reportable segments.
5. Segment income is adjusted to be consistent with operating income shown on the consolidated statements of income.
6. In addition to the above, the Company has booked an impairment loss of 553 million yen in the steel business which is reported as "Loss on liquidation of business" on the consolidated statements of income.

Per Share Information

(Unit: yen)

	FY2014 (from Apr. 1, 2013 to Mar. 31, 2014)	FY2015 (from Apr. 1, 2014 to Mar. 31, 2015)
Net assets per share	2798.53	2980.84
Net income (loss) per share	(18.28)	159.30
	Diluted net income per share is not presented since the Company posted a net loss, and has no outstanding dilutive securities.	Diluted net income per share is not presented since the Company has no outstanding dilutive securities.

Notes: Basis for calculation is as follows.

1. Net assets per share

	FY2014 (as of Mar. 31, 2014)	FY2015 (as of Mar. 31, 2015)
Total net assets (Millions of yen)	128,788	138,052
Deduction on total net assets (Millions of yen)	(7,165)	(8,507)
[of which minority interests (Millions of yen)]	[(7,165)]	[(8,507)]
Net assets applicable to common shares (Millions of yen)	121,622	129,546
Number of common shares outstanding (Thousand shares)	44,899	44,899
Number of treasury shares (Thousand shares)	1,439	1,439
Number of common shares at end of period used in calculation of net assets per share (Thousand shares)	43,459	43,459

2. Net income (loss) per share

	FY2014 (from Apr. 1, 2013 to Mar. 31, 2014)	FY2015 (from Apr. 1, 2014 to Mar. 31, 2015)
Net income (loss) (Millions of yen)	(795)	6,923
Amounts not available to common shareholders (Millions of yen)	-	-
Net income (loss) applicable to common shares (Millions of yen)	(795)	6,923
Average number of common shares outstanding during the period (Thousand shares)	43,459	43,459

Material Subsequent Events

Not applicable.

5. Other Information

(1) Changes in Directors

For details, please refer to “Notice of Change in Representative Director” announced on April 15, 2015.

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.