

Consolidated Financial Results for the Third Quarter of Fiscal 2013
(from April 1, 2012 to December 31, 2012)
<Under Japanese GAAP>

January 31, 2013

Company name: Kyoei Steel, Ltd.
 Stock exchange listed: Tokyo and Osaka, 1st section
 Stock code: 5440
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Date to commence dividend payments: -

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

1. Consolidated financial results for the third quarter of Fiscal 2013
(from April 1, 2012 to December 31, 2012)

(1) 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	%
Third quarter of Fiscal 2013	105,491	8.2	3,279	30.6	3,502	19.5	1,867	24.2
Third quarter of Fiscal 2012	97,459	13.4	2,511	-	2,929	-	1,504	-

(Note) Comprehensive income (loss) 3Q of Fiscal 2013: 1,864 million yen (23.1%) 3Q of Fiscal 2012: 1,514 million yen (- %)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Third quarter of Fiscal 2013	42.93	-
Third quarter of Fiscal 2012	34.56	-

(2) Consolidated financial position

	Total assets	Net assets	Equity to total assets
	Millions of yen	Millions of yen	%
Third quarter of Fiscal 2013	162,137	123,626	74.8
Fiscal 2012	164,486	122,725	73.2

(Reference) Shareholders' equity 3Q of Fiscal 2013: 121,252 million yen Fiscal 2012: 120,344 million yen

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	Year-end	Full year
	Yen	Yen	Yen	Yen	Yen
Fiscal 2012	-	5.00	-	15.00	20.00
Fiscal 2013	-	5.00	-	15.00	20.00
Fiscal 2013 (Forecast)	-	-	-	15.00	20.00

(Note) Revisions to the cash dividends in the current quarter: None

3. Forecasts of Consolidated Earnings for Fiscal 2013 (from April 1, 2012 to March 31, 2013)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	%
Full year	136,000	4.1	4,700	12.8	5,000	6.8	2,400	41.9	55.20

(Note) 1. Revisions to the forecasts of consolidated earnings in the current quarter: None

2. These forecasts are based on information available as at the date of publication for this document and certain assumptions regarding factors for uncertainty that would influence future results as at the date of publication. Actual results may vary significantly from these forecasts due to various factors.

Consolidated quarterly balance sheets

(Unit: Millions of yen)

	FY2012 (as of Mar. 31, 2012)	Third quarter of FY2013 (as of Dec. 31, 2012)
Assets		
Current assets		
Cash and deposits	15,398	16,415
Notes and accounts receivable-trade	39,081	35,556
Short-term investment securities	10,400	11,800
Merchandise and finished goods	13,040	12,266
Raw materials and supplies	8,025	7,376
Other	2,292	2,160
Allowance for doubtful accounts	(53)	(51)
Total current assets	<u>88,184</u>	<u>85,522</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	13,807	13,440
Machinery, equipment and vehicles, net	18,954	18,886
Land	26,737	26,745
Other, net	1,000	1,076
Total property, plant and equipment	<u>60,498</u>	<u>60,147</u>
Intangible assets	1,352	1,284
Investments and other assets		
Investment securities	11,685	12,592
Other	2,849	2,681
Allowance for doubtful accounts	(81)	(89)
Total investments and other assets	<u>14,453</u>	<u>15,185</u>
Total noncurrent assets	<u>76,302</u>	<u>76,616</u>
Total assets	<u>164,486</u>	<u>162,137</u>

(Unit: Millions of yen)

	FY2012 (as of Mar. 31, 2012)	Third quarter of FY2013 (as of Dec. 31, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	16,875	12,756
Short-term loans payable	5,549	8,058
Current portion of long-term loans payable	139	140
Income taxes payable	1,578	363
Provision for bonuses	597	584
Provision for directors' bonuses	35	43
Other	7,150	7,219
Total current liabilities	31,922	29,162
Noncurrent liabilities		
Long-term loans payable	5,168	5,060
Deferred tax liabilities	372	263
Deferred tax liabilities for land revaluation	3,492	3,492
Provision for retirement benefits	229	173
Provision for directors' retirement benefits	14	16
Other	564	345
Total noncurrent liabilities	9,839	9,349
Total liabilities	41,761	38,511
Net assets		
Shareholders' equity		
Capital stock	18,516	18,516
Capital surplus	21,493	21,493
Retained earnings	76,101	77,098
Treasury stock	(1,635)	(1,699)
Total shareholders' equity	114,475	115,408
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	965	898
Deferred gains or losses on hedges	1	45
Revaluation reserve for land	5,330	5,330
Foreign currency translation adjustment	(426)	(428)
Total accumulated other comprehensive income	5,869	5,844
Minority interests	2,381	2,375
Total net assets	122,725	123,626
Total liabilities and net assets	164,486	162,137

Consolidated quarterly statements of income

(Unit: Millions of yen)

	Third quarter of FY2012 (from Apr. 1, 2011 to Dec. 31, 2011)	Third quarter of FY2013 (from Apr. 1, 2012 to Dec. 31, 2012)
Net sales	97,459	105,491
Cost of sales	88,577	95,542
Gross profit	8,882	9,949
Selling, general and administrative expenses	6,370	6,669
Operating income	2,511	3,279
Non-operating income		
Interest income	27	219
Dividends income	122	116
Equity in earnings of affiliates	258	34
Other	180	254
Total non-operating income	587	623
Non-operating expenses		
Interest expenses	83	349
Sales discounts	37	29
Commitment fee	4	
Other	45	23
Total non-operating expenses	169	400
Ordinary income	2,929	3,502
Extraordinary income		
Gain on sales and retirement of noncurrent assets	36	16
Total extraordinary income	36	16
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	277	226
Loss on sales of investment securities		185
Loss on abandonment of inventories	88	26
Other	8	29
Total extraordinary losses	374	466
Income before income taxes and minority interests	2,591	3,052
Income taxes	1,038	1,161
Income before minority interests	1,553	1,891
Minority interests in income	49	24
Net income	1,504	1,867

Consolidated quarterly statements of comprehensive income

(Unit: Millions of yen)

	Third quarter of FY2012 (from Apr. 1, 2011 to Dec. 31, 2011)	Third quarter of FY2013 (from Apr. 1, 2012 to Dec. 31, 2012)
Income before minority interests	1,553	1,891
Other comprehensive income		
Valuation difference on available-for-sale securities	(395)	(67)
Deferred gains or losses on hedges	(116)	44
Revaluation reserve for land	524	
Foreign currency translation adjustment		(4)
Share of other comprehensive income of associates accounted for using equity method	(52)	0
Total other comprehensive income	(39)	(27)
Comprehensive income	1,514	1,864
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,465	1,842
Comprehensive income attributable to minority interests	49	22