

**Consolidated Financial Results for the First Quarter of Fiscal 2013**  
**(from April 1, 2012 to June 30, 2012)**  
**<Under Japanese GAAP>**

July 31, 2012

Company name: Kyoei Steel, Ltd.  
 Stock exchange listed: Tokyo and Osaka, 1st section  
 Stock code: 5440  
 URL: <http://www.kyoeisteel.co.jp/>  
 Representative: Koji Morita, President  
 Inquiries: Masahiro Kitada, Manager of Accounting & Financing Dept.  
 TEL: +81-6-6346-5221 (from overseas)

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

**1. Consolidated financial results for the First quarter of Fiscal 2013**  
**(from April 1, 2012 to June 30, 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	%
First quarter of Fiscal 2013	37,118	11.5	1,366	62.7	1,419	46.4	888	49.2
First quarter of Fiscal 2012	33,289	9.5	840	187.1	969	142.0	595	349.7

(Note) Comprehensive income 1Q of Fiscal 2013: 585 million yen ((1.3%)) 1Q of Fiscal 2012: (593 million) yen (- %)

	Net income per share	Fully diluted net income per share
	Yen	Yen
First quarter of Fiscal 2013	20.41	-
First quarter of Fiscal 2012	13.68	-

## (2) Consolidated financial position

	Total assets	Net assets	Equity to total assets
	Millions of yen	Millions of yen	%
First quarter of Fiscal 2013	160,666	122,629	74.8
Fiscal 2012	164,486	122,725	73.2

(Reference) Shareholders' equity 1Q of Fiscal 2013: 120,163 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	-				
Fiscal 2013 (Forecast)		5.00	-	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 and interim-on-interim period 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	%	%
Interim	72,500	13.7	2,700	338.3	2,700	178.7	1,500	236.3	34.48
Full year	148,000	13.3	6,900	65.6	7,000	49.6	4,000	136.4	91.94

(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 March 31,2012)	First quarter of FY2013 (as of June 30, 2012)
<b>Assets</b>		
Current assets		
Cash and deposits	15,398	14,301
Notes and accounts receivable-trade	39,081	38,357
Short-term investment securities	10,400	8,200
Merchandise and finished goods	13,040	14,604
Raw materials and supplies	8,025	7,564
Other	2,292	2,151
Allowance for doubtful accounts	(53)	(49)
Total current assets	88,184	85,128
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	13,807	13,531
Machinery, equipment and vehicles, net	18,954	18,518
Land	26,737	26,739
Other, net	1,000	1,093
Total property, plant and equipment	60,498	59,881
Intangible assets	1,352	1,326
Investments and other assets		
Investment securities	11,685	11,952
Other	2,849	2,459
Allowance for doubtful accounts	(81)	(80)
Total investments and other assets	14,453	14,331
Total noncurrent assets	76,302	75,538
<b>Total assets</b>	<b>164,486</b>	<b>160,666</b>

(Unit: millions of yen)

	FY2012 (as of March 31, 2012)	First quarter of FY2013 (as of June 30, 2012)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	16,875	15,258
Short-term loans payable	5,549	5,949
Current portion of long-term loans payable	139	138
Income taxes payable	1,578	315
Provision for bonuses	597	429
Provision for directors' bonuses	35	22
Other	7,150	6,579
Total current liabilities	31,922	28,689
Noncurrent liabilities		
Long-term loans payable	5,168	5,125
Deferred tax liabilities	372	147
Deferred tax liabilities for land revaluation	3,492	3,492
Provision for retirement benefits	229	218
Provision for directors' retirement benefits	14	15
Other	564	352
Total noncurrent liabilities	9,839	9,348
Total liabilities	41,761	38,037
Net assets		
Shareholders' equity		
Capital stock	18,516	18,516
Capital surplus	21,493	21,493
Retained earnings	76,101	76,337
Treasury stock	(1,635)	(1,635)
Total shareholders' equity	114,475	114,710
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	965	510
Deferred gains or losses on hedges	1	(29)
Revaluation reserve for land	5,330	5,330
Foreign currency translation adjustment	(426)	(358)
Total accumulated other comprehensive income	5,869	5,453
Minority interests	2,381	2,466
Total net assets	122,725	122,629
Total liabilities and net assets	164,486	160,666

## Consolidated quarterly statements of income

(Unit: millions of yen)

	First quarter of FY2012 (from Apr. 1, 2011 to Jun. 30, 2011)	First quarter of FY2013 (from Apr. 1, 2012 to Jun. 30, 2012)
Net sales	33,289	37,118
Cost of sales	30,343	33,477
Gross profit	2,946	3,641
Selling, general and administrative expenses	2,106	2,275
Operating income	840	1,366
Non-operating income		
Interest income	9	39
Dividends income	73	73
Equity in earnings of affiliates	134	29
Other	46	83
Total non-operating income	263	224
Non-operating expenses		
Interest expenses	26	152
Foreign exchange losses	81	
Commitment fee	4	
Other	23	19
Total non-operating expenses	134	171
Ordinary income	969	1,419
Extraordinary income		
Gain on sales and retirement of noncurrent assets	2	8
Total extraordinary income	2	8
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	19	50
Loss on valuation of golf club membership	8	
Other	0	
Total extraordinary losses	27	50
Income before income taxes and minority interests	944	1,377
Income taxes	322	460
Income before minority interests	622	917
Minority interests in income	27	29
Net income	595	888

## Consolidated quarterly statements of comprehensive income

(Unit: millions of yen)

	First quarter of FY2012 (from Apr. 1, 2011 to Jun. 30, 2011)	First quarter of FY2013 (from Apr. 1, 2012 to Jun. 30, 2012)
Income before minority interests	622	917
Other comprehensive income		
Valuation difference on available-for-sale securities	(26)	(455)
Deferred gains or losses on hedges		(30)
Foreign currency translation adjustment		152
Share of other comprehensive income of associates accounted for using equity method	(3)	0
Total other comprehensive income	(29)	(332)
Comprehensive income	593	585
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	566	472
Comprehensive income attributable to minority interests	27	113