

Review of Operations

Steel and Energy Products Business

- Steel Products Sector ■
- Steel Plates and Structures Sector ■
- Wind Turbines Sector ■

Performance in Fiscal 2014

Total orders in the Steel and Energy Products Business amounted to ¥68,418 million (US\$569 million), up 19.8% from the previous fiscal year, reflecting positive customer evaluation of our clad steel pipes, which attracted large-scale orders.

Sales in this segment declined 2.1%, to ¥66,215 million (US\$551 million), due to lower sales of clad steel pipes, which more than offset higher sales of electric and nuclear power products and clad steel plates.

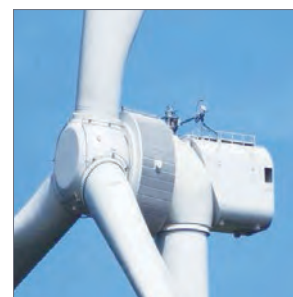
The segment posted a ¥3,200 million (US\$26 million) operating loss, an improvement from a ¥3,606 million (US\$35 million) operating loss in the previous fiscal year. Efforts to cut basic costs helped reduce the magnitude of losses for the year.



Shell flange used for pressure chamber for nuclear power plant

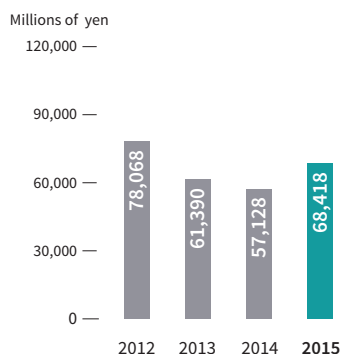


Clad steel plate

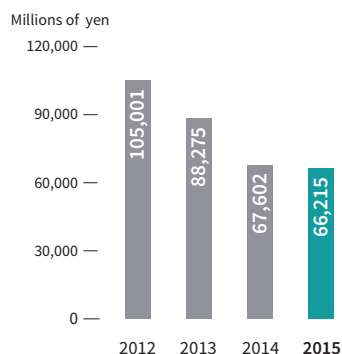


J82-2.0D wind turbines system

Orders Received



Sales



Industrial Machinery Products Business

Plastics Machinery Sector ■

Other Machinery Sector ■

Performance in Fiscal 2014

Total orders in the Industrial Machinery Products Business grew 6.9%, to ¥135,389 million (US\$1,126 million), thanks mainly to increased orders for molding machines, particularly from the automobile sector, as well as healthy orders for laser annealing equipment.

Sales in this segment rose 6.7%, to ¥126,363 million (US\$1,051 million), thanks to sales growth for plastic production and processing machinery and molding machines, despite lower sales of laser annealing equipment, which generated very strong sales in the previous fiscal year.

Operating income declined 6.7%, to ¥11,370 million (US\$94 million), due to changes in the segment's product breakdown.



Polyolefin extruder/pelletizer

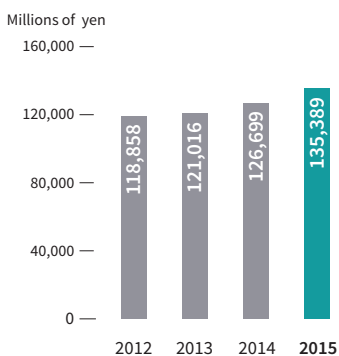


Large-size all-electric injection molding machine



Magnesium alloy injection molding machine

Orders Received



Sales

