

REVIEW OF OPERATIONS

Steel and Energy Products Business

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

Performance in Fiscal 2015

Total orders in the Steel and Energy Products Business amounted to ¥39,785 million (US\$353 million), down 41.8% from the previous fiscal year. This was due mainly to delayed recovery in demand for electric power and nuclear power products, as well as a recoil in demand for clad steel pipes, which attracted large-scale project orders in the previous year.

Sales in this segment rose 13.0%, to ¥74,854 million (US\$664 million), thanks to increased sales of clad steel pipes. This was despite lower sales of equipment for electric power and nuclear power plants.

The segment posted operating income of ¥699 million (US\$6 million), compared with an operating loss of ¥39 million (US\$0.3 million) in the previous fiscal year. This was due to increased sales of clad steel pipes, cost improvements, and lower raw materials prices.



Shell flange used for pressure chamber for nuclear power plant



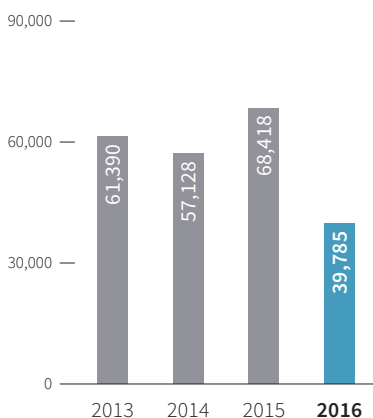
Clad steel plate



J82-2.0D wind turbines system

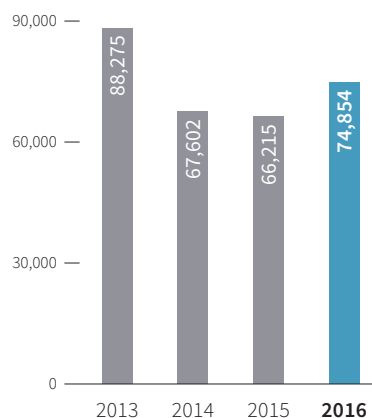
Orders Received

Millions of yen



Sales

Millions of yen



Industrial Machinery Products Business

- ▶ Plastics Machinery Sector
- ▶ Other Machinery Sector

Performance in Fiscal 2015

Total orders in the Industrial Machinery Products Business grew 24.0%, to ¥167,875 million (US\$1,489 million), thanks to significantly higher orders for laser annealing equipment and plastic production and processing machinery, in addition to firm demand for molding machines and other products.

Sales in this segment rose 14.2%, to ¥144,358 million (US\$1,281 million), owing to increased sales of plastic production and processing machinery, molding machines, and laser annealing equipment, reflecting healthy orders.

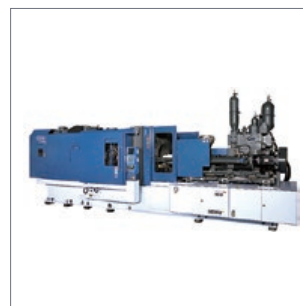
Operating income increased 9.0%, to ¥12,391 million (US\$109 million), benefiting from higher segment sales.



Polyolefin extruder/pelletizer



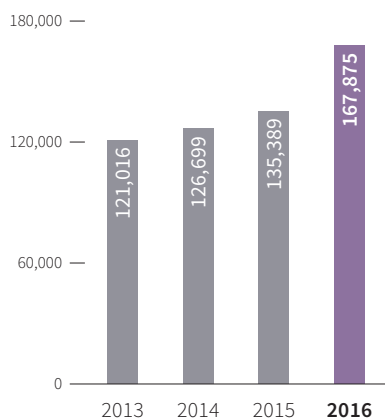
Large-size all-electric injection molding machine



Magnesium alloy injection molding machine

Orders Received

Millions of yen



Sales

Millions of yen

