

Review of Operations

Steel and Energy Products Business

Steel Products Sector

Steel Plates and Structures Sector

Wind Turbines Sector

Performance in Fiscal 2016

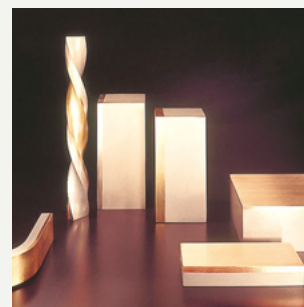
Total orders in the Steel and Energy Products Business amounted to ¥19,500 million (US\$173 million), down 51.0% from the previous year. This was due mainly to the cancellation of orders for wind power generation equipment, as well as declining orders for electric and nuclear power plant products, and for clad steel plates and pipes.

Sales in this segment fell 31.6%, to ¥51,207 million (US\$456 million), due to a recoil in sales of clad steel pipes following a surge in sales to large-scale projects in the previous year.

Despite a decline in depreciation expenses, the segment posted an operating loss of ¥2,794 million (US\$24 million), compared with operating income of ¥699 million (US\$6 million) in the previous year. This was due to the fall in sales of clad steel pipes.



Shell flange used for pressure chamber for nuclear power plant



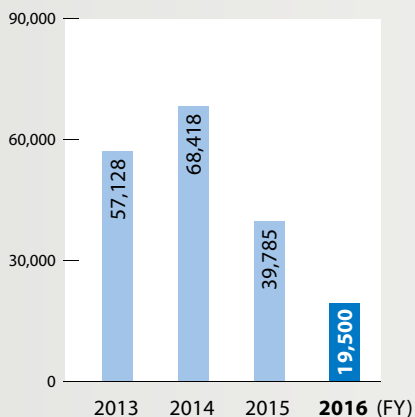
Clad steel plate



J82-2.0D wind turbines system

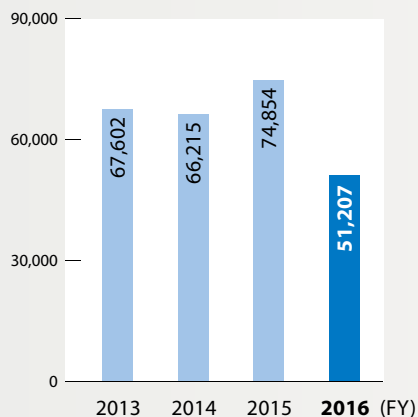
Orders Received

Millions of yen



Sales

Millions of yen



Industrial Machinery Products Business

Plastics Machinery Sector

Other Machinery Sector

Performance in Fiscal 2016

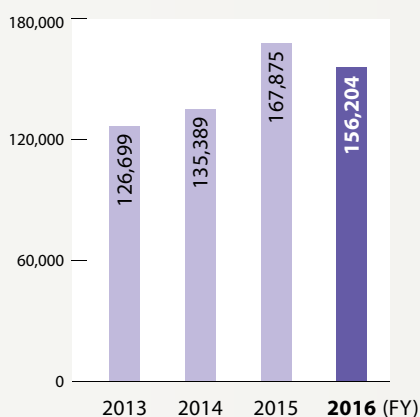
Total orders in the Industrial Machinery Products Business declined 7.0%, to ¥156,204 million (US\$1,392 million), due to a pullback in sales of laser annealing equipment following a surge in sales to large-scale projects in the previous year. This was despite an increase in sales of plastic production and processing machinery.

Sales in this segment climbed 10.4%, to ¥159,378 million (US\$1,420 million), thanks to a solid performance by plastic production and processing machinery, as well as increased sales of molding machines and laser annealing equipment.

Operating income jumped 22.5%, to ¥15,183 million (US\$135 million), benefiting from higher segment sales and cost improvements.

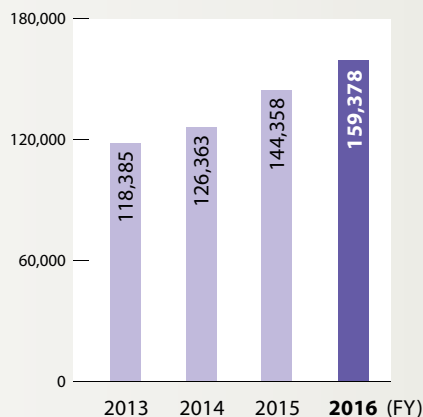
Orders Received

Millions of yen



Sales

Millions of yen



Polyolefin extruder/pelletizer



Large-size all-electric injection molding machine



Magnesium alloy injection molding machine