

April 30, 2020

To Whom It May Concern,

Company Name: Sanyo Special Steel Co., Ltd.
 Representative: HIGUCHI Shinya, Representative Director and President
 (Code Number: 5481, First Section of the TSE)
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Notice regarding Differences between Full-year Earnings Forecasts for Fiscal Year Ended March 31, 2020 and Actual Results

Sanyo Special Steel Co., Ltd. (the “Company”) hereby announces that there are differences between the full-year earnings forecasts for the fiscal year ended March 31, 2020 announced on January 31, 2020 and the actual results announced today.

1. Differences between full-year consolidated earnings forecasts and actual results for the fiscal year ended March 31, 2020 (April 1, 2019 - March 31, 2020)

| | Net Sales | Operating Income | Ordinary Income | Net Income Attributable to Owners of the Parent | Net Income Per Share |
|--|-----------------|------------------|-----------------|---|----------------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Yen |
| Previous Forecasts (A) | 260,000 | -1,900 | -2,300 | -2,800 | -50.57 |
| Actual Results (B) | 262,452 | -1,417 | -1,512 | -3,717 | -67.14 |
| Increase/Decrease (B-A) | 2,452 | 482 | 778 | -917 | |
| Change (%) | 0.9 | - | - | - | |
| (For Reference) Results for fiscal year ended March 31, 2019 | 185,818 | 10,123 | 9,437 | 7,721 | 237.75 |

2. Differences between full-year non-consolidated earnings forecasts and actual results for the fiscal year ended March 31, 2020 (April 1, 2019 - March 31, 2020)

| | Net Sales | Operating Income | Ordinary Income | Net Income | Net Income Per Share |
|--|-----------------|------------------|-----------------|-----------------|----------------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Yen |
| Previous Forecasts (A) | 132,000 | 3,100 | 3,400 | 2,500 | 45.16 |
| Actual Results (B) | 134,624 | 3,618 | 3,978 | -954 | -17.24 |
| Increase/Decrease (B-A) | 2,624 | 518 | 578 | -3,454 | |
| Change (%) | 2.0 | 16.7 | 17.0 | - | |
| (For Reference) Results for fiscal year ended March 31, 2019 | 162,804 | 9,757 | 10,164 | 7,162 | 220.54 |

3. Reasons for the differences

Operating income and ordinary income exceeded the previous forecasts due to a decline in raw material and fuel prices and a decrease in fixed costs through further profit improvement measures such as reduction of labor costs and other expenses. Despite an increase in the above, due to the recording of a write-off of goodwill relating to Mahindra Sanyo Special Steel Pvt. Ltd. (“MSSS”) in India of 1,289 million yen as an extraordinary loss on a consolidated basis, and the recording of an impairment loss on valuation of shares of MSSS of 3,854million yen as an extraordinary loss on a non-consolidated basis, net income attributable to owners of the parent and net income were below the previous forecasts.

For further details regarding the write-off of goodwill and the impairment loss on shares of MSSS, please refer to the “Notice regarding Write-off of Goodwill and Impairment Loss on Shares of Consolidated Subsidiary” released today.

Please note that the official text of this document has been prepared in Japanese. To the extent there is any discrepancy between the English translation and original Japanese version, please refer to the Japanese version.