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To whom it may concern:

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Notification Concerning the Fourth Medium-Term Management Plan

The Group has summarized the results of the Third Medium-Term Management Plan ended in March 2015, and formulated the Fourth Medium-Term Management Plan beginning in April 2015. An outline is presented below.

1. Summary of Third Medium-Term Management Plan

1) Achievement Status of Sales and Revenue Targets (billion yen, unless otherwise noted)

		Period of Third Medium-Term Management Plan			
	FY2011 Results	FY2012 Results	FY2013 Results	FY2014 Targets	FY2014 Estimates (Note)
Net sales	120.6	117.8	136.5	160.0	152.3
Foreign net sales ratio	22.1%	25.0%	29.3%	35.0%	34.5%
Operating income	15.5	15.4	20.1	20.0	17.8
Foreign operating income ratio	3.8%	0.6%	5.0%	20.0%	0%
Ordinary income	17.7	17.6	22.6	22.0	19.9
Net income	7.5	10.7	13.7	12.0	7.7

(Note) FY2014 estimates: The estimated amounts for the current fiscal year announced on March 23 have been applied.

i. Net sales increased significantly, nearly meeting targets
ii. Although revenue targets were achieved in FY2013, there was a considerable target shortfall in FY2014
iii. The considerable target shortfall is attributable to a stagnation of the two companies overseas: SUNSCO and Leavitt

2) Domestic results

i. Achieved targets while maintaining domestic strengths and competitiveness, due to the economic recovery
ii. Completed integration of Tokyo Plant and Tokyo No. 2 Plant; Relocation of excess domestic facilities to other countries going mostly according to the plan
iii. Began solar power generation operations at 9 locations including Takuma, Tokyo and Sakai plants
iv. Established a system to capture reconstruction demand by expanding bases in Tohoku area

3) Results and reflections overseas

i. Completed major capital investment in Leavitt and SUNSCO (HCM)
ii. Began operations according to plan at the new companies, MMX and AMX, and the new plants at KUMA and ISTW
iii. In the automobile and motorcycle related segment, business expanded favorably overall as we responded to the shift in production to overseas when the yen was strong, and targets were mostly achieved.
iv. At SUNSCO and Leavitt, revenues worsened due to the shrinking spread as a result of deteriorating market conditions, an increase in the burden of depreciation, and implementation of an impairment on facilities. Raising the facility operation rate and strengthening sales capabilities are issues in the future.

4) Capital policy

i. Change in dividend policy: Dividend payout ratio rose to 50% from 40% as it has been since FY2012, the first year of Third Medium-Term Management Plan.
Dividend per share increased according to the dividend policy of "Nonconsolidated ordinary income x (1-effective corporate tax rate x 50%)"
ii. Average shareholder return ratio during the three years: 52.3%, Share buybacks: 500,000 shares

Based on the above results and reflections on the Third Medium-Term Management Plan, and considering the environment surrounding the Group in the coming three years, we formulated the Fourth Medium-Term Management Plan as follows.

2. Fourth Medium-Term Management Plan

1) Priorities of Fourth Medium-Term Management Plan

i. Maintain competitive advantage domestically
ii. In overseas, dedicate group-wide efforts to strengthening profitability of SUNSCO/Leavitt
Continue capital investment in line with market growth in other regions
iii. In capital policy, actively carry out share buybacks
iv. Set targets for returning a fixed amount of revenue to local communities as a social contribution

Formulation of the Fourth Medium-Term Management Plan was based on the following recognition of the environment surrounding the Company for the next three years:

i. Moderate growth is expected domestically due to permeation of economic measures, realization of large projects, etc.
ii. In overseas, although strong U.S. economy and relatively stable growth in emerging nations are expected, recovery in overseas markets will be delayed due to the continuing excess supply of steel from China.
iii. Although the shift of production to overseas will not progress significantly due to the weak yen, the return of automotive and other production to Japan will also be limited, and overseas will continue to be the key to the growth of the Company.
iv. An exchange rate of 115 yen/1US$ is assumed.

2) Targets of the Fourth Medium-Term Management Plan (billion yen, unless otherwise noted)

	FY2012	FY2013	FY2014 (Estimates)	**FY2017 Targets**
Net sales	117.7	136.5	152.3	**185.0**
Operating income	15.4	20.1	17.8	**22.5**
Operating margin	13%	15%	12%	**12%**
ROE	5.0%	6.1%	3.3%	**6.5% and over**
Shareholder return ratio (3-year average)	52.3%			**70% and over**
Return of profit to society				**Approximately 0.5% of nonconsolidated net income after paying dividend**

3) Issues and Major Initiatives of Fourth Medium-Term Management Plan

Major issues	Major initiatives
1. Growth strategy: Continuing growth focused on overseas and achieving high profit ratio both domestically and overseas **1) Maintaining high profit ratio in domestic operations and overhauling and streamlining facilities at domestic plants** i. Moving ahead with overhauls of aging domestic facilities and increasing production efficiency ii. Restructuring and streamlining domestic production system, properly allocating human resources iii. Further strengthening the manufacturing and sales system for the purpose of maintaining domestic competitiveness	a) Replacing facilities at domestic plants: 3-year total investment: ¥15.0 billion (including affiliated plants) b) Consolidating Osaka plants into Sakai plant c) Further focusing efforts on recruitment and human resources education
2) Bolstering profitability by utilizing overseas investments to date i. Increasing profitability through full operation of new facilities at SUNSCO/Leavitt and reinforcing sales capabilities	a) SUNSCO (HCM): Expanding sales of 16-inch, two small-diameter tube lines, CGL and CCL products by strengthening sales capabilities in Vietnam Selling API products to the U.S. and other regions, and improving export profits b) Leavitt: Stably operating facilities, strengthening sales capabilities for API/ASTMA53B and products for automobiles and other users
ii. Expanding sales on the U.S. West Coast	a) MAC: Streamlining production through investment in overhauling facilities and expanding sales by strengthening sales capabilities b) Strengthening sales in the northwest of the U.S. and the west of Canada with MOST as base
iii. Continuing necessary investment in automobile and motorcycle related business, and strengthening trading with Japanese manufacturers in various regions	a) Mexico: Actively responding to the shift of production by various automobile companies and expanding transactions with European and the U.S. companies b) India: Expanding sales and strengthening profitability through utilization of the new Bangalore Plant c) Ensuring profitability by further increase of competitiveness in China (MMP), Vietnam, Indonesia, and the U.S. (Leavitt) d) Considering expansion into new regions and new areas in the automobile field
iv. Tackling new business in non-automobile related fields	a) Strengthening response for users in various regions including Japanese companies that are expanding into the regions
v. Focusing efforts on development of "human resources that can perform overseas" and "enhancing local human resources."	a) Continuing development of "human resources that can perform overseas" with a focus on young employees b) Employing local human resources. Increasing the ratio of employees in Japan who have experience of overseas posting, and having them play an active role leveraging their overseas experience after they return to Japan
2. Shareholder-focused capital policy: Maintaining a high dividend payout ratio and raising shareholder return ratio and ROE i. Maintaining a high dividend payout ratio	a) Continuing dividend policy of "nonconsolidated ordinary income x (1- effective corporate tax rate) x 50%) Returning the effect of the decrease in the effective corporate tax rate as dividends Raising the minimum dividend from the current 30 yen per share to 50 yen per share
ii. High profitability and a policy that prioritizes shareholders	b) Raising shareholder return ratio (70% and over) and ROE (6.5% and over) by implementing share buyback

Major issues	Major initiatives
<u>3. Social contribution: Returning a fixed amount of revenue to society as a sustainable corporate group that grows and develops together with society</u>	a) Providing approximately 0.5% of nonconsolidated net income after payment of dividends for cultural, educational, sports, environmental protection and other activities in local communities in Japan and overseas

(Reference) Official names of the above overseas subsidiaries

Leavitt (the U.S.): Maruichi Leavitt Pipe & Tube, LLC

MAC (the U.S.): Maruichi American Corporation

MOST (the U.S.): Maruichi Oregon Steel Tube, LLC

MMX (Mexico): Maruichimex S.A. de C.V.

AMX (Mexico): Alphamex S.A. de C.V.

SUNSCO (HCM) (Vietnam): Maruichi Sun Steel Joint Stock Company

KUMA (India): Maruichi KUMA Steel Tube Private LTD

ISTW (Indonesia): PT Indonesia Steel Tube Works

MMP (China): Maruichi Metal Product Co., Ltd.

End