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## Summary of Consolidated Financial Results for Fiscal Year Ended March 31, 2015 (Japanese GAAP)

May 8, 2015  
Stock Exchange: Tokyo

Listed company name: **NIPPON STEEL & SUMIKIN BUSSAN CORPORATION**  
Code No.: 9810  
URL: <http://www.nssb.nssmc.com/en/index.html>  
Representative name: Kenji Hiwatari, President and Representative Director  
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Scheduled ordinary general meeting of shareholders: June 23, 2015  
Start of cash dividend payments: June 24, 2015  
Securities report to be submitted: June 23, 2015  
Supplementary materials: Yes (Japanese only)  
IR conference: Yes (for institutional investors and analysts; Japanese only)

(Figures rounded down to nearest million yen)

### 1. Consolidated Results for the Fiscal Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)

#### (1) Consolidated Operating Results

(%: Year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FYE March 31, 2015	2,104,606	–	28,669	–	30,573	–	17,434	–
FYE March 31, 2014	1,443,843	–	20,961	–	21,830	–	22,768	–

Note: Comprehensive income  
FYE March 31, 2015 ¥29,879 million (–%)  
FYE March 31, 2014 ¥28,321 million (–%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income /total assets	Operating income /net sales
	Yen	Yen	%	%	%
FYE March 31, 2015	56.39	–	11.2	4.6	1.4
FYE March 31, 2014	102.74	–	21.0	4.4	1.5

Reference: Shares of profit/loss of entities accounted for using equity method  
FYE March 31, 2015 ¥990 million  
FYE March 31, 2014 ¥755 million

Note: Nippon Steel Trading Co., Ltd. merged with Sumikin Bussan Corporation in October 1, 2013, and so the consolidated results for FYE March 31, 2015 and FYE March 31, 2014 differ considerably from the results of the previous fiscal year for both companies prior to the merger. Accordingly, a comparison with the previous fiscal year has been omitted.

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Equity capital per share
	Million Yen	Million Yen	%	Yen
As of March 31, 2015	692,899	183,693	24.1	539.43
As of March 31, 2014	642,304	157,554	22.2	461.22

Reference: Equity capital

FYE March 31, 2015 ¥166,774 million

FYE March 31, 2014 ¥142,609 million

## (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million Yen	Million Yen	Million Yen	Million Yen
As of March 31, 2015	5,234	(11,568)	4,027	27,359
As of March 31, 2014	(15,463)	(9,088)	18,650	26,027

## 2. Dividends

	Annual dividends per share					Dividends paid (total)	Payout ratio (consolidated)	Dividends on equity ratio (consolidated)
	1Q	2Q	3Q	Fiscal year end	Total			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
FYE March 31, 2014	–	6.00	–	6.00	–	–	–	–
FYE March 31, 2015	–	6.00	–	6.00	12.00	3,710	21.3	2.4
FYE March 31, 2016 (Est.)	–	7.50	–	7.50	15.00		26.5	

Note: The dividends for the end of second quarter of FYE March 31, 2014 indicate the actual dividends allotted by Sumikin Bussan Corporation. Therefore, the figures for dividends paid (total), payout ratio (consolidated), and dividends on equity ratio (consolidated) for FYE March 31, 2014 have been omitted.

## 3. Projected Consolidated Results for Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(%: Year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q (cumulative)	1,030,000	0.2	13,500	(1.9)	13,500	0.2	7,800	(6.6)	25.23
Full fiscal year	2,120,000	0.7	29,500	2.9	31,000	1.4	17,500	0.4	56.60

\* Notes

(1) Material changes in consolidated subsidiaries during period (changes in specific subsidiaries resulting in changes in scope of consolidation): Yes

New: 1 (Company name: Suzhou Nippon Steel Service Center Co., Ltd.)

Excluded: –

(2) Changes of accounting policies, changes of accounting estimates and retrospective restatements

i. Changes in accounting policies resulting from changes in accounting standards, etc.: Yes

ii. Other accounting policy changes: None

iii. Changes in accounting estimates: None

iv. Restatements: None

Note: For more detailed information, see “4. Consolidated Financial Statements; (5) Notes on Consolidated Financial Statements (Changes of Accounting Policies)” on page 14 of the attachment.

- (3) Number of shares outstanding (common shares)
- i. Number of shares outstanding at the end of the period (including treasury shares)
    - As of March 31, 2015      309,578,001 shares
    - As of March 31, 2014      309,578,001 shares
  
  - ii. Number of treasury shares at the end of the period
    - As of March 31, 2015      408,443 shares
    - As of March 31, 2014      377,290 shares
  
  - iii. Average number of shares during the period
    - FYE March 31, 2015      309,186,594 shares
    - FYE March 31, 2014      221,608,562 shares

(Reference) Overview of Non-consolidated Financial Results

**Non-consolidated Results for Fiscal Year Ended March 31, 2015  
(April 1, 2014 to March 31, 2015)**

(1) Non-consolidated Operating Results (%: Year-on-year change)

	Net sales		Ordinary income		Net income	
	Million Yen	%	Million Yen	%	Million Yen	%
FYE March 31, 2015	1,831,401	–	22,670	–	14,853	–
FYE March 31, 2014	1,405,888	–	14,477	–	6,291	–

	Net income per Share		Diluted net income per share	
	Yen		Yen	
FYE March 31, 2015	48.04		–	
FYE March 31, 2014	28.39		–	

Note: Nippon Steel Trading Co., Ltd. merged with Sumikin Bussan Corporation in October 1, 2013, and so the non-consolidated results for FYE March 31, 2015 and FYE March 31, 2014 differ considerably from the results of the previous fiscal year for both companies prior to the merger. Accordingly, a comparison with the previous fiscal year has been omitted

(2) Non-consolidated Financial Condition

	Total assets	Net assets	Equity ratio	Equity capital per share
	Million Yen	Million Yen	%	Yen
As of March 31, 2015	520,910	118,679	22.8	383.83
As of March 31, 2014	495,431	103,736	20.9	335.46

Reference: Equity capital  
As of March 31, 2015      ¥118,679 million  
As of March 31, 2014      ¥103,736 million

\*Statement relating to the status of auditing procedures

This summary report is not subject to the auditing procedures based on the Financial Instruments and Exchange Act, and auditing procedures of financial statements based on the Financial Instruments and Exchange Act are not yet completed at the time of disclosure of this report.

\*Explanation for the proper use of earnings projections, and other notes

(Caution on description of future events, etc.)

The preceding projections are based on information available at the time of the publication of these materials, and are not intended as pledges on the part of the Company that the said projections will be achieved. Actual results may differ materially from projections due to various factors that may occur in the future. For the assumptions on which these earnings projections were based, see “1. Analysis of Operating Results and Financial Position; (1) Analysis of Operating Results” on page 2 of the attachment.

(How to acquire supplementary materials)

Supplementary materials were published on TDnet as of May 8, 2015, and they were published on the Group’s website on the same date.

(How to acquire materials for briefing session)

The Company has scheduled a briefing session for institutional investors and analysts on May 26, 2015. Soon after the session is over, the presentation materials distributed during the event will be posted on the Company’s website (Japanese only).

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## 1. Analysis of Operating Results and Financial Position

Nippon Steel Trading Co., Ltd. merged with Sumikin Bussan Corporation in October 1, 2013. For this reason, the figures for the fiscal year under review differ considerably from the previous fiscal year.

Accordingly, the sections (1) Analysis of Operating Results and (2) Analysis of Financial Position do not include comparisons with the previous fiscal year.

### (1) Analysis of Operating Results

#### A. Operating Results for the Period

The world economy during the fiscal year under review weakened overall. The Chinese economy continued to slow, and other newly emerging economies generally also showed decelerated growth. Economically advanced countries slowly recovered; the U.S. economy recovered against a backdrop of an improved employment situation and robust personal consumption, and the European economies rallied following the debt crisis.

The Japanese economy saw a rise in corporate earnings and an improved employment situation due to the Japanese government's economic policies and the Bank of Japan's monetary policies, which helped rectify the excessively high yen. On the other hand, consumer spending fell amid a continued decline in consumer sentiment, which was due to the rise in prices from the weaker yen, and the lengthening of the negative reaction after a last-minute rise in demand before a consumption tax increase.

Group earnings in the fiscal year under review featured net sales of ¥2,104.6 billion, operating income of ¥28.6 billion, ordinary income of ¥30.5 billion, and net income of ¥17.4 billion.

Earnings for reportable segments are as below.

#### (Steel)

Domestic demand for steel was poor. Automobile sales fell due to the consumption tax hike, and while construction equipment sales were expected to grow in conjunction with recovery and restoration work, the pace of recovery was generally slowed down by a shortage of manpower. The Company saw a decrease in domestic sales volume, but an increase in average sales price. Regarding the situation overseas, the supply-demand balance continued to ease in Asia, the Company's main market, and while overseas markets have softened, the Company's export sales increased as a result of various initiatives designed to capture overseas demand. It should be noted that prices were on a par with the previous fiscal year due to the weakening yen. As a result, net sales in the Steel segment reached ¥1,679.6 billion, and ordinary income reached ¥20.6 billion.

#### (Industrial Supply and Infrastructure)

In the Industrial Supply and Infrastructure business, net sales reached ¥92.4 billion and ordinary income reached ¥3.1 billion. These results were due to a rise in Russia-bound exports of steel products for pipelines, and the contribution to earnings from solar power generation projects.

#### (Textiles)

In the Textiles business, sales to key customers fell due to the consumption tax hike and the unseasonable weather in the summer. Business conditions were challenging; the yen rapidly weakened during the fiscal year under review and the corporate performance of some of the Company's associates deteriorated. As a result, net sales in the Textiles segment were ¥178.1 billion, and ordinary income was ¥3.6 billion.

#### (Foodstuffs)

In the Foodstuffs business, the imported meat business performed well thanks to a rise in sales of imported pork products. Net sales reached ¥152.9 billion, and ordinary income reached ¥2.9 billion.

## B. Outlook for Next Period

The Company's consolidated earnings forecast for the fiscal year ending March 31, 2016 is as follows: In the second quarter (cumulative), the Company expects net sales of ¥1,030.0 billion, operating income of ¥13.5 billion, ordinary income of ¥13.5 billion, and a quarterly net income attributable to owners of parent of ¥7.8 billion. For the full year, the Company forecasts net sales of ¥2,120.0 billion, operating income of ¥29.5 billion, ordinary income of ¥31.0 billion and net income attributable to owners of parent of ¥17.5 billion.

### (2) Analysis of Financial Position

#### A. Assets, Liabilities and Net Assets

Total assets at the end of the consolidated fiscal year under review were ¥692.8 billion (up ¥50.5 billion from the end of the previous fiscal year) due to an increase in notes and accounts receivable - trade and inventories. Total liabilities increased to ¥509.2 billion (up ¥24.4 billion from the end of the previous fiscal year) due to an increase in loans payable. Total net assets reached ¥183.6 billion (up ¥26.1 billion from the end of the previous fiscal year) due to the recording of net income, which offset the payment of dividends.

#### B. Cash Flows

Cash and cash equivalents at the end of the fiscal year under review increased ¥1.3 billion from the end of the previous period to ¥27.3 billion.

While there was a rise in notes and accounts receivable - trade and inventories, net cash provided by operating activities in the fiscal year under review was ¥5.2 billion due to net income. Net cash used in investing activities was ¥11.5 billion due to the Company's overseas investments and the acquisitions of property, plant and equipment by overseas subsidiaries. Net cash provided by financing activities was ¥4.0 billion due to an increase in repayment of loans payable following an increase in working capital.

#### C. Cash Flow Indicators

	FYE March 31, 2012	FYE March 31, 2013	FYE March 31, 2014	FYE March 31, 2015
Equity ratio (%)	14.8	20.1	22.2	24.1
Equity ratio, market value basis (%)	12.1	15.0	15.9	18.5
Interest-bearing debt/cash flow ratio (year)	3.4	16.9	–	39.4
Interest coverage ratio (times)	17.7	3.3	–	2.0

(Note) Equity ratio (%): Equity capital/total assets  
 Equity ratio, market value basis (%): Market capitalization/total assets  
 Interest-bearing debt/cash flow ratio (year): Interest-bearing debts/cash flow from operations  
 Interest coverage ratio (times): Cash flows from operating activities/interest payments

\* All calculations are based on consolidated financial figures.

\* Total market capitalization is calculated by multiplying the closing stock price at fiscal year end by the number of shares outstanding at fiscal year end (minus treasury shares).

For the fiscal year ended March 31, 2012, the issue price of Class B shares was added to this amount.

\* Cash flows from operating activities are taken from the Consolidated Statements of Cash Flows.

\* Interest-bearing debts include all those on the Consolidated Balance Sheet on which interest is being paid.

\* Interest payments are taken from the Consolidated Statements of Cash Flows.

### (3) Basic Policy on Distribution of Profits, and Dividends in Period under Review and Subsequent Period

The Company recognizes the importance of setting a policy on the distribution of profits to shareholders. The Company's fundamental dividend policy is to pay dividends of around 20% of consolidated net income while striving to improve its financial health.

From the fiscal year ending March 31, 2016, the Company will increase the consolidated dividend payout ratio from around 20% to 25-30%.

As previously announced, a year-end dividend of ¥6 per share (¥12 for the term after adding the ¥6 interim dividend) will be proposed at the Ordinary General Meeting of Shareholders.

The Company is planning an annual dividend of ¥15 per share (¥7.5 interim dividend) for the dividends of surplus for the next term.

## 2. Management Policy

### (1) Basic Policy on Company Management

NIPPON STEEL & SUMIKIN BUSSAN CORPORATION will aim to achieve our guiding principles of corporate management: 1. Strengthening and expanding the four areas of business that make NIPPON STEEL & SUMIKIN BUSSAN CORPORATION the core trading company of the NIPPON STEEL & SUMITOMO METAL CORPORATION GROUP; 2. Accelerating global strategies; 3. Bringing to bear all of our strengths as a multiple specialty trading company; and 4. Enforcing strict corporate compliance.

### (2) Medium/Long-Term Company Management Strategy and Issues Facing Company

The global economic situation is expected to slowly recover on the whole. However, there are many areas of concern, including a move to change U.S. financial policy, the future prospects of China and other newly emerging economies, the effects of downfall in crude oil prices, and geopolitical risks such as the situations in Ukraine and the Middle East. It is therefore reasonable to expect continued instability.

The Japanese economy is expected to recover slowly amid continued improvement in the employment and income environment. However the business environment surrounding the Group appears to be increasing in severity; there are fears of a global economic downturn, and expectations that demand for steel products in April to June will fall to their levels almost as low as the time of the Lehman Shock.

The Company sets a Medium-Term Management Plan for FY2015-FY2017 taking into account this state of affairs.

#### <Outline of Medium-Term Management Plan >

Aim to fulfill the Company's social responsibility as a trading company that offers products and services concerning food, shelter and clothing, and for achieving sustainable growth upon on a robust management foundation.

#### <Outline of Strategy and Action Plan>

1. Promote growth strategies building on our strengths
  - (1) Gain greater market share in the steel market
  - (2) Develop automobile parts and infrastructure businesses globally
  - (3) Strengthen/expand apparel ODM and solutions businesses
  - (4) Strengthen/expand overseas foodstuffs business
2. Maintain/improve our industry-leading competitiveness
  - (1) Pursue safety, reliability and quality
  - (2) Improve productivity and operational efficiency
  - (3) Establish sound organizational and administrative infrastructure

#### <Investment of Managerial Resources>

1. Establish investment framework of a ¥45.0 billion for examining strategic investments, including mergers and acquisitions
2. Continue expanding business, but keep staff numbers at the current level of 1,850-1,900 members of staff (non-consolidated, includes domestic and overseas secondees) by improving operational efficiency.

<Quantitative Targets (consolidated)>

	FY2017
Net sales (Overseas net sales)	¥2,300.0 billion (¥680.0 billion)
Ordinary income	¥36.0 billion
Net income attributable to owners of parent	¥21.0 billion
Equity capital	More than ¥200.0 billion
Equity ratio	Around 25%-30%
Net debt-to-equity ratio	Less than 1 time
ROE	Maintain 10% and above

For details about the Mid-Term Vision, see the “Notice of Establishment of Medium-Term Management Plan (FY2015-FY2017),” issued May 8, 2015.

This announcement may be found at the following URLs.

(NIPPON STEEL & SUMIKIN BUSSAN CORPORATION website)

<http://www.nssb.nssmc.com/en/index.html> (Tokyo Stock Exchange web site [listed company information search page])

<http://www.jpx.co.jp/listing/co-search/index.html>

### 3. Basic Philosophy for Selecting Accounting Standards

The Company commits itself to preparing all consolidated financial statements in accordance with the Japanese Accounting Standards, while giving consideration to inter-period comparability and inter-company comparability.

The Company will observe IFRS (International Financial Reporting Standards) as appropriate in consideration of the situation inside and outside Japan.

## 4. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Million Yen)

	Previous Fiscal Year (As of March 31, 2014)	Current Fiscal Year (As of March 31, 2015)
<b>Assets</b>		
Current assets		
Cash and deposits	26,879	29,022
Notes and accounts receivable - trade	383,665	396,162
Inventories	89,457	106,275
Deferred tax assets	3,540	3,837
Other	15,272	17,110
Allowance for doubtful accounts	(1,968)	(1,654)
Total current assets	516,847	550,754
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,290	21,456
Machinery, equipment and vehicles, net	9,701	12,489
Tools, furniture and fixtures, net	2,487	2,378
Land	22,659	23,005
Leased assets, net	949	1,482
Construction in progress	2,215	2,197
Total property, plant and equipment	56,303	63,009
Intangible assets		
Goodwill	139	189
Other	853	1,009
Total intangible assets	992	1,198
Investments and other assets		
Investment securities	49,922	59,862
Long-term loans receivable	1,214	743
Net defined benefit asset	1,533	3,203
Deferred tax assets	553	742
Other	19,106	17,914
Allowance for doubtful accounts	(4,169)	(4,529)
Total investments and other assets	68,161	77,936
Total non-current assets	125,457	142,144
Total assets	642,304	692,899

(Million Yen)

	Previous Fiscal Year (As of March 31, 2014)	Current Fiscal Year (As of March 31, 2015)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	253,944	249,831
Short-term loans payable	166,331	172,345
Lease obligations	493	708
Income taxes payable	5,210	5,756
Deferred tax liabilities	56	60
Provision for bonuses	2,943	3,239
Provision for loss on liquidation of subsidiaries and associates	270	31
Other	20,540	30,044
Total current liabilities	449,790	462,018
Non-current liabilities		
Long-term loans payable	23,170	33,936
Lease obligations	553	849
Deferred tax liabilities	2,836	5,097
Provision for directors' retirement benefits	437	442
Provision for loss on guarantees	18	-
Provision for loss on litigation	245	-
Net defined benefit liability	2,785	1,720
Other	4,912	5,141
Total non-current liabilities	34,959	47,187
Total liabilities	484,749	509,206
<b>Net assets</b>		
Shareholders' equity		
Capital stock	12,335	12,335
Capital surplus	50,644	50,645
Retained earnings	74,398	88,668
Treasury shares	(95)	(108)
Total shareholders' equity	137,282	151,540
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,572	5,845
Deferred gains or losses on hedges	(428)	(554)
Foreign currency translation adjustment	3,472	9,157
Remeasurements of defined benefit plans	(290)	786
Total accumulated other comprehensive income	5,326	15,233
Minority interests	14,945	16,918
Total net assets	157,554	183,693
Total liabilities and net assets	642,304	692,899

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**

**(Consolidated Statements of Income)**

(Million Yen)

	Previous Fiscal Year (April 1, 2013 to March 31, 2014)	Current Fiscal Year (April 1, 2014 to March 31, 2015)
Net sales	1,443,843	2,104,606
Cost of sales	1,349,555	1,977,338
Gross profit	94,287	127,268
Selling, general and administrative expenses	73,326	98,598
Operating income	20,961	28,669
Non-operating income		
Interest income	366	422
Dividend income	569	900
Share of profit of entities accounted for using equity method	755	990
Purchase discounts	480	773
Foreign exchange gains	181	764
Other	1,351	1,978
Total non-operating income	3,704	5,828
Non-operating expenses		
Interest expenses	1,881	2,630
Other	953	1,294
Total non-operating expenses	2,835	3,924
Ordinary income	21,830	30,573
Extraordinary income		
Gain on sales of non-current assets	88	36
Gain on sales of investment securities	70	72
Gain on change in equity	11	98
Gain on bargain purchase	11,731	125
Total extraordinary income	11,902	332
Extraordinary losses		
Impairment loss	634	1,709
Loss on sales of investment securities	35	3
Loss on valuation of investment securities	76	19
Loss on sales of investments in capital	-	139
Loss on valuation of investments in capital	320	214
Loss on change in equity	64	-
Loss on liquidation of subsidiaries and associates	342	-
Office transfer expenses	1,170	-
Other	-	82
Total extraordinary losses	2,645	2,169
Income before income taxes and minority interests	31,087	28,736
Income taxes - current	8,010	10,411
Income taxes - deferred	(333)	(121)
Total income taxes	7,677	10,290
Income before minority interests	23,410	18,446
Minority interests in income	641	1,012
Net income	22,768	17,434

**(Consolidated Statements of Comprehensive Income)**

(Million Yen)

	Previous Fiscal Year (April 1, 2013 to March 31, 2014)	Current Fiscal Year (April 1, 2014 to March 31, 2015)
Income before minority interests	23,410	18,446
Other comprehensive income		
Valuation difference on available-for-sale securities	(236)	3,260
Deferred gains or losses on hedges	(442)	(123)
Foreign currency translation adjustment	3,475	5,029
Remeasurements of defined benefit plans, net of tax	-	1,076
Share of other comprehensive income of entities accounted for using equity method	2,114	2,189
Total other comprehensive income	4,911	11,432
Comprehensive income	28,321	29,879
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	26,935	27,336
Comprehensive income attributable to minority interests	1,386	2,542

**(3) Consolidated Statements of Changes in Equity**

Previous Fiscal Year (April 1, 2013 to March 31, 2014)

(Million Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	8,750	8,750	36,252	(73)	53,678
Cumulative effects of changes in accounting policies					-
Restated balance	8,750	8,750	36,252	(73)	53,678
Changes of items during period					
Balance at beginning of period of acquiree	(8,750)	(8,750)	(36,252)	73	(53,678)
Balance at beginning of period of acquirer	12,335	7,084	54,576	(583)	73,412
Increase by merger		43,559		512	44,072
Dividends of surplus			(2,938)		(2,938)
Net income			22,768		22,768
Purchase of treasury shares				(27)	(27)
Disposal of treasury shares		0		1	1
Change in treasury shares arising from change in equity in entities accounted for using equity method				1	1
Difference on change in equity			(8)		(8)
Net changes of items other than shareholders' equity					
Total changes of items during period	3,585	41,894	38,145	(21)	83,603
Balance at end of current period	12,335	50,644	74,398	(95)	137,282

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	603	(69)	(1,732)	-	(1,198)	10,026	62,506
Cumulative effects of changes in accounting policies							-
Restated balance	603	(69)	(1,732)	-	(1,198)	10,026	62,506
Changes of items during period							
Balance at beginning of period of acquiree	(603)	69	1,732		1,198	(10,026)	(62,506)
Balance at beginning of period of acquirer	2,695	14	(1,375)		1,333	3,387	78,134
Increase by merger							44,072
Dividends of surplus							(2,938)
Net income							22,768
Purchase of treasury shares							(27)
Disposal of treasury shares							1
Change in treasury shares arising from change in equity in entities accounted for using equity method							1
Difference on change in equity							(8)
Net changes of items other than shareholders' equity	(122)	(442)	4,847	(290)	3,992	11,557	15,549
Total changes of items during period	1,969	(358)	5,205	(290)	6,524	4,918	95,047
Balance at end of current period	2,572	(428)	3,472	(290)	5,326	14,945	157,554

Current Fiscal Year (April 1, 2014 to March 31, 2015)

(Million Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,335	50,644	74,398	(95)	137,282
Cumulative effects of changes in accounting policies			583		583
Restated balance	12,335	50,644	74,982	(95)	137,866
Changes of items during period					
Dividends of surplus			(3,710)		(3,710)
Net income			17,434		17,434
Purchase of treasury shares				(13)	(13)
Disposal of treasury shares		0		0	1
Changes of scope of consolidation			9		9
Changes of scope of equity method			(223)		(223)
Difference on change in equity			176		176
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	13,686	(12)	13,674
Balance at end of current period	12,335	50,645	88,668	(108)	151,540

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,572	(428)	3,472	(290)	5,326	14,945	157,554
Cumulative effects of changes in accounting policies							583
Restated balance	2,572	(428)	3,472	(290)	5,326	14,945	158,138
Changes of items during period							
Dividends of surplus							(3,710)
Net income							17,434
Purchase of treasury shares							(13)
Disposal of treasury shares							1
Changes of scope of consolidation							9
Changes of scope of equity method							(223)
Difference on change in equity							176
Net changes of items other than shareholders' equity	3,272	(126)	5,684	1,076	9,907	1,973	11,881
Total changes of items during period	3,272	(126)	5,684	1,076	9,907	1,973	25,555
Balance at end of current period	5,845	(554)	9,157	786	15,233	16,918	183,693

**(4) Consolidated Statements of Cash Flows**

	(Million Yen)	
	Previous Fiscal Year (April 1, 2013 to March 31, 2014)	Current Fiscal Year (April 1, 2014 to March 31, 2015)
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	31,087	28,736
Depreciation	3,405	5,176
Impairment loss	634	1,709
Amortization of goodwill	135	206
Decrease in allowance for doubtful accounts	(279)	(14)
Increase in provision for bonuses	666	282
Decrease in net defined benefit liability	(318)	(363)
Interest and dividend income	(935)	(1,322)
Interest expenses	1,881	2,630
Share of loss of entities accounted for using equity method	(755)	(990)
Gain on bargain purchase	(11,731)	(125)
Loss on sales of non-current assets	(88)	(36)
Loss on sales of investment securities	(34)	(69)
Gain on valuation of investment securities	76	19
Gain on sales of investments in capital	-	139
Loss on valuation of investments in capital	320	214
Decrease in notes and accounts receivable - trade	(12,201)	(7,494)
Decrease in inventories	(4,805)	(11,958)
Decrease in notes and accounts payable - trade	(17,733)	(8,365)
Other, net	2,526	7,774
Subtotal	(8,150)	16,151
Interest and dividend income received	1,774	1,833
Interest expenses paid	(1,910)	(2,640)
Income taxes paid	(7,177)	(10,111)
Net cash provided by (used in) operating activities	(15,463)	5,234
<b>Cash flows from investing activities</b>		
Decrease in time deposits	(164)	(602)
Purchase of property, plant and equipment	(6,641)	(6,534)
Proceeds from sales of property, plant and equipment	489	382
Purchase of intangible assets	(51)	(97)
Purchase of investment securities	(2,575)	(3,623)
Proceeds from sales of investment securities	300	317
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	159	319
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(1,036)
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	-	(11)
Purchase of shares of subsidiaries	(19)	(377)
Decrease in short-term loans receivable	(20)	(277)
Payments of long-term loans receivable	(114)	(411)
Collection of long-term loans receivable	165	203
Other, net	(615)	181
Net cash used in investing activities	(9,088)	(11,568)

(Million Yen)

	Previous Fiscal Year (April 1, 2013 to March 31, 2014)	Current Fiscal Year (April 1, 2014 to March 31, 2015)
Cash flows from financing activities		
Net increase in short-term loans payable	21,309	314
Proceeds from long-term loans payable	3,839	21,191
Repayments of long-term loans payable	(3,736)	(12,651)
Proceeds from share issuance to minority shareholders	553	-
Cash dividends paid	(2,927)	(3,709)
Cash dividends paid to minority shareholders	(226)	(397)
Other, net	(161)	(719)
Net cash provided by financing activities	18,650	4,027
Effect of exchange rate change on cash and cash equivalents	1,776	2,552
Net increase (decrease) in cash and cash equivalents	(4,125)	245
Cash and cash equivalents at beginning of period	19,030	26,027
Cash and cash equivalents at beginning of period of acquiree	(19,030)	-
Cash and cash equivalents at beginning of period of acquirer	11,195	-
Increase in cash and cash equivalents from newly consolidated subsidiary	-	1,086
Increase in cash and cash equivalents resulting from merger	18,958	-
Cash and cash equivalents at end of period	26,027	27,359

## (5) Notes on Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Changes of Accounting Policies)

(Application of Accounting Standards on Retirement Benefits)

As of the consolidated fiscal year under review, the Company adopted the Accounting Standards for Retirement Benefits (Accounting Standards Board of Japan [ASBJ], Statement No. 26; hereinafter “Retirement Benefit Accounting Standards”) and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25; hereinafter, the “Guidance”) in accordance with the provisions stipulated in the main clause of Paragraph 35 of the Retirement Benefit Accounting Standards and in the main clause of Paragraph 67 of the Guidance. Consequently, the Group has changed the methods used to calculate retirement benefit obligations and service costs. More specifically, the attribution method for projected retirement benefits has been changed from a service period basis to a projected benefit basis. Further, in order to reflect the projected payment period for retirement benefits and the individual amounts associated with each projected payment period, the method to determine the discount rate has been changed from average period from expected payment day to a single weighted average discount rate.

The Accounting Standards for Retirement Benefits have been applied in accordance with the transitional treatment stipulated in Paragraph 37 of the Retirement Benefit Accounting Standards. Accordingly, the amount generated by using the new method to calculate retirement benefit obligations and service costs has been reflected in retained earnings from the beginning of the fiscal year under review.

The impact of this change upon retained earnings at the beginning of the fiscal year under review and on the gain/loss of the fiscal year under review was negligible.

(Changes to Presentation Method)

(Consolidated Statement of Income)

Foreign exchange gains, which was handled as “Non-operating income; Other” in the previous fiscal year, has been allocated its own reportable segment from the fiscal year under review as it accounted for more than 10% of non-operating income. To represent this change in presentation method, the consolidated financial statements of the previous fiscal year have been rearranged.

Consequently, the ¥1,532 million presented in the consolidated statement of income for the previous fiscal year under “Non-operating income; Other” has been changed to “Foreign exchange gains: ¥181 million; Other: ¥1,351 million.”

(Segment Information, Etc.)

[Segment Information]

### 1. Overview of Reportable Segments

Reportable segments of the Company are those constituent units of the Company for which separate financial information can be derived. These segments are subject to periodic examination in order for the Board of Directors to make decisions on the allocation of management resources and to evaluate earnings.

The Company is primarily engaged in the sale of steel, industrial supply and infrastructure, textiles, foodstuffs, and other products in Japan and abroad. For each category of product handled, it establishes sales divisions to draft comprehensive strategies for Japan and abroad and conduct business activities accordingly.

Thus, the Company consists of four business divisions based on the products it handles and has four reportable segments: Steel, Industrial Supply and Infrastructure, Textiles, and Foodstuffs.

The major products handled in the Steel segment are steel plates and sheets, steel pipes and tubes, bars and special steel, structural products raw materials and fuels, and machinery. The major products handled in the Industrial Supply and

Infrastructure segment are industrial machinery, non-ferrous metals, cast and forged products, railroad machinery. Also in this segment, industrial estates are developed and sold, and power generation facilities developed through equity method affiliates. The major products handled in the Textiles segment are textiles products and textile materials. The major products handled in the Foodstuffs segment are imported meats and sea food.

2. Methods of Calculating Amounts of Each Reporting Segment's Net Sales, Income/Loss, Assets and Other Items

Profits of reportable segments are based on ordinary income. Inter-segment trade is treated as inter-company trade, and as such is based on market prices, etc.

3. Information on Amounts of Each Reporting Segment's Net Sales, Income/Loss, Assets and Other Items

Previous Fiscal Year (April 1, 2013 to March 31, 2014)

(Million Yen)

	Reportable segments					Others (Note 1)	Total	Adjusted amount (Notes 2, 3)	Consolidated financial statement amount (Note 4)
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Total				
Net sales									
Sales to external customers	1,033,444	98,816	183,873	126,325	1,442,460	1,383	1,443,843	–	1,443,843
Intersegment sales or transfers	872	1,898	1	–	2,772	171	2,943	(2,943)	–
Total	1,034,317	100,714	183,875	126,325	1,445,232	1,554	1,446,786	(2,943)	1,443,843
Segment income (loss) (Ordinary income (loss))	12,394	2,494	4,206	2,752	21,847	(23)	21,824	6	21,830
Segment assets	464,804	53,189	80,090	33,489	631,575	5,438	637,013	5,290	642,304
Other									
Depreciation	2,439	116	639	191	3,388	17	3,405	–	3,405
Amortization of goodwill	59	54	21	–	135	–	135	–	135
Interest income	213	89	35	47	386	4	390	(24)	366
Interest expenses	1,272	91	362	130	1,857	48	1,906	(24)	1,881
Equity in earnings (losses) of affiliates	473	748	(465)	–	755	–	755	–	755
Investment in equity method affiliates	12,354	10,570	279	–	23,203	–	23,203	–	23,203
Increase in property, plant and equipment and intangible assets	5,162	744	1,329	299	7,535	131	7,666	–	7,666

- (Notes)
1. "Other" is for items not included under "reportable segments," and it includes real estate business.
  2. The downward adjustment of ¥6 million in "segment income (loss)" represents the elimination of inter-segment trade.
  3. The downward adjustment of ¥5,290 million in "segment assets" represents ¥7,651 million in the Group-wide assets not allocated to any reportable segment and an elimination of ¥2,360 million in inter-segment trade. The Group-wide assets consist primarily of the parent company's cash and deposits.
  4. The total income (loss) of the "reportable segments" and "other" align with the ordinary income in the consolidated statement of income excepting the downward adjustment of ¥6 million.

Current Fiscal Year (April 1, 2014 to March 31, 2015)

(Million Yen)

	Reportable segments					Others (Note 1)	Total	Adjusted amount (Notes 2, 3)	Consolidated financial statement amount (Note 4)
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Total				
Net sales									
Sales to external customers	1,679,687	92,498	178,174	152,946	2,103,307	1,298	2,104,606	–	2,104,606
Intersegment sales or transfers	703	2,382	3	–	3,090	250	3,341	(3,341)	–
Total	1,680,391	94,881	178,178	152,946	2,106,397	1,549	2,107,947	(3,341)	2,104,606
Segment income (loss) (Ordinary income (loss))	20,672	3,112	3,672	2,976	30,433	135	30,568	4	30,573
Segment assets	499,678	54,687	85,935	39,763	680,064	5,299	685,364	7,535	692,899
Other									
Depreciation	3,151	472	1,336	202	5,163	12	5,176	–	5,176
Amortization of goodwill	47	138	21	–	206	–	206	–	206
Interest income	358	41	34	32	467	1	468	(46)	422
Interest expenses	2,093	109	321	113	2,638	32	2,671	(40)	2,630
Equity in earnings (losses) of affiliates	839	931	(781)	–	990	–	990	–	990
Investment in equity method affiliates	9,958	17,361	299	–	27,620	–	27,620	–	27,620
Increase in property, plant and equipment and intangible assets	5,139	565	1,216	279	7,200	17	7,218	–	7,218

- (Notes) 1. “Other” is for items not included under “reportable segments,” and it includes real estate business.  
2. The downward adjustment of ¥4 million in “segment income (loss)” represents the elimination of inter-segment trade.  
3. The downward adjustment of ¥7,535 million in “segment assets” represents ¥8,662 million in the Group-wide assets not allocated to any reportable segment and an elimination of ¥1,126 million in inter-segment trade. The Group-wide assets consist primarily of the parent company’s cash and deposits.  
4. The total income (loss) of the “reportable segments” and “other” align with the ordinary income in the consolidated statement of income excepting the downward adjustment of ¥4 million.

[Related information]

Previous Fiscal Year (April 1, 2013 to March 31, 2014)

1. Product- and service-specific information

Omitted, since it is the same as the reportable segments

2. Region-specific information

(1) Net sales

(Million Yen)

Japan	Asia	Others	Total
1,147,395	240,232	56,214	1,443,843

(Note) Net sales are based on customers' locations, and are categorized according to country/region.

(2) Property, plant and equipment

(Million Yen)

Japan	Asia	Others	Total
37,874	10,783	7,645	56,303

3. Major customer-specific information

There are no customers this item applies to.

Current Fiscal Year (April 1, 2014 to March 31, 2015)

1. Product- and service-specific information

Omitted, since it is the same as the reporting segments.

2. Region-specific information

(1) Net sales

(Million Yen)

Japan	Asia	Others	Total
1,551,272	463,267	90,066	2,104,606

(Note) Net sales are based on customers' locations, and are categorized according to country/region.

(2) Property, plant and equipment

(Million Yen)

Japan	Asia	Others	Total
39,235	15,349	8,424	63,009

3. Major customer-specific information

There are no customers this item applies to.

[Information on impairment loss on non-current assets for each reporting segment]

Previous Fiscal Year (April 1, 2013 to March 31, 2014)

(Million Yen)

	Reportable segments					Others	Total	Group-wide/ elimination	Consolidated financial statements amount
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Total				
Impairment loss	-	112	-	522	634	-	634	-	634

Current Fiscal Year (April 1, 2014 to March 31, 2015)

(Million Yen)

	Reportable segments					Others	Total	Group-wide/ elimination	Consolidated financial statements amount
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Total				
Impairment loss	1,529	1	173	4	1,709	-	1,709	-	1,709

[Information on amortized and unamortized amounts of goodwill for each reportable segment]

Previous Fiscal Year (April 1, 2013 to March 31, 2014)

(Million Yen)

	Reportable segments					Others	Total	Group-wide/ elimination	Consolidated financial statements amount
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Total				
Amortization in current period	59	54	21	-	135	-	135	-	135
Balance at end of current period	3	109	26	-	139	-	139	-	139

Current Fiscal Year (April 1, 2014 to March 31, 2015)

(Million Yen)

	Reportable segments					Others	Total	Group-wide/ elimination	Consolidated financial statements amount
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Total				
Amortization in current period	47	138	21	-	206	-	206	-	206
Balance at end of current period	183	-	5	-	189	-	189	-	189

[Information on gain on bargain purchase for each reportable segment]

Previous Fiscal Year (April 1, 2013 to March 31, 2014)

On October 1, 2013, Nippon Steel Trading Co., Ltd. and Sumikin Bussan Corporation implemented business integration by absorption-type merger under which Nippon Steel Trading Co., Ltd. became the company surviving the merger, and Sumikin Bussan became the company absorbed in the merger. Accordingly, ¥11,670 million in gain on bargain purchase was generated, but not allocated to each segment.

Current Fiscal Year (April 1, 2014 to March 31, 2015)

No such events occurred.

(Per Share Information)

	Previous Fiscal Year (April 1, 2013 to March 31, 2014)	Current Fiscal Year (April 1, 2014 to March 31, 2015)
Net assets per share	¥461.22	¥539.43
Net income per share	¥102.74	¥56.39

(Notes) 1. Net income per share after adjustment for the effects of dilutive potential shares is not reported due to the absence of dilutive potential shares.

- 2 The basis for calculating net income per share during the period is as follows.  
The average number of shares during the period was calculated by deducting the treasury shares from the number of shares outstanding during the period.

	Previous Fiscal Year (April 1, 2013 to March 31, 2014)	Current Fiscal Year (April 1, 2014 to March 31, 2015)
Net income (million yen)	22,768	17,434
Amount not belonging to common stockholders (million yen)	-	-
Net income on common stock (million yen)	22,768	17,434
Average common shares during the period (1,000 shares)	221,608	309,186

- 3 The basis for calculating equity capital per share is as follows.

	End of Previous Fiscal Year (March 31, 2014)	End of Current Fiscal Year (March 31, 2015)
Total net assets (million yen)	157,554	183,693
Amount deducted from total net assets (million yen)	14,945	16,918
(of which, minority shareholders' interests)	(14,945)	(16,918)
Net assets on common stock at end of period (million yen)	142,609	166,774
Number of common shares at end of period used to calculate net assets per share (1,000 shares)	309,200	309,169

(Subsequent Events)

No such events occurred.