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## Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2019 (Japanese GAAP)

February 4, 2019  
Stock Exchange: Tokyo

Listed company name: **NIPPON STEEL & SUMIKIN BUSSAN CORPORATION**  
Code No.: 9810  
URL: <http://www.nssb.nssmc.com/en/index.html>  
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Quarterly securities report to be submitted: February 14, 2019  
Start of cash dividend payments: –  
Supplementary materials: Yes (Japanese only)  
IR conference: No

(Figures rounded down to nearest million yen)

### 1. Consolidated Earnings through the Third Quarter of the Fiscal Year Ending March 31, 2019 (April 1, 2018 to December 31, 2018)

#### (1) Consolidated Operating Results (Cumulative) (%: change from the same period of the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3Q FYE March 31, 2019	1,902,468	24.6	27,019	16.4	27,445	5.1	18,934	8.3
3Q FYE March 31, 2018	1,526,811	15.9	23,214	10.5	26,118	22.4	17,477	25.3

Note: Comprehensive income  
3Q FYE March 31, 2019: ¥16,215 million (-31.9%)  
3Q FYE March 31, 2018: ¥23,810 million (135.0%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
3Q FYE March 31, 2019	586.93	–
3Q FYE March 31, 2018	565.42	–

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	985,904	245,437	23.1
As of March 31, 2018	776,395	227,968	27.1

Reference: Equity capital  
As of December 31, 2018: ¥227,263 million  
As of March 31, 2018: ¥210,675 million

## 2. Dividends

	Annual dividends per share				
	1Q	2Q	3Q	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
FYE March 31, 2018	–	90.00	–	120.00	210.00
FYE March 31, 2019	–	110.00	–		
FYE March 31, 2019 (Est.)				110.00	220.00

Note: Revisions of dividends projections since most recent announcement: None

## 3. Projected Consolidated Results for Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(%: change from the same period of the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	2,500,000	21.2	38,000	17.6	38,000	8.0	23,500	8.2	728.46

Note: Revisions of earnings projections since most recent announcement: None

\* Notes

- (1) Material changes in consolidated subsidiaries during the cumulative consolidated period (changes in specific subsidiaries resulting in changes in scope of consolidation): None
- (2) Use of special accounting methods for creating quarterly consolidated financial statements: None
- (3) Changes of accounting policies, changes of accounting estimates and retrospective restatements
  - i. Changes in accounting policies resulting from changes in accounting standards, etc.: None
  - ii. Other accounting policy changes: None
  - iii. Changes in accounting estimates: None
  - iv. Restatements: None
- (4) Number of shares outstanding (common shares)
  - i. Number of shares outstanding at the end of the period (including treasury shares)

As of December 31, 2018	32,307,800 shares
As of March 31, 2018	30,957,800 shares
  - ii. Number of treasury shares at the end of the period

As of December 31, 2018	48,416 shares
As of March 31, 2018	47,663 shares
  - iii. Average number of shares during the period (cumulative quarter)

3Q FYE March 31, 2019	32,259,741 shares
3Q FYE March 31, 2018	30,911,499 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

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

(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. Qualitative Information on Quarterly Settlement of Accounts, (3) Explanation of Consolidated Earnings Projections and other Forecasts" on page 3 of the attachment.

(How to acquire supplementary materials)

Supplementary materials were published on TDnet as of February 4, 2019, and they were published on the Company's website on the same date.

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## 1. Qualitative Information on Quarterly Settlement of Accounts

### (1) Explanation of Operating Results

The world economy during the cumulative third quarter under review generally remained on a modest recovery trend. The U.S. economy remained strong, backed by stable employment conditions and steady personal consumption. However, with China experiencing some slowdown in consumption and production, affected primarily by the U.S.-China trade friction, and with the global decline in stock prices, the economic outlook is increasingly uncertain.

The Japanese economy remained on a modest recovery trend, with a recovery in personal consumption, and improved employment conditions.

In this business environment, the Company's consolidated earnings were as follows: Net sales were ¥1,902.4 billion, up ¥375.6 billion (24.6%). Operating profit was ¥27.0 billion, up ¥3.8 billion (16.4%). Ordinary profit was ¥27.4 billion, up ¥1.3 billion (5.1%). Extraordinary income of ¥2.6 billion and extraordinary losses of ¥4.1 billion were recorded, and quarterly profit attributable to owners of parent was ¥18.9 billion, up ¥1.4 billion (8.3%).

Earnings for reportable segments are as below.

(Steel)

In the Steel business, domestic and overseas demand was generally firm. The Company's domestic and export sales volume increased from the corresponding period of the previous fiscal year, due to the transferred business from Mitsui & Co. Group. The Company's domestic and export sales prices were higher than the corresponding period of the previous fiscal year. As a result, net sales in the Steel segment reached ¥1,609.7 billion, up ¥371.1 billion (30.0%), and ordinary profit was ¥20.8 billion, up ¥1.4 billion (7.2%).

(Industrial Supply and Infrastructure)

In the Industrial Supply and Infrastructure business, net sales reached ¥69.8 billion, up ¥3.0 billion (4.6%). Ordinary profit was ¥2.2 billion, down ¥700 million (24.4%), reflecting the absence of a non-recurring profit related to business combinations recorded by a Thailand-based equity method affiliate during the corresponding period of the previous fiscal year.

(Textiles)

In the Textiles business, net sales were ¥111.5 billion, down ¥600 million (0.6%), while ordinary profit was ¥2.2 billion, up ¥500 million (32.5%).

(Foodstuffs)

In the Foodstuffs business, net sales were ¥110.2 billion, up ¥2.1 billion (2.0%), and ordinary profit was ¥2.1 billion, up ¥200 million (11.2%).

### (2) Explanation of Financial Position

Total assets at the end of the third quarter under review were ¥985.9 billion, up ¥209.5 billion from the end of the previous period, due to an increase in notes and accounts receivable - trade, etc., associated with increased sales volume.

Total liabilities were ¥740.4 billion, up ¥192.0 billion from the end of the previous period, due to increases in notes and accounts payable - trade and interest-bearing debts associated with increased sales volume.

Total net assets were ¥245.4 billion, up ¥17.4 billion from the end of the previous period, due to increases in capital stock and capital surplus, reflecting a capital increase through third-party allotment, and the recording of profit attributable to owners of parent for the cumulative third quarter under review, which offset the payment of dividends.

As of the end of the third quarter under review, equity capital was ¥227.2 billion and the equity ratio was 23.1%.

**(3) Explanation of Consolidated Earnings Projections and Other Forecasts**

The full-year earnings projections for the fiscal year ending March 31, 2019 remain as stated in the announcement on May 10, 2018.

## 1. Quarterly Consolidated Financial Statements and Significant Notes Thereto

### (1) Quarterly Consolidated Balance Sheets

(Millions of Yen)

	Previous Fiscal Year (As of March 31, 2018)	Third Quarter Under Review (As of December 31, 2018)
Assets		
Current assets		
Cash and deposits	28,554	28,477
Notes and accounts receivable - trade	471,777	649,057
Inventories	111,179	129,613
Other	17,489	34,118
Allowance for doubtful accounts	(1,323)	(2,051)
Total current assets	627,677	839,215
Non-current assets		
Property, plant and equipment	55,031	56,836
Intangible assets		
Goodwill	51	11
Other	708	707
Total intangible assets	760	719
Investments and other assets		
Other	96,062	91,684
Allowance for doubtful accounts	(3,136)	(2,550)
Total investments and other assets	92,926	89,133
Total non-current assets	148,717	146,689
Total assets	776,395	985,904

(Millions of Yen)

	Previous Fiscal Year (As of March 31, 2018)	Third Quarter Under Review (As of December 31, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	249,614	322,554
Short-term loans payable	132,084	148,172
Commercial papers	20,000	70,000
Income taxes payable	6,075	2,956
Provision	4,485	2,996
Other	29,049	41,409
Total current liabilities	441,308	588,089
Non-current liabilities		
Bonds payable	30,000	60,000
Long-term loans payable	65,538	81,414
Provision	523	572
Net defined benefit liability	2,107	3,541
Other	8,949	6,849
Total non-current liabilities	107,118	152,377
Total liabilities	548,426	740,466
Net assets		
Shareholders' equity		
Capital stock	12,335	16,389
Capital surplus	50,751	54,806
Retained earnings	131,006	142,866
Treasury shares	(140)	(145)
Total shareholders' equity	193,953	213,916
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,581	8,767
Deferred gains or losses on hedges	(502)	(590)
Foreign currency translation adjustment	5,190	4,769
Remeasurements of defined benefit plans	452	400
Total accumulated other comprehensive income	16,722	13,346
Non-controlling interests	17,293	18,174
Total net assets	227,968	245,437
Total liabilities and net assets	776,395	985,904



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

**(Quarterly Consolidated Statements of Income)**  
**(Cumulative Third Quarter)**

	(Millions of Yen)	
	Cumulative Third Quarter of Previous Fiscal Year (April 1, 2017 to December 31, 2017)	Cumulative Third Quarter Under Review (April 1, 2018 to December 31, 2018)
Net sales	1,526,811	1,902,468
Cost of sales	1,429,967	1,791,911
Gross profit	96,844	110,557
Selling, general and administrative expenses	73,629	83,537
Operating profit	23,214	27,019
Non-operating income		
Interest income	290	342
Dividend income	1,073	963
Share of profit of entities accounted for using equity method	2,678	1,844
Purchase discounts	416	391
Other	1,316	1,297
Total non-operating income	5,775	4,839
Non-operating expenses		
Interest expenses	2,375	3,284
Other	495	1,128
Total non-operating expenses	2,871	4,413
Ordinary profit	26,118	27,445
Extraordinary income		
Gain on sales of non-current assets	170	-
Gain on sales of investment securities	116	638
Gain on bargain purchase	-	2,050
Total extraordinary income	287	2,688
Extraordinary losses		
Loss on sales of non-current assets	-	55
Impairment loss	0	-
Loss on sales of investment securities	19	-
Loss on valuation of investment securities	392	3,403
Loss on valuation of investments in capital	-	329
Loss on liquidation of subsidiaries and associates	-	409
Total extraordinary losses	412	4,198
Profit before income taxes	25,994	25,935
Income taxes	7,695	6,353
Profit	18,298	19,582
Profit attributable to non-controlling interests	820	648
Profit attributable to owners of parent	17,477	18,934

**(Quarterly Consolidated Statements of Comprehensive Income)**

**(Cumulative Third Quarter)**

(Millions of Yen)

	Cumulative Third Quarter of Previous Fiscal Year (April 1, 2017 to December 31, 2017)	Cumulative Third Quarter Under Review (April 1, 2018 to December 31, 2018)
Profit	18,298	19,582
Other comprehensive income		
Valuation difference on available-for-sale securities	4,840	(2,838)
Deferred gains or losses on hedges	38	(89)
Foreign currency translation adjustment	(312)	(392)
Remeasurements of defined benefit plans, net of tax	60	(52)
Share of other comprehensive income of entities accounted for using equity method	886	6
Total other comprehensive income	5,512	(3,366)
Comprehensive income	23,810	16,215
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	23,194	15,559
Comprehensive income attributable to non-controlling interests	616	656

### (3) Notes on Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes in Case of Significant Changes to Shareholders' Equity)

On April 2, 2018, the Company underwent a capital increase by third-party allotment and received payment from Mitsui & Co., Ltd. Consequently, in the cumulative third quarter under review, capital stock and legal capital surplus both increased by ¥4,054 million, resulting in capital stock of ¥16,389 million and capital surplus of ¥54,806 million at the end of the third quarter under review.

(Additional Information)

Application of "Partial Amendments to Accounting Standard for Tax Effect Accounting" and relevant Guidances

The Company has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan [ASBJ] Statement No. 28, issued on February 16, 2018) and relevant Guidelines effective from the beginning of the first quarter. Accordingly, deferred tax assets are presented under "investments and other assets" and deferred tax liabilities are presented under "non-current liabilities."

(Segment Information, etc.)

[Segment Information]

I. Cumulative Third Quarter of Previous Fiscal Year (April 1, 2017 to December 31, 2017)

1. Information on sales and profit/loss in each reporting segment

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjusted amount (Note 2)	Quarterly consolidated statement of income amount (Note 3)
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Total				
Net sales									
Sales to external customers	1,238,613	66,744	112,164	108,148	1,525,670	1,140	1,526,811	–	1,526,811
Intersegment sales or transfers	659	758	3	–	1,421	158	1,580	(1,580)	–
Total	1,239,273	67,502	112,168	108,148	1,527,092	1,299	1,528,391	(1,580)	1,526,811
Segment profit (Ordinary profit)	19,418	2,999	1,727	1,906	26,052	66	26,118	(0)	26,118

(Notes) 1. "Others" represents items not included under "reportable segments," and it includes real estate business.

2. The downward adjustment of ¥0 million in "segment profit" represents the elimination of inter-segment trade.

3. The total profit of the "reportable segments" and "others" aligns with the ordinary profit in the quarterly consolidated statement of income excepting the downward adjustment of ¥0 million.

2. Information on impairment loss on non-current assets, goodwill, etc., for each reporting segment

Not applicable.

II. Cumulative Third Quarter Under Review (April 1, 2018 to December 31, 2018)

1. Information on sales and profit/loss in each reporting segment

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjusted amount (Note 2)	Quarterly consolidated statement of income amount (Note 3)
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Total				
Net sales									
Sales to external customers	1,609,756	69,801	111,505	110,289	1,901,352	1,116	1,902,468	–	1,902,468
Intersegment sales or transfers	573	616	5	–	1,195	120	1,315	(1,315)	–
Total	1,610,329	70,417	111,510	110,289	1,902,547	1,236	1,903,784	(1,315)	1,902,468
Segment profit (loss) (Ordinary profit (loss))	20,820	2,266	2,289	2,119	27,496	(49)	27,446	(1)	27,445

(Notes) 1. “Others” represents items not included under “reportable segments,” and it includes real estate business.

2. The downward adjustment of ¥1 million in “segment profit (loss)” represents the elimination of inter-segment trade.

3. The total profit (loss) of the “reportable segments” and “others” aligns with the ordinary profit in the quarterly consolidated statement of income excepting the downward adjustment of ¥1 million.

2. Information on impairment loss on non-current assets, goodwill, etc., for each reporting segment

Not applicable.