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Summary of Consolidated Financial Results for Fiscal Year Ended March 31, 2016 (Japanese GAAP)



May 10, 2016
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
Tel. +81-(0)3-5412-5003

Scheduled ordinary general meeting of shareholders: June 28, 2016
Start of cash dividend payments: June 29, 2016
Securities report to be submitted: June 28, 2016
Supplementary materials: Yes (Japanese only)
IR conference: Yes (for institutional investors and analysts; Japanese only)

(Figures rounded down to nearest million yen)

1. Consolidated Earnings through the Fiscal Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(1) Consolidated Operating Results

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FYE March 31, 2016	1,930,845	(8.3)	27,885	(2.7)	29,025	(5.1)	17,329	(0.6)
FYE March 31, 2015	2,104,606	—	28,669	—	30,573	—	17,434	—

Note: Comprehensive income
FYE March 31, 2016 ¥11,866 million (-60.3%)
FYE March 31, 2015 ¥29,879 million (-%)

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
FYE March 31, 2016	56.05	—	10.2	4.3	1.4
FYE March 31, 2015	56.39	—	11.2	4.6	1.4

Reference: Shares of profit/loss of entities accounted for using equity method
FYE March 31, 2016 ¥2,305 million
FYE March 31, 2015 ¥990 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 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	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2016	660,664	190,264	26.3	561.26
As of March 31, 2015	692,899	183,693	24.1	539.43

Reference: Equity capital

As of March 31, 2016 ¥173,512 million

As of March 31, 2015 ¥166,774 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 the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of March 31, 2016	146	(3,054)	(4,855)	18,904
As of March 31, 2015	5,234	(11,568)	4,027	27,359

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	Millions of yen	%	%
FYE March 31, 2015	–	6.00	–	6.00	12.00	3,710	21.3	2.4
FYE March 31, 2016	–	7.50	–	7.50	15.00	4,637	26.8	2.7
FYE March 31, 2017 (Est.)	–	7.50	–	7.50	15.00		26.5	

3. Projected Consolidated Results for Fiscal Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
2Q (cumulative)	920,000	(7.2)	12,500	(7.8)	12,500	(18.9)	7,500	(23.9)	24.26
Full fiscal year	1,970,000	2.0	29,000	4.0	30,000	3.4	17,500	1.0	56.61

* Notes

- (1) Material changes in consolidated subsidiaries during period (changes in specific subsidiaries resulting in changes in scope of consolidation): None
- (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, 2016 309,578,001 shares
 - As of March 31, 2015 309,578,001 shares

 - ii. Number of treasury shares at the end of the period
 - As of March 31, 2016 431,256 shares
 - As of March 31, 2015 408,443 shares

 - iii. Average number of shares during the period
 - FYE March 31, 2016 309,159,280 shares
 - FYE March 31, 2015 309,186,594 shares

(Reference) Overview of Non-consolidated Financial Results

**Non-consolidated Results for Fiscal Year Ended March 31, 2016
(April 1, 2015 to March 31, 2016)**

(1) Non-consolidated Operating Results (%: change from the same period of the previous year)

	Net sales		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FYE March 31, 2016	1,662,325	(9.2)	21,955	(3.2)	14,103	(5.0)
FYE March 31, 2015	1,831,401	–	22,670	–	14,853	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
FYE March 31, 2016	45.61	–	–	–
FYE March 31, 2015	48.04	–	–	–

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 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	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2016	507,473	127,079	25.0	411.03
As of March 31, 2015	520,910	118,679	22.8	383.83

Reference: Equity capital
As of March 31, 2016 ¥127,079 million
As of March 31, 2015 ¥118,679 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 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. 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 10, 2016, 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 25, 2016. 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

From the fiscal year under review, the Company has applied Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013). Accordingly, “net income” is stated as “profit attributable to owners of parent.”

(1) Analysis of Operating Results

A. Operating Results for the Period

The world economy during the fiscal year under review experienced a modest recovery overall. Economically advanced countries maintained a recovery trend, with personal consumption in the U.S. remaining robust and major European countries experiencing the highest growth rate in four years. However, the pace of economic recovery was held back by factors such as an economic slowdown in China and low commodity prices among other newly emerging countries.

As for the Japanese economy, the pace of recovery was slow overall. While there was an increase in corporate earnings supported by the weakened yen and a moderate recovery in capital investment, this was offset by a weak recovery in personal consumption reflecting factors such as continued year-on-year decline in automobile sales.

The Company’s consolidated earnings were as follows: Net sales were ¥1,930.8 billion, down ¥173.7 billion (8.3%), operating income was ¥27.8 billion, down ¥700 million (2.7%) and ordinary income was ¥29.0 billion, down ¥1.5 billion (5.1%). Profit attributable to owners of parent was ¥17.3 billion, down ¥100 million (0.6%).

Earnings for reportable segments are as below.

(Steel)

In the Steel business, domestic demand for steel, which was below our expectation, declined among both manufacturing and construction sectors. There was a similar situation overseas, with sluggish demand for steel in China and ASEAN countries. Consequently, the crude steel production in Japan during the period declined 5.2%.

The Company’s domestic sales reflected this trend with a decrease in sales volume and a decline in sales price. As for exports, the Company’s export sales increased due to sales effort to Southwest Asia/ASEAN countries, while market conditions continued to weaken.

As a result, net sales in the Steel segment reached ¥1,511.1 billion, down ¥168.5 billion (10.0%), and ordinary income was ¥18.4 billion, down ¥2.2 billion (10.8%) due to factors such as foreign exchange losses of Chinese subsidiaries caused by the weak yuan.

(Industrial Supply and Infrastructure)

In the Industrial Supply and Infrastructure business, net sales reached ¥93.2 billion, up ¥700 million (0.8%). This was due to factors such as an increase in sales of machinery to China and Taiwan. Ordinary income reached ¥3.2 billion, up ¥100 million (5.9%), owing to factors such as the recording of transitory profits related to the merger with the Thailand-based entity accounted for using equity method, which offset an increase in credit costs and a foreign exchange losses in the Russian subsidiary.

(Textiles)

In the Textiles business, sales to key customers fell due to a declining trend in consumers’ expenditure on clothing, and the unusually warm winter. As a result, net sales were ¥176.1 billion, down ¥2.0 billion (1.2%), while ordinary income reached ¥4.3 billion, up ¥600 million (17.3%), owing to an improvement in share of profit of entities accounted for using equity method.

(Foodstuffs)

In the Foodstuffs business, imported meat prices continued to be bearish in reaction to the high prices of the previous financial year, such that profit margins declined. As a result, net sales were ¥149.0 billion, down ¥3.9 billion (2.6%), and ordinary income was ¥2.8 billion, down ¥100 million (4.5%).

B. Outlook for Next Period

The Company's consolidated earnings forecast for the fiscal year ending March 31, 2017 is as follows: The Company forecasts net sales of ¥1,970.0 billion, operating income of ¥29.0 billion, ordinary income of ¥30.0 billion and profit attributable to owners of parent of ¥17.5 billion.

In the second quarter (cumulative), the Company expects net sales of ¥920.0 billion, operating income of ¥12.5 billion, ordinary income of ¥12.5 billion, and profit attributable to owners of parent of ¥7.5 billion. For the full year.

(2) Analysis of Financial Position

A. Assets, Liabilities and Net Assets

Total assets at the end of the consolidated fiscal year under review were ¥660.6 billion (down ¥32.2 billion from the end of the previous fiscal year) due to a decrease in cash and deposits and other items such as inventories. Total liabilities decreased to ¥470.4 billion (down ¥38.8 billion from the end of the previous fiscal year) due to a decrease in notes and accounts payable - trade. Total net assets reached ¥190.2 billion (up ¥6.5 billion from the end of the previous fiscal year) due to the recording of profit attributable to owners of parent, which offset the payment of dividends.

As of the end of the consolidated fiscal year under review, equity was ¥173.5 billion, the equity ratio was 26.3%, and net interest-bearing debt to equity ratio (net debt-to-equity ratio) was 1.1.

B. Cash Flows

Cash and cash equivalents at the end of the fiscal year under review decreased ¥8.4 billion from the end of the previous period to ¥18.9 billion.

While there was a decrease in notes and accounts payable - trade, net cash provided by operating activities in the fiscal year under review was ¥100 million due to profit and a decrease in inventories. Net cash used in investing activities was ¥3.0 billion due to the acquisitions of property, plant and equipment by overseas subsidiaries. Net cash used by financing activities was ¥4.8 billion due to the payment of dividends.

C. Cash Flow Indicators

	FYE March 31, 2013	FYE March 31, 2014	FYE March 31, 2015	FYE March 31, 2016
Equity ratio (%)	20.1	22.2	24.1	26.3
Equity ratio, market value basis (%)	15.0	15.9	18.5	17.5
Interest-bearing debt/cash flow ratio (year)	16.9	–	39.4	1,401.8
Interest coverage ratio (times)	3.3	–	2.0	0.1

(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).
- * 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's most important management goal is to improve profit returns to our shareholders. The Company's basic dividend policy is to realize dividends that are in line with business results while balancing profit trends and financial condition.

Targeting payout ratio in this mid-term business plan is 25%-30%.

According to this policy, as previously announced, a year-end dividend of ¥7.5 per share (¥15 for the term after adding the ¥7.5 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 next term.

2. Management Policy

(1) Basic Policy on Company Management

The Company will aim to achieve our guiding principles of corporate management: 1. Strengthening and expanding the four areas of business that make the Company 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 recover slowly on the whole. However, there are many areas of concern, including the impact of the normalization of U.S. financial policy, the future prospects of China and other newly emerging countries, low prices of crude oil and other resources, instability in the financial and capital market and geopolitical risks. It is therefore reasonable to expect continued uncertainty.

As for the Japanese economy, while the employment and income environment has shown signs of improvement, the Japanese economic recovery is projected to be slow-paced in view of the weak personal consumption and the impact of the global economic conditions described above.

The business environment has proved to be harsher than that envisaged during the formation of the Medium-Term Management Plan. An example of this harsh environment is the drastic decline in the steel materials market which has affected the Steel segment. Nevertheless, the Company intends to hold firm to the key points of the Medium-Term Management Plan: it will promote growth strategies building on its strengths as a multiple specialty trading company comprising four core business divisions and maintain/improve its industry-leading competitiveness. At the same time, the Company will make further efforts toward environmental improvement with a view to meeting its targets.

<Quantitative Targets (consolidated)>

	FY2017
Net sales (Overseas net sales)	¥2,300.0 billion (¥680.0 billion)
Ordinary income	¥36.0 billion
Profit 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 on May 8, 2015.

This announcement may be found at the following URLs.

(The website of NIPPON STEEL & SUMIKIN BUSSAN CORPORATION)

<http://www.nssb.nssmc.com/en/index.html>

(The website of Tokyo Stock Exchange [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

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2015)	Current Fiscal Year (As of March 31, 2016)
Assets		
Current assets		
Cash and deposits	29,022	19,767
Notes and accounts receivable - trade	396,162	393,147
Inventories	106,275	96,614
Deferred tax assets	3,837	5,210
Other	17,110	12,520
Allowance for doubtful accounts	(1,654)	(1,380)
Total current assets	550,754	525,878
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,456	20,412
Machinery, equipment and vehicles, net	12,489	12,884
Tools, furniture and fixtures, net	2,378	2,058
Land	23,005	22,966
Leased assets, net	1,482	1,581
Construction in progress	2,197	721
Total property, plant and equipment	63,009	60,625
Intangible assets		
Goodwill	189	136
Other	1,009	922
Total intangible assets	1,198	1,058
Investments and other assets		
Investment securities	59,862	58,358
Long-term loans receivable	743	331
Net defined benefit asset	3,203	1,783
Deferred tax assets	742	645
Other	17,914	16,126
Allowance for doubtful accounts	(4,529)	(4,143)
Total investments and other assets	77,936	73,102
Total non-current assets	142,144	134,786
Total assets	692,899	660,664

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2015)	Current Fiscal Year (As of March 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	249,831	217,260
Short-term loans payable	172,345	134,771
Lease obligations	708	771
Income taxes payable	5,756	4,650
Deferred tax liabilities	60	70
Provision for bonuses	3,239	3,388
Provision for loss on liquidation of subsidiaries and associates	31	269
Other	30,044	26,524
Total current liabilities	462,018	387,707
Non-current liabilities		
Long-term loans payable	33,936	70,840
Lease obligations	849	785
Deferred tax liabilities	5,097	4,047
Provision for directors' retirement benefits	442	493
Net defined benefit liability	1,720	1,879
Other	5,141	4,645
Total non-current liabilities	47,187	82,692
Total liabilities	509,206	470,400
Net assets		
Shareholders' equity		
Capital stock	12,335	12,335
Capital surplus	50,645	50,649
Retained earnings	88,668	101,678
Treasury shares	(108)	(117)
Total shareholders' equity	151,540	164,546
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,845	4,817
Deferred gains or losses on hedges	(554)	(1,272)
Foreign currency translation adjustment	9,157	5,659
Remeasurements of defined benefit plans	786	(237)
Total accumulated other comprehensive income	15,233	8,966
Non-controlling interests	16,918	16,751
Total net assets	183,693	190,264
Total liabilities and net assets	692,899	660,664

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

(Consolidated Statements of Income)

(Millions of yen)

	Previous Fiscal Year (April 1, 2014 to March 31, 2015)	Current Fiscal Year (April 1, 2015 to March 31, 2016)
Net sales	2,104,606	1,930,845
Cost of sales	1,977,338	1,798,981
Gross profit	127,268	131,864
Selling, general and administrative expenses	98,598	103,978
Operating income	28,669	27,885
Non-operating income		
Interest income	422	461
Dividend income	900	933
Share of profit of entities accounted for using equity method	990	2,305
Purchase discounts	773	666
Foreign exchange gains	764	-
Other	1,978	1,513
Total non-operating income	5,828	5,880
Non-operating expenses		
Interest expenses	2,630	2,584
Foreign exchange losses	-	989
Other	1,294	1,166
Total non-operating expenses	3,924	4,741
Ordinary income	30,573	29,025
Extraordinary income		
Gain on sales of non-current assets	36	-
Gain on sales of investment securities	72	394
Gain on sales of investments in capital	-	2
Gain on change in equity	98	93
Gain on bargain purchase	125	-
Total extraordinary income	332	490
Extraordinary losses		
Impairment loss	1,709	289
Loss on sales of investment securities	3	6
Loss on valuation of investment securities	19	174
Loss on sales of investments in capital	139	-
Loss on valuation of investments in capital	214	36
Loss on change in equity	-	111
Loss on liquidation of subsidiaries and associates	-	1,852
Other	82	-
Total extraordinary losses	2,169	2,472
Profit before income taxes	28,736	27,043
Income taxes - current	10,411	9,739
Income taxes - deferred	(121)	(1,053)
Total income taxes	10,290	8,686
Profit	18,446	18,356
Profit attributable to non-controlling interests	1,012	1,027
Profit attributable to owners of parent	17,434	17,329

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Previous Fiscal Year (April 1, 2014 to March 31, 2015)	Current Fiscal Year (April 1, 2015 to March 31, 2016)
Profit	18,446	18,356
Other comprehensive income		
Valuation difference on available-for-sale securities	3,260	(982)
Deferred gains or losses on hedges	(123)	(721)
Foreign currency translation adjustment	5,029	(1,824)
Remeasurements of defined benefit plans, net of tax	1,076	(1,023)
Share of other comprehensive income of entities accounted for using equity method	2,189	(1,937)
Total other comprehensive income	11,432	(6,490)
Comprehensive income	29,879	11,866
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	27,336	11,009
Comprehensive income attributable to non-controlling interests	2,542	856

(3) Consolidated Statements of Changes in Equity

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

(Millions of 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)
Profit attributable to owners of parent			17,434		17,434
Purchase of treasury shares				(13)	(13)
Disposal of treasury shares		0		0	1
Change of scope of consolidation			9		9
Change 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					Non-controlling 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)
Profit attributable to owners of parent							17,434
Purchase of treasury shares							(13)
Disposal of treasury shares							1
Change of scope of consolidation							9
Change 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

Current Fiscal Year (April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,335	50,645	88,668	(108)	151,540
Cumulative effects of changes in accounting policies					-
Restated balance	12,335	50,645	88,668	(108)	151,540
Changes of items during period					
Dividends of surplus			(4,174)		(4,174)
Profit attributable to owners of parent			17,329		17,329
Purchase of treasury shares				(9)	(9)
Disposal of treasury shares		0		0	0
Change of scope of consolidation			(144)		(144)
Change of scope of equity method					-
Difference on change in equity		4	(1)		3
Net changes of items other than shareholders' equity					
Total changes of items during period	-	4	13,010	(9)	13,005
Balance at end of current period	12,335	50,649	101,678	(117)	164,546

	Accumulated other comprehensive income					Non-controlling 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	5,845	(554)	9,157	786	15,233	16,918	183,693
Cumulative effects of changes in accounting policies							-
Restated balance	5,845	(554)	9,157	786	15,233	16,918	183,693
Changes of items during period							
Dividends of surplus							(4,174)
Profit attributable to owners of parent							17,329
Purchase of treasury shares							(9)
Disposal of treasury shares							0
Change of scope of consolidation							(144)
Change of scope of equity method							-
Difference on change in equity							3
Net changes of items other than shareholders' equity	(1,027)	(717)	(3,497)	(1,023)	(6,267)	(167)	(6,434)
Total changes of items during period	(1,027)	(717)	(3,497)	(1,023)	(6,267)	(167)	6,570
Balance at end of current period	4,817	(1,272)	5,659	(237)	8,966	16,751	190,264

(4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Previous Fiscal Year (April 1, 2014 to March 31, 2015)	Current Fiscal Year (April 1, 2015 to March 31, 2016)
Cash flows from operating activities		
Profit before income taxes	28,736	27,043
Depreciation	5,176	5,855
Impairment loss	1,709	289
Amortization of goodwill	206	52
Increase (decrease) in allowance for doubtful accounts	(14)	(632)
Increase (decrease) in provision for bonuses	282	149
Increase (decrease) in net defined benefit liability	(363)	163
Interest and dividend income	(1,322)	(1,395)
Interest expenses	2,630	2,584
Share of (profit) loss of entities accounted for using equity method	(990)	(2,305)
Gain on bargain purchase	(125)	-
Loss (gain) on sales of non-current assets	(36)	-
Loss (gain) on sales of investment securities	(69)	(388)
Loss (gain) on valuation of investment securities	19	174
Loss (gain) on sales of investments in capital	139	(2)
Loss on valuation of investments in capital	214	36
Decrease (increase) in notes and accounts receivable – trade	(7,494)	1,750
Decrease (increase) in inventories	(11,958)	8,810
Increase (decrease) in notes and accounts payable - trade	(8,365)	(31,847)
Other, net	7,774	1,092
Subtotal	16,151	11,433
Interest and dividend income received	1,833	2,260
Interest expenses paid	(2,640)	(2,571)
Income taxes paid	(10,111)	(10,974)
Net cash provided by (used in) operating activities	5,234	146
Cash flows from investing activities		
Decrease (increase) in time deposits	(602)	747
Purchase of property, plant and equipment	(6,534)	(4,025)
Proceeds from sales of property, plant and equipment	382	137
Purchase of intangible assets	(97)	(74)
Purchase of investment securities	(3,623)	(1,268)
Proceeds from sales of investment securities	317	861
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	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	(377)	-
Decrease (increase) in short-term loans receivable	(277)	110
Payments of long-term loans receivable	(411)	(40)
Collection of long-term loans receivable	203	69
Other, net	181	429
Net cash provided by (used) in investing activities	(11,568)	(3,054)

(Millions of yen)

	Previous Fiscal Year (April 1, 2014 to March 31, 2015)	Current Fiscal Year (April 1, 2015 to March 31, 2016)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	314	(30,193)
Proceeds from long-term loans payable	21,191	44,973
Repayments of long-term loans payable	(12,651)	(13,669)
Cash dividends paid	(3,709)	(4,173)
Dividends paid to non-controlling interests	(397)	(467)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(447)
Other, net	(719)	(877)
Net cash provided by (used in) financing activities	4,027	(4,855)
Effect of exchange rate change on cash and cash equivalents	2,552	(740)
Net increase (decrease) in cash and cash equivalents	245	(8,503)
Cash and cash equivalents at beginning of period	26,027	27,359
Increase in cash and cash equivalents from newly consolidated subsidiary	1,086	48
Cash and cash equivalents at end of period	27,359	18,904

(5) Notes on Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Changes of Accounting Policies)

(Application of Accounting Standards for Business Combinations, etc.)

From the fiscal year under review, the Company has applied the Accounting Standard for Business Combinations, (Accounting Standard Board of Japan [ASBJ] Statement No. 21, September 13, 2013, hereinafter “BCA Standard”), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013, hereinafter “CFSA Standard”), and the Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013, hereinafter “BDA Standard”). Consequently, the accounting method was changed such that difference arising from changes in the equity in subsidiaries under ongoing control of the Company is now recorded as capital surplus, and acquisition-related costs are now recorded as expenses for the fiscal year in which they are incurred. In addition, with respect to any business combination entered into on or after the beginning of the fiscal year under review, the accounting method was changed to reflect adjustments to the allocation of acquisition cost under provisional accounting treatment on the consolidated financial statements of the financial period in which the relevant business combinations became or will become effective. Furthermore, the presentation of profit, etc., was changed, and minority interests was changed to non-controlling interests. In order to reflect the changes in the presentation, certain reclassifications have been made to the consolidated financial statements with respect to the previous fiscal year.

The Company has applied the Accounting Standard for Business Combinations, etc. in accordance with transitional provisions in paragraph 58-2(4) of the BCA Standard, paragraph 44-5(4) of the CFSA Standard, and paragraph 57-4(4) of the BDA Standard, prospectively at the beginning of the fiscal year under review.

In the fiscal year under review, the presentation method has been changed such that cash flow related to the purchase or sale of shares of subsidiaries not resulting in changes in scope of consolidation is categorized as “cash flows from financing activities,” and cash flow related to expenses associated with the purchase of shares of subsidiaries resulting in changes in scope of consolidation or expenses arising from the purchase or sale of shares of subsidiaries not resulting in changes in scope of consolidation is categorized as “cash flows from operating activities.”

The above has minor impact on consolidated financial statements with respect to the fiscal year under review.

(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 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, 2014 to March 31, 2015)

(Millions of 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 (Ordinary income)	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
Others									
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. "Others" represents items not included under "reportable segments," and it includes real estate business.
2. The downward adjustment of ¥4 million in "segment income" 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 of the "reportable segments" and "others" aligns with the ordinary income in the consolidated statement of income excepting the downward adjustment of ¥4 million.

Current Fiscal Year (April 1, 2015 to March 31, 2016)

(Millions of 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	1,511,100	93,267	176,118	149,043	1,929,530	1,315	1,930,845	-	1,930,845
Intersegment sales or transfers	937	1,738	4	-	2,679	162	2,841	(2,841)	-
Total	1,512,037	95,006	176,122	149,043	1,932,209	1,477	1,933,687	(2,841)	1,930,845
Segment income (Ordinary income)	18,439	3,296	4,307	2,841	28,884	142	29,027	(1)	29,025
Segment assets	464,478	59,699	89,947	38,606	652,731	5,344	658,076	2,588	660,664
Others									
Depreciation	3,565	562	1,513	201	5,843	12	5,855	-	5,855
Amortization of goodwill	47	-	5	-	52	-	52	-	52
Interest income	377	12	25	43	458	3	461	-	461
Interest expenses	2,080	86	266	103	2,537	47	2,584	-	2,584
Equity in earnings (losses) of affiliates	549	1,755	0	-	2,305	-	2,305	-	2,305
Investment in equity method affiliates	9,661	17,474	238	-	27,375	-	27,375	-	27,375
Increase in property, plant and equipment and intangible assets	2,795	759	335	205	4,096	3	4,100	-	4,100

- (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 income" represents the elimination of inter-segment trade.
3. The downward adjustment of ¥2,588 million in "segment assets" represents ¥3,157 million in the Group-wide assets not allocated to any reportable segment and an elimination of ¥569 million in inter-segment trade. The Group-wide assets consist primarily of the parent company's cash and deposits.
4. The total income of the "reportable segments" and "others" aligns with the ordinary income in the consolidated statement of income excepting the downward adjustment of -¥1 million.

[Related information]

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

1. Product- and service-specific information

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

2. Region-specific information

(1) Net sales

(Millions of 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

(Millions of 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.

Current Fiscal Year (April 1, 2015 to March 31, 2016)

1. Product- and service-specific information

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

2. Region-specific information

(1) Net sales

(Millions of yen)

Japan	Asia	Others	Total
1,427,752	417,522	85,571	1,930,845

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

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Others	Total
38,378	13,653	8,593	60,625

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, 2014 to March 31, 2015)

(Millions of 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

Current Fiscal Year (April 1, 2015 to March 31, 2016)

(Millions of yen)

	Reportable segments					Others	Total	Group-wide/ elimination	Consolidated financial statements amount
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Total				
Impairment loss	-	-	239	50	289	-	289	-	289

(Note) Losses on liquidation of subsidiaries and associates, which were recorded as an extraordinary losses item in addition to impairment loss above, include ¥641 million yen in impairment loss on non-current assets that occurred in the Textiles segment.

[Information on Amortized and Unamortized Amounts of Goodwill for Each Reportable Segment]

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

(Millions of 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

Current Fiscal Year (April 1, 2015 to March 31, 2016)

(Millions of 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	-	5	-	52	-	52	-	52
Balance at end of current period	136	-	-	-	136	-	136	-	136

[Information on Gain on Bargain Purchase for Each Reportable Segment]

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

No such events occurred.

Current Fiscal Year (April 1, 2015 to March 31, 2016)

No such events occurred.

(Per Share Information)

	Previous Fiscal Year (April 1, 2014 to March 31, 2015)	Current Fiscal Year (April 1, 2015 to March 31, 2016)
Net assets per share	¥539.43	¥561.26
Earnings per share	¥56.39	¥56.05

(Notes) 1. Earnings 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 earnings 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, 2014 to March 31, 2015)	Current Fiscal Year (April 1, 2015 to March 31, 2016)
Profit attributable to owners of parent (millions of yen)	17,434	17,329
Amount not belonging to common shareholders (millions of yen)	-	-
Profit attributable to owners of parent on common stock (millions of yen)	17,434	17,329
Average common shares during the period (1,000 shares)	309,186	309,159

3. The basis for calculating net assets per share is as follows.

	End of Previous Fiscal Year (March 31, 2015)	End of Current Fiscal Year (March 31, 2016)
Total net assets (millions of yen)	183,693	190,264
Amount deducted from total net assets (millions of yen)	16,918	16,751
(of which, non-controlling interests)	(16,918)	(16,751)
Net assets on common stock at end of period (millions of yen)	166,774	173,512
Number of common shares at end of period used to calculate net assets per share (1,000 shares)	309,169	309,146

(Subsequent Events)

No such events occurred.