

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation, nor for direct, indirect, or any other form of damages that may arise from use of this translation.

## Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2016 (Japanese GAAP)

July 30, 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  
Tel: +81-(0)3-5412-5003

Quarterly securities report to be submitted: August 7, 2015  
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 First Quarter of the Fiscal Year Ending March 31, 2016 (April 1, 2015 to June 30, 2015)

#### (1) Consolidated Operating Results (Cumulative) (%: 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	%
1Q FYE March 31, 2016	486,081	(2.1)	7,236	7.5	8,889	28.3	5,964	27.5
1Q FYE March 31, 2015	496,678	–	6,733	–	6,926	–	4,676	–

Note: Comprehensive income  
1Q FYE March 31, 2016: ¥ 7,328 million (80.6%)  
1Q FYE March 31, 2015: ¥ 4,058 million (–%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
1Q FYE March 31, 2016	19.29		–	
1Q FYE March 31, 2015	15.13		–	

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

#### (2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2015	676,473		188,636		25.4	
As of March 31, 2015	692,899		183,693		24.1	

Reference: Equity capital  
As of June 30, 2015 ¥ 171,854 million  
As of March 31, 2015 ¥ 166,774 million

## 2. Dividends

	Annual dividends per share				
	1Q	2Q	3Q	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
FYE March 31, 2015	–	6.00	–	6.00	12.00
FYE March 31, 2016	–				
FYE March 31, 2016 (Est.)		7.50	–	7.50	15.00

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

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

(%: 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)	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

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.: Yes
  - ii. Other accounting policy changes: None
  - iii. Changes in accounting estimates: None
  - iv. Restatements: None

Note: For more detailed information, see “2. Notes on Summary Information, (3) Changes of Accounting Policies, Changes of Accounting Estimates and Retrospective Restatements” on page 3 of the attachment.

- (4) Number of shares outstanding (common shares)
  - i. Number of shares outstanding at the end of the period (including treasury shares)
 

As of June 30, 2015	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 June 30, 2015	412,612 shares
As of March 31, 2015	408,443 shares
  - iii. Average number of shares during the period (cumulative quarter)
 

1Q FYE March 31, 2016	309,167,840 shares
1Q FYE March 31, 2015	309,199,080 shares

\*Statement relating to the status of quarterly review procedures

This summary report is not subject to the quarterly review procedures based on the Financial Instruments and Exchange Act, and quarterly financial statement review procedures 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. 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 July 30, 2015, and they were published on the Company’s website on the same date.

**Index of attached documents**

1. Qualitative Information on Quarterly Settlement of Accounts.....	2
(1) Explanation of Operating Results .....	2
(2) Explanation of Financial Position .....	3
(3) Explanation of Consolidated Earnings Projections and Other Forecasts .....	3
2. Notes on Summary Information.....	3
(1) Material Changes in Consolidated Subsidiaries during the Cumulative Consolidated Period .....	3
(2) Use of Special Accounting Methods for Creating Quarterly Consolidated Financial Statements.....	3
(3) Changes of Accounting Policies, Changes of Accounting Estimates and Retrospective Restatements .....	3
3. Quarterly Consolidated Financial Statements .....	4
(1) Quarterly Consolidated Balance Sheets .....	4
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income.....	5
Quarterly Consolidated Statements of Income	
Cumulative First Quarter .....	5
Quarterly Consolidated Statements of Comprehensive Income	
Cumulative First Quarter .....	6
(3) Notes on Quarterly Consolidated Financial Statements.....	7
(Notes on Going Concern Assumption).....	7
(Notes in Case of Significant Changes to Shareholders' Equity).....	7
(Segment Information, Etc.) .....	7

## 1. Qualitative Information on Quarterly Settlement of Accounts

From the first quarter of this fiscal year, 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) Explanation of Operating Results

The world economy during the first quarter under review was generally positive. While there was a marked decline in the growth rates of China and other newly emerging economies in Asia, the world economy generally maintained a moderate pace of recovery. The European markets rallied and there was continuing recovery in the U.S. economy thanks to robust personal consumption, which was driven by the stable employment environment.

As for Japan, the economy showed signs of picking up, particularly with regard to personal consumption, although public investment was bearish.

Against this business environment, the Company’s consolidated earnings were as follows: Net sales were ¥486.0 billion, down ¥10.5 billion (2.1%) from the same period of the previous fiscal year. Operating income was ¥7.2 billion, up ¥500 million (7.5%) from the same period of the previous fiscal year. Ordinary income was ¥8.8 billion, up ¥1.9 billion (28.3%) from the same period of the previous fiscal year, which reflects the rise in operating income as well as a rise in share of profit of entities accounted for using equity method. Quarterly profit attributable to owners of parent was ¥5.9 billion, up ¥1.2 billion (27.5%) from the same period of the previous fiscal year.

Earnings for reportable segments are as below.

#### (Steel)

In the Steel business, domestic demand for steel was poor. Factors such as the delayed recovery of the automobile market resulted in a general decline in demand among manufacturing companies, and there was also a general decline in demand among construction companies. This situation deepened the decline in production among steel manufacturers, and the Company saw a decrease in domestic sales volume. As for exports, while market conditions continued to weaken, export sales increased due to factors such as strong sales to distant regions. The Steel segment also benefitted from a decrease in credit costs and an improvement in non-operating income. As a result, net sales in this segment reached ¥385.3 billion, down ¥10.9 billion (2.8%), and ordinary income reached ¥5.4 billion, up ¥1.1 billion (27.8%).

#### (Industrial Supply and Infrastructure)

In the Industrial Supply and Infrastructure business, net sales reached ¥23.5 billion, up ¥2.8 billion (13.6%). This was due to factors such as an increase in sales of machinery to Eastern Europe. Furthermore, ordinary income reached ¥1.9 billion, up ¥1.4 billion (278.5%), reflecting the increased profits in a Thailand-based entity accounted for using equity method, as well as the recording of transitory profits related to the merger with the entity.

#### (Textiles)

In the Textiles business, sales to key customers fell against an increasingly harsh backdrop of the weakening yen and retail store saturation. As a result, net sales were ¥39.0 billion, down ¥2.7 billion (6.5%), and ordinary income was ¥700 million, down ¥400 million (36.7%).

#### (Foodstuffs)

In the Foodstuffs business, 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 ¥37.8 billion, up ¥200 million (0.6%), and ordinary income was ¥700 million, down ¥200 million (22.9%).

## **(2) Explanation of Financial Position**

Despite an increase in current assets and other items, total assets at the end of the first quarter under review were ¥676.4 billion, down ¥16.4 billion from the end of the previous period, due to a decrease in notes and accounts receivable - trade and inventories, etc.

Total liabilities were ¥487.8 billion, down ¥21.3 billion from the end of the previous period due to a decrease in purchase liabilities, which offset an increase in loans payable.

Total net assets reached ¥188.6 billion, up ¥4.9 billion from the end of the previous period. This was due to the recording of profit attributable to owners of parent for the first quarter of this fiscal year, which offset the payment of dividends.

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

Since the first quarter results were largely in line with the projections announced on May 8, 2015, the consolidated earnings projections for the second quarter of fiscal year ending March 31, 2016, as well as that for the full fiscal year, will remain as stated in this announcement.

## **2. Notes on Summary Information**

### **(1) Material Changes in Consolidated Subsidiaries during the Cumulative Consolidated Period**

Not applicable.

### **(2) Use of Special Accounting Methods for Creating Quarterly Consolidated Financial Statements**

Not applicable.

### **(3) Changes of Accounting Policies, Changes of Accounting Estimates and Retrospective Restatements**

(Application of Accounting Standards for Business Combinations)

From the first quarter of this fiscal year, the Company has applied the Accounting Standard for Business Combinations, etc. (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 first day of the first quarter 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 quarterly 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 quarterly consolidated financial statements and consolidated financial statements with respect to the first quarter of the previous fiscal year and the fiscal year in full.

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 first quarter under review.

The above has no impact on quarterly consolidated financial statements with respect to the first quarter under review.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

	Previous Fiscal Year (As of March 31, 2015)	First Quarter Under Review (As of June 30, 2015)
(Millions of yen)		
<b>Assets</b>		
Current assets		
Cash and deposits	29,022	26,388
Notes and accounts receivable - trade	396,162	371,354
Inventories	106,275	104,463
Other	20,948	30,782
Allowance for doubtful accounts	(1,654)	(1,330)
Total current assets	550,754	531,659
Non-current assets		
Property, plant and equipment	63,009	63,256
Intangible assets		
Goodwill	189	172
Other	1,009	991
Total intangible assets	1,198	1,163
Investments and other assets		
Other	82,466	84,892
Allowance for doubtful accounts	(4,529)	(4,498)
Total investments and other assets	77,936	80,393
Total non-current assets	142,144	144,814
Total assets	692,899	676,473
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	249,831	228,942
Short-term loans payable	172,345	175,495
Income taxes payable	5,756	1,796
Provision	3,270	2,218
Other	30,813	30,838
Total current liabilities	462,018	439,291
Non-current liabilities		
Long-term loans payable	33,936	34,543
Provision	442	435
Net defined benefit liability	1,720	1,730
Other	11,087	11,835
Total non-current liabilities	47,187	48,545
Total liabilities	509,206	487,836
<b>Net assets</b>		
Shareholders' equity		
Capital stock	12,335	12,335
Capital surplus	50,645	50,645
Retained earnings	88,668	92,635
Treasury shares	(108)	(110)
Total shareholders' equity	151,540	155,505
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,845	7,282
Deferred gains or losses on hedges	(554)	(686)
Foreign currency translation adjustment	9,157	8,953
Remeasurements of defined benefit plans	786	799
Total accumulated other comprehensive income	15,233	16,349
Non-controlling interests	16,918	16,782
Total net assets	183,693	188,636
Total liabilities and net assets	692,899	676,473

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

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

	(Millions of yen)	
	Cumulative First Quarter of Previous Fiscal Year (April 1, 2014 to June 30, 2014)	Cumulative First Quarter Under Review (April 1, 2015 to June 30, 2015)
Net sales	496,678	486,081
Cost of sales	466,908	453,204
Gross profit	29,769	32,877
Selling, general and administrative expenses	23,035	25,640
Operating income	6,733	7,236
Non-operating income		
Interest income	94	126
Dividend income	353	453
Share of profit of entities accounted for using equity method	210	1,355
Purchase discounts	203	180
Other	336	400
Total non-operating income	1,198	2,516
Non-operating expenses		
Interest expenses	645	644
Other	360	219
Total non-operating expenses	1,006	863
Ordinary income	6,926	8,889
Extraordinary income		
Gain on sales of investment securities	-	141
Gain on sales of non-current assets	23	-
Gain on bargain purchase	123	-
Total extraordinary income	146	141
Extraordinary losses		
Loss on change in equity	-	110
Loss on sales of investment securities	2	-
Loss on valuation of investment securities	7	-
Provision for loss on liquidation of subsidiaries and associates	135	-
Total extraordinary losses	144	110
Income before income taxes and minority interests	6,928	8,920
Income taxes	2,062	2,710
Profit	4,866	6,209
Profit attributable to non-controlling interests	189	245
Profit attributable to owners of parent	4,676	5,964



**(Quarterly Consolidated Statements of Comprehensive Income)**  
**(Cumulative First Quarter)**

(Millions of yen)

	Cumulative First Quarter of Previous Fiscal Year (April 1, 2014 to June 30, 2014)	Cumulative First Quarter Under Review (April 1, 2015 to June 30, 2015)
Profit	4,866	6,209
Other comprehensive income		
Valuation difference on available-for-sale securities	318	1,456
Deferred gains or losses on hedges	(75)	(133)
Foreign currency translation adjustment	(707)	(191)
Remeasurements of defined benefit plans, net of tax	11	13
Share of other comprehensive income of entities accounted for using equity method	(355)	(26)
Total other comprehensive income	(807)	1,119
Comprehensive income	4,058	7,328
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,079	7,089
Comprehensive income attributable to non-controlling interests	(21)	239

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

(Notes on Going Concern Assumption)

Not applicable.

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

Not applicable.

(Segment Information, etc.)

#### I Cumulative First Quarter of Previous Fiscal Year (April 1, 2014 to June 30, 2014)

##### 1 Information on sales and income/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	396,258	20,712	41,753	37,594	496,318	359	496,678	–	496,678
Intersegment sales or transfers	122	361	0	–	484	32	516	(516)	–
Total	396,380	21,073	41,754	37,594	496,802	392	497,194	(516)	496,678
Segment income (Ordinary income)	4,270	515	1,191	929	6,908	15	6,923	2	6,926

- (Notes) 1. "Other" represents items not included under "reportable segments," and it includes real estate business.  
2. The adjustment of ¥2 million in "segment income" represents the elimination of inter-segment trade.  
3. The total income of the "reportable segments" and "other" align with the ordinary income in the quarterly consolidated statement of income excepting the downward adjustment of ¥2 million.

##### 2 Information on impairment loss on noncurrent assets, goodwill, etc., for each reporting segment

Not applicable.

#### II Cumulative First Quarter Under Review (April 1, 2015 to June 30, 2015)

##### 1 Information on sales and income/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	385,357	23,523	39,037	37,828	485,747	333	486,081	–	486,081
Intersegment sales or transfers	209	430	1	–	641	28	669	(669)	–
Total	385,566	23,954	39,039	37,828	486,389	361	486,750	(669)	486,081
Segment income (Ordinary income)	5,455	1,952	754	717	8,879	12	8,892	(3)	8,889

- (Notes) 1. "Other" represents items not included under "reportable segments," and it includes real estate business.  
2. The downward adjustment of ¥3 million in "segment income" represents the elimination of inter-segment trade.  
3. The total income of the "reportable segments" and "other" align with the ordinary income in the quarterly consolidated statement of income excepting the adjustment of ¥3 million.

##### 2 Information on impairment loss on noncurrent assets, goodwill, etc., for each reporting segment

Not applicable.