Flash Report
Consolidated Basis
Results for Fiscal 2015
(April 1, 2015— March 31, 2016)
＜under Japanese GAAP＞

April 28, 2016

Company name:	Nippon Steel & Sumitomo Metal Corporation
Stock listing:	Tokyo, Nagoya, Sapporo, Fukuoka stock exchanges
Code number:	5401
URL:	http://www.nssmc.com/en/index.html
Representative:	Kosei Shindo, Representative Director and President
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Scheduled date to Ordinary General Meeting of Shareholders:	June 24, 2016
Scheduled date to pay dividends:	June 27, 2016
Scheduled date to submit Securities Report:	June 24, 2016
Preparation of supplemental explanatory materials:	Yes
Holding of quarterly financial results meeting:	Yes (for investment analysts)

（Figures of less than ¥1 million have been omitted.）

1. Consolidated Financial and Operating Results through Fiscal 2015 (April 1, 2015—March 31, 2016)

(1) Consolidated Operating Results

（Percentage figures are changes from the same period of the previous fiscal 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	%
Fiscal 2015	**4,907,429**	**(12.5)**	**167,731**	**(52.0)**	**200,929**	**(55.5)**	**145,419**	**(32.1)**
Fiscal 2014	5,610,030	1.7	349,510	17.1	451,747	25.1	214,293	(11.7)

(For reference) Comprehensive income: Fiscal 2015 ¥ (127,770) million —%
Fiscal 2014 ¥ 439,138 million 63.1%

	Earnings per share	Earnings per share after full dilution	Return on Equity	Return on Assets	Return on Sales
	Yen	Yen	%	%	%
Fiscal 2015	**158.72**	—	**5.1**	**3.0**	**3.4**
Fiscal 2014	234.83	—	7.6	6.3	6.2

(For reference) Equity in profit of unconsolidated subsidiaries and affiliates: Fiscal 2015 ¥44,181 million
Fiscal 2014 ¥82,717 million

Note: The Company carried out the share consolidation at the ratio of 10 shares to 1 share effective October 1, 2015. In accordance with it, earnings per share are calculated based on the assumption that the share consolidation had been carried out at the beginning of the previous fiscal year.

(2) Consolidated Financial Results

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2015	**6,425,043**	**3,009,075**	**43.2**	**3,074.28**
Fiscal 2014	7,157,929	3,547,059	41.6	3,263.03

(For reference) Shareholders' equity: Fiscal 2015 ¥ 2,773,822 million
Fiscal 2014 ¥ 2,978,696 million

Note: The Company carried out the share consolidation at the ratio of 10 shares to 1 share effective October 1, 2015. In accordance with it, net assets per share are calculated based on the assumption that the share consolidation had been carried out at the beginning of the previous fiscal year.

(3) Consolidated Statements of Cash-Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2015	**562,956**	**(242,204)**	**(337,555)**	**85,203**
Fiscal 2014	710,998	(263,667)	(451,843)	112,994

2. Dividends

Base date	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full fiscal year
	Yen	Yen	Yen	Yen	Yen
Fiscal 2014	—	2.00	—	3.50	5.50
Fiscal 2015	**—**	**3.00**	**—**	**15.00**	**—**
Fiscal 2016 (Forecasts)	—	—	—	—	—

	Cash dividends	Ratio of cash dividends to profit	Ratio of cash dividends to net assets
	Millions of yen	%	%
Fiscal 2014	50,273	23.4	1.8
Fiscal 2015	**41,273**	**28.4**	**1.4**
Fiscal 2016 (Forecasts)		—	

Notes: 1. The Company carried out the share consolidation at the ratio of 10 shares to 1 share effective October 1, 2015. In accordance with it, the full fiscal year dividend is shown as "—". Assuming the full fiscal year dividend of Fiscal 2014 and dividend at the end of the second quarter of Fiscal 2015 is recalculated in accordance with the share consolidation, the full fiscal year dividend of Fiscal 2014 will effectively be ¥55.00, and the full fiscal year dividend of fiscal 2015 ¥45.00.

2. The dividend forecasts of end of second quarter and fiscal year for fiscal 2016 are not decided. The Company will announce a dividend distribution plan as soon as it is formulated.

3. Consolidated Financial Forecasts for Fiscal 2016 (April 1, 2016—March 31, 2017)

The earnings forecasts for fiscal 2016 are not presented because the outlook has not been determined due to the difficulty formulating reasonably accurate estimates at this time. For further details, please refer to page 5, "Outlook for the Year Ending March 31, 2017" of "1.(1) Analysis of Consolidated Results of Operations."

***** Notes

(1) Changes in significant subsidiaries during the period: Yes
Newly included : — Excluded : NS Preferred Capital Limited
Note: For further details, please refer to page 18, "5.(5) Basic Significant Items for the Preparation of the Consolidated Financial Statements."

(2) Changes in accounting principles, changes in accounting estimates, and retrospective restatements
(a) Changes in accounting principles accompanying revisions in accounting standards: Yes
(b) Changes other than those in (a) above: None
(c) Changes in accounting estimates: None
(d) Retrospective restatements: None
Note: For further details, please refer to page 18, "5.(5) Changes in Accounting Principles Accompanying Revisions in Accounting Standards."

(3) Number of shares issued (common shares)
(a) Number of shares issued at the end of the period (including treasury stock)
Fiscal 2015 950,321,402 shares
Fiscal 2014 950,321,402 shares

(b) Number of treasury stock at the end of the period
Fiscal 2015 48,055,060 shares
Fiscal 2014 37,460,026 shares

(c) Average number of shares issued during the term
Fiscal 2015 916,209,219 shares
Fiscal 2014 912,547,169 shares

* The Company carried out the share consolidation at the ratio of 10 shares to 1 share effective October 1, 2015. In accordance with it, number of shares issued at the end of the period, number of treasury stock at the end of the period, and average number of shares issued during the term are calculated based on the assumption that the share consolidation had been carried out at the beginning of the previous fiscal year.

(For Reference) A Summary of Non-Consolidated Financial and Operating Results

Non-Consolidated Financial and Operating Results through Fiscal 2015 (April 1, 2015—March 31, 2016)

(1) Non-Consolidated Operating Results

(Percentage figures are changes from the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2015	**3,160,787**	**(15.3)**	**56,207**	**(75.4)**	**87,956**	**(68.2)**	**83,736**	**(50.8)**
Fiscal 2014	3,733,332	0.3	228,643	22.3	276,809	23.0	170,362	(4.4)

	Earnings per share	Earnings per share after full dilution
	Yen	Yen
Fiscal 2015	**91.26**	**—**
Fiscal 2014	186.38	—

Note: The Company carried out the share consolidation at the ratio of 10 shares to 1 share effective October 1, 2015. In accordance with it, earnings per share are calculated based on the assumption that the share consolidation had been carried out at the beginning of the previous fiscal year.

(2) Non-Consolidated Financial Results

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2015	**4,944,667**	**1,859,650**	**37.6**	**2,058.03**
Fiscal 2014	5,387,945	1,960,121	36.4	2,144.42

(For reference) Shareholders' equity: Fiscal 2015 ¥1,859,650 million
Fiscal 2014 ¥1,960,121 million

Note: The Company carried out the share consolidation at the ratio of 10 shares to 1 share effective October 1, 2015. In accordance with it, net assets per share are calculated based on the assumption that the share consolidation had been carried out at the beginning of the previous fiscal year.

* Status of Performance of Audit Procedures

This flash report is exempt from the audit procedures based on Japan's Financial Instruments and Exchange Act. At the time when this flash report was disclosed, the audit procedures based on the Financial Instruments and Exchange Act had not been completed.

* Explanation of the appropriate use of performance forecasts and other related items

The forward-looking statements included in this flash report are based on the assumptions, forecasts, and plans of the Company as of the date on which this document is made public. The Company's actual results may differ substantially from such statements due to various risks and uncertainties.

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1. Analysis of Consolidated Results of Operations and Financial Position

(1) Analysis of Consolidated Results of Operations

Operating Results for Fiscal Year Ended March 31, 2016 (Fiscal 2015)

Overview of Conditions in Fiscal 2015

The global economy grew only moderately in fiscal 2015. The United States economy continued to show strength mainly in private consumption and Europe maintained its modest recovery. China's economic slowdown persisted while the ASEAN economy remained stagnant.

The Japanese economy continued to make little progress toward recovery, due to persistent sluggish private consumption, companies' cautious attitude toward capital investment, and other factors.

Domestic steel demand remained sluggish, largely owing to stagnant capital investment. Overseas steel demand conditions included slowing steel demand in China and stagnant demand in the ASEAN region, while the slumping oil market led to depressed demand in the energy sector. International steel market conditions were characterized by substantial price declines beginning in the summer, which stemmed from strong supply pressure from Chinese steelmakers. Despite signs of recovery shown since the end of 2015, the market remained severely depressed.

In this harsh business environment, the Nippon Steel & Sumitomo Metal Corporation (NSSMC) Group made steady progress in implementing the strategies of the Mid-Term Management Plan to Fiscal 2017, which was launched in March 2015. This included enhancing the competitiveness of the domestic "mother mills," advancing global strategies, augmenting technological superiority, realizing world-leading cost competitiveness, and strengthening the Group companies in the steelmaking business.

Operating Results by Business Segment for Fiscal 2015

The NSSMC Group's business segments each put forth utmost management effort to generate results while responding to the changing business environment. An overview of operating results by business segment is shown below.

(Billions of yen)

	Net Sales		Ordinary Profit	
	Fiscal 2015	Fiscal 2014	**Fiscal 2015**	Fiscal 2014
Steelmaking and steel fabrication	**4,283.9**	4,939.2	**160.0**	401.9
Engineering and construction	**315.7**	348.6	**12.1**	18.7
Chemicals	**181.8**	212.7	**1.0**	6.8
New materials	**36.2**	36.4	**3.0**	2.4
System solutions	**218.9**	206.0	**19.4**	16.5
Total	**5,036.6**	5,743.1	**195.9**	446.6
Adjustments	**(129.2)**	(133.1)	**5.0**	5.0
Consolidated total	**4,907.4**	5,610.0	**200.9**	451.7

Steelmaking and Steel Fabrication

The Steelmaking and Steel Fabrication segment implemented various measures centered primarily on enhancing the competitiveness of the domestic "mother mills" and advancing global strategies.

In Japan, NSSMC has promoted initiatives to enhance manufacturing capability by identifying the reinforcement and reestablishment of major facilities as a priority management issue. As part of these efforts, NSSMC decided to expand the coke oven facilities of the Kashima Works with the aims of increasing production capacity and enhancing cost competitiveness. In addition, NSSMC decided to revise a part of the Mid-Term Management Plan to Fiscal 2017 to optimize the iron-making production structure at the Yawata Works. (The Yawata Works comprises the Yawata, Tobata, and Kokura areas.) Initially, the Company planned to cease operation of the Kokura No. 2 blast furnace and to provide Tobata's molten iron to the Kokura area. The new plan is to consolidate all iron-making production processes in the Tobata area, including the construction of a continuous caster (CC) in Tobata, while the No. 2 blast furnace and all other facilities in Kokura will cease operation. This will enable us to further improve productivity and enhance the overall competitiveness of the Yawata Works.

NSSMC also enhanced its global supply network to capture demand in overseas growth markets and build an operating structure that better responds to customers' global development requirements. In fiscal 2015, NSSMC decided to produce ultra-high tensile strength steel sheet with high formability for automobiles in the United States. This will be the Company's first attempt to produce such a type of steel overseas. In China, NSSMC constructed and commenced operation of a hot-dipped galvanizing line for steel sheet at NSSMC's steel sheet manufacturing company for automobiles in order to meet rising demand in China for steel sheet for luxury vehicles. Moreover, a processing subsidiary for seamless steel pipe fittings in Brunei started construction of a new plant.

The Company also adopted measures during the year to fortify its competitive base in Japan and overseas. In Japan, NSSMC entered into a memorandum of understanding with Nisshin Steel Co., Ltd. (Nisshin Steel) to pursue discussions aimed at making Nisshin Steel a subsidiary with a target date of March 2017, on the condition that NSSMC will provide a continuous supply of steel slab to Nisshin Steel. By having Nisshin Steel in the group, the NSSMC Group aims to further reinforce its position as the world's leading comprehensive steelmaker, and generate sustainable growth and increasing corporate value over the long term.

Outside Japan, NSSMC reached an agreement with its key strategic partner in the pipe and tube business, Vallourec S.A. of France, to broaden the strategic partnership primarily by deepening business alliances, and to acquire a 15% stake in Vallourec. Through this arrangement, NSSMC aims to create business structures capable of maintaining and augmenting each company's earning power even in the severe business conditions caused by low oil prices.

NSSMC also made wholly owned subsidiaries of NIPPON STEEL & SUMIKIN TEXENG. Co., Ltd. and Suzuki Metal Industry Co., Ltd., which was renamed NIPPON STEEL & SUMIKIN SG WIRE Co., Ltd., effective October 1, 2015. Through these arrangements, the NSSMC Group will further strengthen the sharing of its business strategies with Group companies and enhance the Group's earning power and competitiveness.

NSSMC also continued advancing measures to maximize cost improvement, including reducing raw material costs and improving yield, and sought the understanding and cooperation of its customers in adjusting steel material prices. The steelmaking and steel fabrication segment recorded net sales of ¥4,283.9 billion and ordinary profit of ¥160.0 billion.

Engineering and Construction

Nippon Steel & Sumikin Engineering Co., Ltd. continued to actively implement initiatives overseas, including the enhancement of its facility in Thailand and its subsidiary in India, and to fortify the competitiveness of its existing operations. However, on top of severe business conditions caused by factors such as the impact of the sluggish oil market and the declining investment appetite of overseas customers, profits were depressed. The engineering and construction segment posted net sales of ¥315.7 billion and ordinary profit of ¥12.1 billion.

Chemicals

Nippon Steel & Sumikin Chemical Co., Ltd. continued generating steady sales on strong demand in the functional materials business for circuit board materials, display materials, and other products. The chemicals business secured steady sales and profit, supported in part by robust demand for styrene monomer, a general-purpose resin material. Meanwhile, the coal chemicals business, particularly needle coke for graphite electrodes, struggled in extremely severe conditions caused by intensified competition driven by falling oil prices and stagnant demand worldwide. The chemicals segment recorded net sales of ¥181.8 billion and ordinary profit of ¥1.0 billion.

New Materials

Nippon Steel & Sumikin Materials Co., Ltd. continued to steadily increase sales in the electronic materials field for surface-treated copper wire. Demand in the carbon fiber field was strong for industrial and high-function applications and steady in other areas, including infrastructure maintenance and reinforcement applications and medical equipment applications. Meanwhile, declining demand in developing countries for metal substrates led to decreased earnings in the environmental and energy field. The new materials segment posted net sales of ¥36.2 billion and ordinary profit of ¥3.0 billion.

System Solutions

NS Solutions Corporation provides comprehensive solutions in the planning, configuration, operation, and maintenance of IT systems for clients in a wide range of business fields and develops leading-edge solutions services that respond to the changing business conditions of its clients. The segment's IT outsourcing services were fortified and expanded during the term with the start of operations of the NSFITOS Center and other developments. The expansion of the global business also continued and included the acquisition of an IT company in Indonesia. As a result, the system solutions segment increased both sales and profit, compared to the previous year. It recorded net sales of ¥218.9 billion and ordinary profit of ¥19.4 billion.

Sales and Profit

NSSMC's consolidated results for fiscal 2015 included ¥4,907.4 billion in net sales, ¥167.7 billion in operating profit, and ¥200.9 billion in ordinary profit. The results were substantially affected by a decline in shipment volume and a decrease in steel material prices, in addition to lower profit by group companies and other factors. As a result, profit attributable to owners of parent amounted to ¥145.4 billion.

Outlook for the Year Ending March 31, 2017

The overall global economy is expected to show only modest growth. Economic conditions in the United States are likely to remain steady, mainly driven by private consumption, while the European economy appears poised for a moderate recovery. However, the slowing economic growth in China and the ASEAN countries is expected to persist.

An economic recovery in Japan is anticipated to slowly materialize amid a delayed recovery in private consumption and companies becoming increasingly cautious about capital investment.

Domestic steel demand is expected to decline in the first half of fiscal 2016 due to seasonal factors. Demand is then likely to recover in the second half, driven by factors such as a pick-up in automobile production and increased investment associated with the upcoming Olympics in 2020, on top of a seasonal rise in public works projects.

We anticipate overseas steel demand remaining essentially flat overall. Although we expect a modest increase in demand in the ASEAN region, the Chinese slowdown is expected to persist and the stagnant crude oil market will likely lead to depressed demand for the energy sector. While some signs of recovery are being seen in the international market, the situation needs to be monitored owing to the persistent excessive supply of steel products in China and elsewhere in East Asia.

In these conditions, NSSMC will continue to closely monitor trends in steel material supply and demand and raw material prices, and will also strive to implement maximum cost improvement. The Company will also strengthen its ability to make product proposals to customers, further enhance its overseas supply system, and continue revising steel material prices with the understanding of its customers.

NSSMC is unable at this time to establish reasonably accurate earnings estimates for fiscal 2016 due to several factors, including the uncertainty of price trends for primary raw materials and steel products. The Company will disclose fiscal 2016 earnings forecasts when reasonable estimates become possible.

(2) Analysis of Consolidated Financial Position

Assets, Liabilities, Net Assets, and Cash Flows

Consolidated total assets at the end of fiscal 2015 were ¥6,425.0 billion, representing a decrease of ¥732.8 billion from ¥7,157.9 billion at the end of fiscal 2014. The main factors were decreases in notes and accounts receivable of ¥92.2 billion, inventories of ¥143.3 billion, investments in securities of ¥176.3 billion, shares of subsidiaries and affiliates of ¥99.6 billion, and net defined benefit assets of ¥65.0 billion.

Total liabilities at the end of fiscal 2015 amounted to ¥3,415.9 billion, a decrease of ¥194.9 billion from ¥3,610.8 billion at the end of fiscal 2014. The decline was primarily due to an increase in interest-bearing debt of ¥31.6 billion from ¥1,976.5 billion at the end of fiscal 2014 to ¥2,008.2 billion at the end of fiscal 2015, along with decreases in notes and accounts payable of ¥85.3 billion, deferred tax liabilities of ¥85.3 billion, and net defined benefit liabilities of ¥32.4 billion.

Net assets amounted to ¥3,009.0 billion at the end of fiscal 2015, representing a decrease of ¥537.9 billion from ¥3,547.0 billion at the end of fiscal 2014. The main factors in the decline were dividend payments of ¥59.7 billion, purchase of treasury stock of ¥26.4 billion and declines in unrealized gains on available-for-sale securities of ¥108.2 billion, foreign currency translation adjustments of ¥120.0 billion, and non-controlling interest of ¥333.1 billion. These more than offset increases such as ¥145.4 billion for profit attributable to owners of parent.

Shareholders' equity at the end of fiscal 2015 amounted to ¥2,773.8 billion and the ratio of interest-bearing debt to shareholders' equity (the D/E ratio) was 0.72.

Cash flows provided by operating activities in fiscal 2015 amounted to ¥562.9 billion (compared to ¥710.9 billion in fiscal 2014). The principal factors were inflows from profit before income taxes of ¥230.7 billion, depreciation and amortization of ¥308.2 billion, and a decrease in inventories of ¥123.3 billion. These offset outflows of ¥84.5 billion from a decrease in notes and accounts payable and others.

Cash flows from investing activities amounted to an outflow of ¥242.2 billion, (compared to an outflow of ¥263.6 billion in fiscal 2014), as outflows including expenses for capital investments of ¥298.6 billion exceeded inflows including proceeds from sales of shares of subsidiaries and affiliates of ¥54.7 billion. The result was a free cash inflow of ¥320.7 billion in fiscal 2015 (compared to ¥447.3 billion in fiscal 2014).

Cash flows from financing activities amounted to an outflow of ¥337.5 billion (compared to ¥451.8 billion in fiscal 2014), largely due to the effective repayment of interest-bearing debt of ¥268.3 billion after deducting the impact of refinancing from the redemption of preferred securities and financing by subordinated loans in July 2015. Other factors included the payment for purchase of treasury stock of 41.8 billion and the payment of cash dividends of ¥59.7 billion at the end of fiscal 2014 and the end of the first half (interim) of fiscal 2015.

As a result of the above movements in cash flows, the Company's cash and cash equivalents at the end of the fiscal year under review amounted to ¥85.2 billion.

Trend in Cash Flow Indicators

Fiscal year	2011	2012	2013	2014	2015
Ratio of net worth (%)	37.1	33.8	37.9	41.6	43.2
Ratio of net worth at market price (%)	29.0	30.1	36.3	38.6	30.4
Debt redemption term (years)	5.6	8.1	4.0	2.8	3.6
Interest coverage ratio (times)	14.6	12.2	22.1	34.1	28.6

Notes:
Ratio of net worth: (Net assets - Minority interests)/Total assets
Ratio of net worth at market price: Current aggregate value of shares/Total assets
Debt redemption term: Interest-bearing debt/Cash flows from operating activities
Interest coverage ratio: Cash flows from operating activities/Interest expenses

* Each indicator is calculated from the figures in the consolidated financial statements.
* The current aggregate value of shares is calculated by multiplying the common stock price at term-end by the number of shares outstanding (excluding treasury stock) at term-end.
* Interest-bearing debt covers all debt-bearing interest (short-term loans, commercial paper, current portion of corporate bonds, current portion of convertible bonds, corporate bonds, convertible bonds, long-term loans, lease obligations, etc.).
* Cash flow figures from operating activities in the consolidated statements of cash flows are used, and interest expense figures from the consolidated statements of cash flows are used.

(3) Basic Profit Distribution Policy and Distribution of Dividends for Fiscal 2015 and Fiscal 2016

NSSMC's basic profit distribution policy is to pay dividends from distributable funds at the end of the first half (interim) and second half (year-end) of the fiscal year in consideration of the consolidated operating results and such factors as capital requirements for investment and other activities aimed at raising corporate value and performance prospects while also considering the financial structure of the Company on both consolidated and non-consolidated bases.

The Company has adopted a consolidated payout ratio target of around 20%–30% as the benchmark for the "payment of dividends from distributable funds in consideration of the consolidated operating results."

The level of the first-half dividend is set based on consideration of interim performance figures and forecasts for the full fiscal year performance.

In accordance with the basic profit distribution policy described above, the Company distributed a dividend of ¥3.00 per share at the end of the first half of fiscal 2015. The Company plans to request the approval of the General Meeting of Shareholders to distribute a year-end dividend payment of ¥15.00 per share in accordance with this policy and as disclosed during the announcement of the financial results for the third quarter of fiscal 2015.

The Company carried out a share consolidation at a ratio of 10 shares to one share effective October 1, 2015. Assuming the first-half dividend is recalculated in accordance with the share consolidation, the interim dividend will be ¥30.00 per share. Including the year-end dividend of ¥15.00 per share, the full-year dividend will effectively be ¥45.00 per share and the consolidated payout ratio 28.4%.

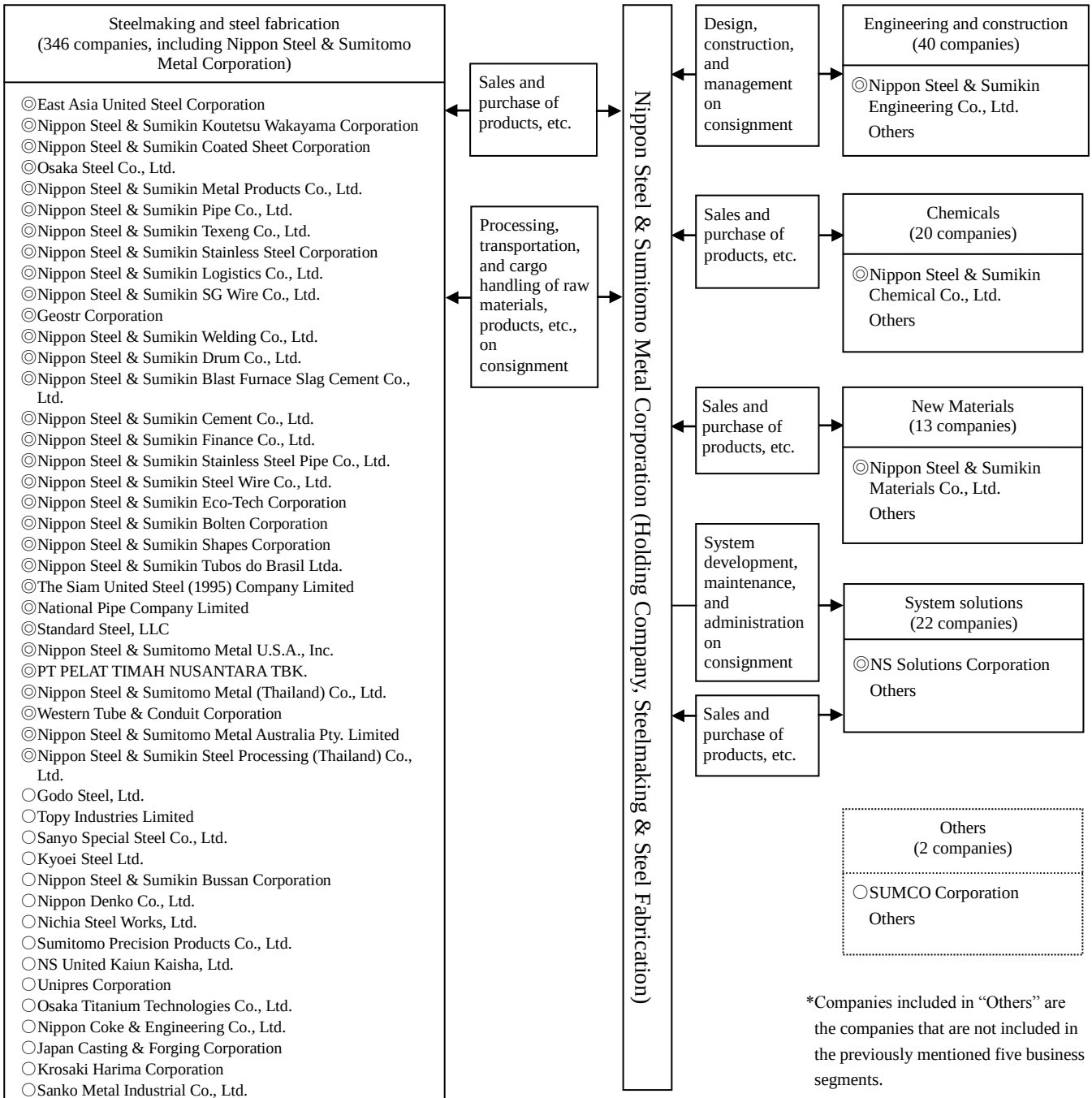
The Company has not determined a dividend distribution plan for fiscal 2016 due to the inability to establish reasonable earnings forecasts. The dividend distribution plan will be disclosed when it becomes available.

2. Corporate Group

Schematic Diagram of Business

The Nippon Steel & Sumitomo Metal Corporation Group is comprised of the parent company Nippon Steel & Sumitomo Metal Corporation, 339 consolidated subsidiaries, and 103 affiliates accounted for by the equity method. The Group's overall businesses are categorized into five business segments: steelmaking and steel fabrication, engineering and construction, chemicals, new materials, and system solutions. The principal businesses and business relations of Nippon Steel & Sumitomo Metal Corporation and its major subsidiaries and affiliates are outlined below.

◎Major consolidated subsidiaries ○Major affiliates accounted for by the equity method



*Companies included in "Others" are the companies that are not included in the previously mentioned five business segments.

(Note) Of the subsidiaries owned by the Company at the end of this consolidated term (March 31, 2016), the companies for which their stocks are listed on any of the domestic stock exchanges are as follows:

Company name	Stock exchange where listed
Osaka Steel Co., Ltd.	First Section of the Tokyo Stock Exchange
Geostr Corporation	Second Section of the Tokyo Stock Exchange
NS Solutions Corporation	First Section of the Tokyo Stock Exchange

3. Management Policy

The Company's Basic Management Policy, Key Management Indicators, and Medium- to Long-Term Management Strategy

Since the disclosure of the Flash Report for the fiscal year ended March 31, 2015 (released on April 28, 2015), there have been no material changes in the content of these matters. Accordingly, disclosure has been omitted in this report. Please note that certain portions of this content were reviewed, and this was disclosed on March 30, 2016. For these disclosed materials, please access the following website.

1. Content disclosed in the Flash Report for the fiscal year ended March 31, 2015 (disclosed on April 28, 2015)
Please access the Company website as follows.
http://www.nssmc.com/en/ir/library/pdf/20150428_500.pdf

Also access the website of the Tokyo Stock Exchange (Section on company information search).
http://www.jpx.co.jp/english/listing/co-search/index.html

2. The content of timely disclosure on March 30, 2016
Please access the Company website as follows.
http://www.nssmc.com/common/secure/en/news/20160330_100.pdf

Also access the website of the Tokyo Stock Exchange (Section on company information search).
http://www.jpx.co.jp/english/listing/co-search/index.html

Progress toward Implementation of the Med-Term Management Plan and Progress toward Reaching Key Management Indicators

For information on progress toward implementation of the Medium-Term Management Plan, please access the following URL.

Please access the "Investor Relations" section on the Company website as follows.
http://www.nssmc.com/en/index.html

4. Basic Rationale for Selection of Accounting Standards

Since the Company is promoting business development globally, with regard to the transition to international accounting standards, the Company is giving consideration to adopting such standards from the first quarter of the fiscal year ending March 31, 2019. Consideration is being given to adopting either the International Financial Reporting Standards (designated IFRS) or Japan's Modified International Standards (JMIS).

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of yen

ASSETS	March 31, 2015	March 31, 2016
Current assets :		
Cash and bank deposits	113,822	**85,365**
Notes and accounts receivable	615,429	**523,207**
Marketable securities	2,025	**525**
Inventories	1,254,203	**1,110,901**
Deferred tax assets	95,598	**56,004**
Other	253,754	**214,635**
Less: Allowance for doubtful accounts	(1,019)	**(567)**
Total current assets	2,333,813	**1,990,072**
Fixed assets :		
Tangible fixed assets :		
Buildings and structures	714,150	**682,187**
Machinery, equipment and vehicles	1,056,333	**1,028,856**
Tools, furniture and fixtures	41,851	**42,684**
Land	591,202	**592,596**
Lease assets	9,403	**8,997**
Construction in progress	184,931	**223,916**
	2,597,872	**2,579,240**
Intangible assets :		
Goodwill	50,046	**41,756**
Lease assets	335	**288**
Patents and utility rights	8,039	**6,222**
Software	40,441	**39,413**
	98,862	**87,680**
Investments and others :		
Investments in securities	768,744	**592,402**
Shares of subsidiaries and affiliates	1,079,523	**979,879**
Long-term loans receivable	58,579	**41,909**
Net defined benefit assets	123,764	**58,708**
Deferred tax assets	48,054	**51,959**
Other	52,567	**45,698**
Less: Allowance for doubtful accounts	(3,854)	**(2,508)**
	2,127,380	**1,768,049**
Total fixed assets	4,824,115	**4,434,970**
Total assets	7,157,929	**6,425,043**

Millions of yen

LIABILITIES	March 31, 2015	**March 31, 2016**
Current liabilities :		
Notes and accounts payable	674,634	**589,319**
Short-term loans payable	363,654	**400,386**
Bonds due within one year	40,000	**50,000**
Current portion of lease obligations	5,740	**3,498**
Accounts payable-other	383,912	**332,587**
Income taxes payable	31,003	**25,342**
Provision for loss on construction contracts	1,670	**2,124**
Other	189,179	**211,658**
Total current liabilities	1,689,797	**1,614,918**
Long-term liabilities :		
Bonds and notes	385,676	**335,683**
Long-term loans payable	1,169,840	**1,209,116**
Lease obligations (excluding current portion)	10,249	**8,378**
Deferred tax liabilities	128,202	**42,818**
Deferred tax liabilities on revaluation of land	8,039	**8,904**
Allowance for retirement benefits of directors and corporate auditors	4,968	**4,805**
Net defined benefit liabilities	161,332	**128,837**
Other	52,763	**62,504**
Total long-term liabilities	1,921,073	**1,801,049**
Total liabilities	3,610,870	**3,415,968**
NET ASSETS		
Shareholders' equity :		
Common stock	419,524	**419,524**
Capital surplus	371,471	**383,010**
Retained earnings	1,752,210	**1,837,919**
Less: Treasury stock, at cost	(61,508)	**(87,942)**
	2,481,698	**2,552,512**
Accumulated other comprehensive income:		
Unrealized gains on available-for-sale securities	279,641	**171,378**
Deferred hedge income (loss)	371	**(10,883)**
Unrealized gains on revaluation of land	2,885	**3,025**
Foreign currency translation adjustments	134,732	**14,652**
Remeasurements of defined benefit plans	79,366	**43,136**
	496,997	**221,310**
Non-controlling interests in consolidated subsidiaries	568,362	**235,252**
Total net assets	3,547,059	**3,009,075**
Total liabilities and net assets	7,157,929	**6,425,043**

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

Consolidated Statements of Operations — Millions of yen

	Fiscal 2014	**Fiscal 2015**
Operating revenues :		
Net sales	5,610,030	**4,907,429**
Cost of sales	4,801,781	**4,288,386**
Gross profit	808,248	**619,043**
Selling, general and administrative expenses	458,738	**451,312**
Operating profit	349,510	**167,731**
Non-operating profit and loss :		
Non-operating profit :		
Interest income	5,290	**5,700**
Dividend income	18,159	**17,811**
Equity in profit of unconsolidated subsidiaries and affiliates	82,717	**44,181**
Other	70,629	**40,039**
	176,797	**107,732**
Non-operating loss :		
Interest expense	19,920	**20,110**
Other	54,640	**54,424**
	74,560	**74,534**
Ordinary profit	451,747	**200,929**
Extraordinary profit :		
Gain on sales of investment in securities	14,317	**-**
Gain on sales of shares of subsidiaries and affiliates	-	**32,650**
Settlement received	-	**30,000**
	14,317	**62,650**
Extraordinary loss :		
Impairment loss	-	**13,712**
Loss on inactive facilities	21,276	**19,088**
Loss on business of subsidiaries and affiliates	68,600	**-**
	89,876	**32,801**
Profit before income taxes	376,188	**230,778**
Income taxes - current	73,288	**48,593**
Income taxes - deferred	72,662	**30,638**
	145,950	**79,232**
Profit	230,237	**151,546**
Profit attributable to non-controlling interests	15,944	**6,127**
Profit attributable to owners of parent	214,293	**145,419**

Consolidated Statements of Comprehensive Income — Millions of yen

	Fiscal 2014	**Fiscal 2015**
Profit	230,237	**151,546**
Other comprehensive income		
Unrealized gains on available-for-sale securities	87,127	**(105,268)**
Deferred hedge income (loss)	4,489	**(10,156)**
Unrealized gains on revaluation of land	120	**56**
Foreign currency translation adjustments	59,756	**(74,285)**
Remeasurements of defined benefit plans	37,142	**(34,712)**
Share of other comprehensive income of affiliates accounted for using equity method	20,264	**(54,950)**
Total other comprehensive income	208,900	**(279,317)**
Comprehensive income	439,138	**(127,770)**
(breakdown)		
Comprehensive income attributable to owners of parent	407,753	**(130,268)**
Comprehensive income attributable to non-controlling interests	31,385	**2,497**

(3) Consolidated Statements of Changes in Net Assets

Fiscal2014 Millions of yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total Shareholders' equity
Balance at March 31, 2014	419,524	371,465	1,652,054	(62,882)	2,380,162
Cumulative effects of changes in accounting policies			(27,824)		(27,824)
Restated balance	419,524	371,465	1,624,230	(62,882)	2,352,338
Changes of items during period					
Cash dividends			(45,704)		(45,704)
Profit attributable to owners of parent			214,293		214,293
Acquisition of treasury stock				(142)	(142)
Disposal of treasury stock		5		6	11
Increase(decrease) due to the change in the number of consolidated companies			(40,567)	1,511	(39,056)
Increase due to reversal of unrealized gains on revaluation of land			(41)		(41)
Change in shares of parent arising from transactions with non-controlling interests					-
Net changes of items other than shareholders' equity					
Total change for fiscal 2014	-	5	127,980	1,374	129,359
Balance at March 31, 2015	**419,524**	**371,471**	**1,752,210**	**(61,508)**	**2,481,698**

	Accumulated other comprehensive income							
	Unrealized gains on available-for-sale securities	Deferred hedge income (loss)	Unrealized gains on revaluation of land	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests in consolidated subsidiaries	Total net assets
Balance at March 31, 2014	189,831	(3,099)	2,554	71,565	42,644	303,496	554,335	3,237,995
Cumulative effects of changes in accounting policies								(27,824)
Restated balance	189,831	(3,099)	2,554	71,565	42,644	303,496	554,335	3,210,171
Changes of items during period								
Cash dividends								(45,704)
Profit attributable to owners of parent								214,293
Acquisition of treasury stock								(142)
Disposal of treasury stock								11
Increase(decrease) due to the change in the number of consolidated companies								(39,056)
Increase due to reversal of unrealized gains on revaluation of land								(41)
Change in shares of parent arising from transactions with non-controlling interests								-
Net changes of items other than shareholders' equity	89,809	3,471	330	63,167	36,722	193,501	14,026	207,528
Total change for fiscal 2014	89,809	3,471	330	63,167	36,722	193,501	14,026	336,887
Balance at March 31, 2015	**279,641**	**371**	**2,885**	**134,732**	**79,366**	**496,997**	**568,362**	**3,547,059**

Fiscal2015 Millions of yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total Shareholders' equity
Balance at March 31, 2015	419,524	371,471	1,752,210	(61,508)	2,481,698
Cumulative effects of changes in accounting policies					-
Restated balance	419,524	371,471	1,752,210	(61,508)	2,481,698
Changes of items during period					
Cash dividends			(59,711)		(59,711)
Profit attributable to owners of parent			145,419		145,419
Acquisition of treasury stock				(41,899)	(41,899)
Disposal of treasury stock		12,252		15,866	28,118
Increase(decrease) due to the change in the number of consolidated companies				(401)	(401)
Increase due to reversal of unrealized gains on revaluation of land			0		0
Change in shares of parent arising from transactions with non-controlling interests		(712)			(712)
Net changes of items other than shareholders' equity					
Total change for fiscal 2015	-	11,539	85,708	(26,434)	70,813
Balance at March 31, 2016	**419,524**	**383,010**	**1,837,919**	**(87,942)**	**2,552,512**

	Accumulated other comprehensive income							
	Unrealized gains on available-for-sale securities	Deferred hedge income (loss)	Unrealized gains on revaluation of land	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests in consolidated subsidiaries	Total net assets
Balance at March 31, 2015	279,641	371	2,885	134,732	79,366	496,997	568,362	3,547,059
Cumulative effects of changes in accounting policies								-
Restated balance	279,641	371	2,885	134,732	79,366	496,997	568,362	3,547,059
Changes of items during period								
Cash dividends								(59,711)
Profit attributable to owners of parent								145,419
Acquisition of treasury stock								(41,899)
Disposal of treasury stock								28,118
Increase(decrease) due to the change in the number of consolidated companies								(401)
Increase due to reversal of unrealized gains on revaluation of land								0
Change in shares of parent arising from transactions with non-controlling interests								(712)
Net changes of items other than shareholders' equity	(108,262)	(11,255)	140	(120,080)	(36,230)	(275,687)	(333,109)	(608,797)
Total change for fiscal 2015	(108,262)	(11,255)	140	(120,080)	(36,230)	(275,687)	(333,109)	(537,984)
Balance at March 31, 2016	**171,378**	**(10,883)**	**3,025**	**14,652**	**43,136**	**221,310**	**235,252**	**3,009,075**

(4) Consolidated Statements of Cash-Flows

Millions of yen

	Fiscal 2014	**Fiscal 2015**
Cash flows from operating activities :		
Profit before income taxes	376,188	**230,778**
Adjustments to reconcile profit to net cash provided by operating activities :		
Depreciation and amortization	320,046	**308,276**
Impairment loss	-	**13,712**
Interest and dividend income (accrual basis)	(23,450)	**(23,512)**
Interest expense (accrual basis)	19,920	**20,110**
Amortization of goodwill	9,099	**3,498**
Equity in profit of unconsolidated subsidiaries and affiliates	(82,717)	**(44,181)**
Gain on sales of investments in securities	(14,317)	**(6,765)**
Gain on sales of shares of subsidiaries and affiliates	-	**(32,650)**
Loss on disposal of tangible and intangible assets	6,812	**3,744**
Gain on sales of tangible and intangible assets	(9,496)	**(5,233)**
Loss on business of subsidiaries and affiliates	68,600	**-**
Settlement received	-	**(30,000)**
Changes in allowance for doubtful accounts	(156)	**(1,732)**
Changes in notes and accounts receivable	(13,898)	**91,530**
Changes in inventories	(24,970)	**123,394**
Changes in notes and accounts payable	12,057	**(84,501)**
Other	132,999	**6,205**
Subtotal	776,717	**572,674**
Interest and dividend income (cash basis)	36,592	**38,086**
Interest expense (cash basis)	(20,861)	**(19,684)**
Settlement recieved	-	**30,000**
Income taxes (cash basis)	(81,450)	**(58,120)**
Net cash provided by operating activities	710,998	**562,956**
Cash flows from investing activities :		
Acquisition of tangible and intangible assets	(324,074)	**(298,670)**
Proceeds from sales of tangible and intangible assets	19,223	**10,111**
Acquisition of investments in securities	(1,376)	**(3,134)**
Proceeds from sales of investments in securities	57,086	**18,121**
Acquisition of shares of subsidiaries and affiliates	(17,780)	**(21,565)**
Proceeds from sales of shares of subsidiaries and affiliates	5,666	**54,747**
Other	(2,411)	**(1,814)**
Net cash used in investing activities	(263,667)	**(242,204)**
Cash flows from financing activities :		
Net increase (decrease) in short-term loans	(6,065)	**(32,715)**
Net increase (decrease) in commercial paper	(32,000)	**-**
Proceeds from long-term loans	56,767	**322,584**
Payments of long-term loans	(278,235)	**(209,582)**
Redemption of bonds and notes	(65,000)	**(40,000)**
Redemption of preferred securities	-	**(300,000)**
Payments for purchase of treasury stock	(137)	**(41,874)**
Cash dividends	(45,704)	**(59,711)**
Other	(81,469)	**23,743**
Net cash provided by (used in) financing activities	(451,843)	**(337,555)**
Effect of exchange rate changes on cash and cash equivalents	10,030	**(10,688)**
Net increase (decrease) in cash and cash equivalents	5,518	**(27,491)**
Cash and cash equivalents at beginning of the year	105,464	**112,994**
Increase (decrease) from the change in the number of consolidated companies	2,011	**(299)**
Cash and cash equivalents at end of year	112,994	**85,203**

(5) Notes to the Consolidated Financial Statements

(Notes to the Presumption of Going Concerns)

None

(Basic Significant Items for the Preparation of the Consolidated Financial Statements)

1) Scope of Consolidation

The Nippon Steel & Sumitomo Metal Corporation Group includes 339 consolidated subsidiaries. Major consolidated subsidiaries are presented in the section "2. Corporate Group."

In the consolidated fiscal year under review, the scope of consolidation was expanded by 12 companies—including 7 newly established and 3 newly acquired companies. 29 companies—13 merged companies and 11 liquidations, etc.— were eliminated from the scope of consolidation in the fiscal year under review.

As part of the above, NS Preferred Capital Limited which had been designated as a specified subsidiary was eliminated from the scope of consolidation due to completion of liquidation.

2) Application of the Equity Method

The Company applies equity-method accounting to 103 affiliated companies. Major equity-method affiliated companies are presented in the section "2. Corporate Group."

In the consolidated fiscal year under review, 3 companies were newly added to the scope of equity-method affiliates and 5 companies were eliminated from the scope of equity-method affiliates.

(Changes in Accounting Principles Accompanying Revisions in Accounting Standards)

1) Application of Revised Accounting Standard for Business Combinations, Etc.

"Revised Accounting Standard for Business Combinations (ASBJ Statement No. 21 revised on September 13, 2013, hereinafter referred to as the "Business Combinations Accounting Standard"), the "Revised Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 revised on September 13, 2013, hereinafter referred to as the "Consolidated Financial Statements Accounting Standard"), and the "Revised Accounting Standard for Business Divestitures (ASBJ Statement No. 7 revised on September 13, 2013, hereinafter referred to as the "Business Divestitures Accounting Standard") have been applied from the consolidated fiscal year under review. As a result, for subsidiaries the Company continues to control, differences arising due to changes in the equity portion are entered in capital surplus and costs associated with the acquisition of shares are now treated as expenses in the consolidated fiscal year in which they are incurred.

In addition, for business combinations that are implemented after the beginning of the consolidated fiscal year under review, the allocation of the cost of acquisitions, as determined after review of provisional

accounting treatment, is reflected in the consolidated financial statements for the consolidated fiscal year in which the business combination took place.

Additionally, the Company has changed the method of presenting consolidated profit and moved "minority interests in consolidated subsidiaries" to "non-controlling interests in consolidated subsidiaries". To reflect these changes, the Company has reclassified its consolidated financial statements for the previous fiscal year.

In the consolidated cash flow statements for the consolidated fiscal year under review, the following changes have been made in the method of classification. Cash flows related to purchases or sales of shares of subsidiaries that are not accompanied by a change in the scope of consolidation have been included in "Cash flows from financing activities." Cash flows related to expenses arising due to purchases of shares of subsidiaries accompanied by a change in the scope of consolidation or cash flows related to expenses due to purchases or sales of shares of subsidiaries that are not accompanied by a change in the scope of consolidation have been included in "Cash flows from operating activities."

The Company has applied these standards in accordance with the transitional treatment prescribed in Section 58-2 (4) of the Business Combinations Accounting Standard, Section 44-5 (4) of the Consolidated Financial Statements Accounting Standard, and Section 57-4 (4) of the Business Divestitures Accounting Standard, and will continue to apply these standards from the beginning of the consolidated fiscal year under review into the future.

The effect of these changes in accounting standards on the consolidated financial statements for the consolidated fiscal year under review was not material.

2) Application of the "Revised Practical Solution on Accounting for Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"

At the beginning of the consolidated fiscal year under review, the Company adopted the "Revised Practical Solution on Accounting for Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Professional Issues Task Force Report No. 18 revised on March 26, 2015).

The application of this practical solution had no effect on the consolidated financial statements for the consolidated fiscal year under review.

(Segment Information)

1) Summary of reportable segment

Nippon Steel & Sumitomo Metal Corporation is a company engaged in the steelmaking and steel fabrication businesses, and acts as the holding company for its business segment companies, which are engaged in the engineering and construction, chemicals, new materials, and system solutions businesses. Each business segment company shares the management strategy of the Nippon Steel & Sumitomo Metal Corporation Group, while conducting its business activities independently from and in parallel with other Group members. These five business segments are reportable segments.

Reportable segment	Principal businesses
Steelmaking and steel fabrication	Manufacturing and marketing of steel products
Engineering and construction	Manufacturing and marketing of industrial machinery and equipment as well as steel structures, performance of construction work under contract, waste processing and recycling, and supplying electricity, gas, and heat
Chemicals	Manufacturing and marketing of coal-based chemical products, petrochemicals, and electronic materials
New materials	Manufacturing and marketing of materials for semiconductors and electronic parts, components, carbon fiber and composite products, and products that apply technologies for metal processing
System solutions	Computer systems engineering and consulting services

2) Method for calculating the sales, profit, assets, liabilities, and other items for reportable segments

The accounting methods for the reportable business segments are generally the same as those which are set forth in “Basic Material Items for the Preparation of the Consolidated Financial Statements.” Figures for profit of reportable segments are on an Ordinary Profit basis, and liabilities are the balance of interest-bearing debt. Please note that inter-segment sales are based on prices employed in transactions with third parties.

3) Information on the amounts of sales, profit, assets, liabilities, and other items for reportable segments

Fiscal 2014 (April 1, 2014—March 31, 2015)

(Millions of yen)

	Reportable segment					Total	Adjustments	Consolidated
	Steelmaking and steel fabrication	Engineering and construction	Chemicals	New materials	System solutions			
Net sales								
Sales to external customers	4,892,257	313,158	205,210	36,449	162,953	5,610,030	-	5,610,030
Inter-segment sales or transfers	46,982	35,541	7,566	-	43,078	133,168	(133,168)	-
Total	4,939,239	348,699	212,777	36,449	206,032	5,743,199	(133,168)	5,610,030
Segment profit <Ordinary Profit>	401,987	18,758	6,898	2,482	16,565	446,693	5,053	451,747
Segment assets	6,519,482	278,142	166,299	29,844	165,491	7,159,259	(1,330)	7,157,929
Segment liabilities <Interest-bearing debt>	1,968,348	605	6,759	12,890	1,749	1,990,352	(15,190)	1,975,161
Other items								
Depreciation and amortization	309,971	2,866	5,571	2,557	3,853	324,820	(4,774)	320,046
Amortization of goodwill	7,834	1,080	22	(0)	160	9,099	-	9,099
Interest income	5,161	80	27	0	223	5,494	(203)	5,290
Interest expenses	19,835	56	28	112	91	20,123	(203)	19,920
Equity in profit (loss) of unconsolidated subsidiaries and affiliates	68,801	508	996	-	(13)	70,293	12,424	82,717
Balance of investments in equity method companies	933,766	2,796	20,143	-	(20)	956,685	118,501	1,075,186
Increase (decrease) in tangible/intangible assets	290,753	1,775	12,030	1,372	3,127	309,059	(4,670)	304,389

Information of net sales about geographical area

(Millions of yen)

Japan	Overseas			Total
		Asia	Other	
3,317,619	2,292,410	1,484,914	807,496	5,610,030

Note: Sales information is based on the geographical location of customers, and it is classified by region.

Fiscal 2015 (April 1, 2015—March 31, 2016)

(Millions of yen)

	Reportable segment					Total	Adjustments	Consolidated
	Steelmaking and steel fabrication	Engineering and construction	Chemicals	New materials	System solutions			
Net sales								
Sales to external customers	4,241,521	288,088	176,360	36,280	165,178	4,907,429	-	4,907,429
Inter-segment sales or transfers	42,402	27,639	5,463	-	53,762	129,267	(129,267)	-
Total	4,283,923	315,727	181,823	36,280	218,941	5,036,697	(129,267)	4,907,429
Segment profit <Ordinary Profit>	160,088	12,163	1,093	3,073	19,493	195,912	5,017	200,929
Segment assets	5,862,481	254,243	146,620	30,498	175,767	6,469,611	(44,568)	6,425,043
Segment liabilities <Interest-bearing debt>	1,997,699	3,347	9,087	10,671	1,463	2,022,270	(15,207)	2,007,063
Other items								
Depreciation and amortization	298,280	2,819	5,441	2,457	3,942	312,940	(4,664)	308,276
Amortization of goodwill	1,833	1,466	-	-	198	3,498	-	3,498
Interest income	5,619	93	22	2	160	5,899	(199)	5,700
Interest expenses	20,018	32	88	109	59	20,309	(199)	20,110
Equity in profit (loss) of unconsolidated subsidiaries and affiliates	30,461	765	1,637	-	32	32,897	11,284	44,181
Balance of investments in equity method companies	842,499	3,518	20,284	-	11	866,313	108,117	974,431
Increase (decrease) in tangible/intangible assets	289,190	3,676	8,755	1,663	4,715	308,001	(3,358)	304,643

Information of net sales about geographical area

(Millions of yen)

Japan	Overseas			Total
		Asia	Other	
3,003,583	1,903,846	1,213,290	690,555	4,907,429

Note: Sales information is based on the geographical location of customers, and it is classified by region.

(Deferred Tax Accounting)

Fiscal 2014 (April 1, 2014—March 31, 2015)

In accordance with the promulgation on March 31, 2015, of the Act on Partial Revision of the Income Tax Act and the Act on Partial Revision of the Local Tax Act, the effective statutory tax rate of 35.6% utilized in the previous consolidated fiscal year for the computation of deferred tax assets and deferred tax liabilities for the current consolidated fiscal year (applied only to assets and liabilities to be recovered or settled on or after April 1, 2015) has been revised from 35.6% utilized in the previous consolidated fiscal year to 33.1% for assets and liabilities to be recovered or settled during the period of April 1, 2015, to March 31, 2016, and to 32.3% for assets and liabilities to be recovered or settled from April 1, 2016, and thereafter.

The revisions had the effect of increasing deferred tax assets (the amount remaining after deducting the amount of deferred tax liabilities) by ¥6,546 million, income taxes–deferred reported in the current consolidated fiscal year by ¥10,877 million, unrealized gains on available-for-sale securities by ¥13,470 million, and remeasurements of defined benefit plans by ¥4,213 million.

Fiscal 2015 (April 1, 2015—March 31, 2016)

In accordance with the establishment in the national assembly on March 29, 2016, of the Act on Partial Revision of the Income Tax Act and the Act on Partial Revision of the Local Tax Act, the effective statutory tax rate of 32.3% utilized in the previous consolidated fiscal year for the computation of deferred tax assets and deferred tax liabilities for the current consolidated fiscal year (applied only to assets and liabilities to be recovered or settled on or after April 1, 2016) has been revised from 32.3% utilized in the previous consolidated fiscal year to 30.9% for assets and liabilities to be recovered or settled during the period of April 1, 2016, to March 31, 2018, and to 30.6% for assets and liabilities to be recovered or settled from April 1, 2018, and thereafter.

The revisions had the effect of increasing deferred tax assets (the amount remaining after deducting the amount of deferred tax liabilities) by ¥194 million, income taxes–deferred reported in the current consolidated fiscal year by ¥4,985 million, unrealized gains on available-for-sale securities by ¥4,217 million, and remeasurements of defined benefit plans by ¥1,222 million.

(Per Share Information)

(Yen)

	Fiscal 2014 (April 1, 2014－March 31, 2015)	**Fiscal 2015 (April 1, 2015－March 31, 2016)**
Net assets per share	3,263.03	**3,074.28**
Earnings per share	234.83	**158.72**

Regarding diluted earnings per share, no figures for diluted earnings per share have been disclosed because no latent shares existed.

The Company carried out the share consolidation at the ratio of 10 shares to 1 share effective October 1, 2015. In accordance with it, net assets per share and earnings per share are calculated based on the assumption that the share consolidation had been carried out at the beginning of the previous fiscal year.

Notes: Basis for calculations

1. Earnings per share

(Yen)

	Fiscal 2014 (April 1, 2014－March 31, 2015)	**Fiscal 2015 (April 1, 2015－March 31, 2016)**
Earnings per share		
Profit attributable to owners of parent	214,293 Million	**145,419 Million**
Value not available to common shares	― Million	**― Million**
Profit attributable to owners of parent available to common shares	214,293 Million	**145,419 Million**
Average number of outstanding common shares during the period	912,547,169 Shares	**916,209,219 Shares**

2. Net assets per share

(Yen)

	End of fiscal 2014 (March 31, 2015)	**End of fiscal 2015 (March 31, 2016)**
Total net assets	3,547,059 Million	**3,009,075 Million**
Amounts deducted from total net assets	568,362 Million	**235,252 Million**
Portion of non-controlling interests	568,362 Million	**235,252 Million**
Net assets at fiscal year-end available to common shares	2,978,696 Million	**2,773,822 Million**
Number of common shares at fiscal year-end used in calculating net assets per share	912,861,376 Shares	**902,266,342 Shares**

(Major Subsequent Events)

None