Results and dividends of Fiscal 2015 (Year ended March 31, 2016)

Overview of Profitability (Consolidated)

(Billions of yen)

	2015FY	1st half	2nd half	1st half ⇒ 2nd half	2014FY	2014FY ⇒ 2015FY	Previous Forecasts (Released on Feb 1, 2016)
Net sales	**4,907.4**	**2,507.5**	**2,399.8**	**- 107.7**	**5,610.0**	**- 702.6**	**4,970.0**
Ordinary profit	**200.9**	**129.8**	**71.0**	**※ - 58.8**	**451.7**	**※ - 250.8**	**200.0**
[ROS]	**[4.1%]**	**[5.2%]**	**[3.0%]**	**[-2.2%]**	**[8.1%]**	**[- 4.0%]**	
Extraordinary profit (loss)	**29.8**	**47.5**	**(17.7)**	**- 65.2**	**(75.5)**	**+ 105.3**	
Profit attributable to owners of parent	**145.4**	**120.1**	**25.3**	**- 94.8**	**214.2**	**- 68.8**	**140.0**
Earnings per share	**‹ 158.7 ›**	**‹ 131.2 ›**	**‹ 27.6 ›**	**‹ -103.6 ›**	**‹ 234.8 ›**	**‹ - 76.5 ›**	**‹ 152.0 ›**
[ROE] *1	**[5.1%]**	**[8.1%]**	**[1.8%]**	**[-6.4%]**	**[7.6%]**	**[- 2.5%]**	
Interest-bearing debt	**2,008.2**				**1,976.5**	*2 **+ 31.6**	
D/E ratio	0.72				0.66	+0.06	

*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, 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 The effect of refinancing from hybrid securities to subordinated loans which was carried out July, 2015:
Increasing interest-bearing debt by ¥300.0 billions Decreasing non-controlling interests by ¥300.0 billions

※ Analysis in consolidated ordinary profit (Billions of yen)

	1st half ⇒2nd half change	2013FY ⇒2014FY change	Change from the previous
Change in Consolidated Ordinary Profit	**- 59.0**	**- 251.0**	**～**
1. Ferrous materials business	**- 62.0**	**- 242.0**	**～**
①Manufacturing shipment volume	+ 10.0	- 78.0	- 3.0
②Selling prices and production mix	- 175.0	- 520.0	～
③Raw materials prices (including carry-over of raw materials)	+ 93.0	+ 463.0	+ 3.0
④Cost improvement	+ 28.0	+ 40.0	～
⑤Inventory evaluation impact	- 2.0	- 49.0	- 4.0
⑥Group companies (including raw materials interests and inventory evaluation impact)	- 2.0	- 73.0	+ 6.0
⑦FOREX	- 18.0	- 17.0	- 2.0
⑧Other	+ 4.0	- 8.0	～
2. Non-ferrous materials business	**+ 2.0**	**- 9.0**	**- 1.0**
3. Adjustments	**+ 1.0**	**～**	**+ 1.0**

＜Factors Influencing Performance＞

(1) Nippon Steel & Sumitomo Metal Corporation

	2015FY	1st half	2nd half	2014FY	2014FY ⇒ 2015FY	Previous Forecasts (Released on Feb. 1, 2016)
Consolidated crude steel output volume (10,000 tons)	4,453	2,227	2,226	4,732	－ 279	Approx. 4,480
(Non-consolidated) *1	(4,217)	(2,107)	(2,111)	(4,496)	(－ 279)	(Approx. 4,240)
Steel materials shipment volume (10,000 tons) *1	3,962	1,964	1,998	4,188	－ 226	Approx. 3,970
Steel materials price (¥1,000/ton) *1	77.1	81.3	73.1	87.2	－ 10.0	Approx. 77
Exchange rate (¥/$)	121	122	120	109	＋ 12	Approx. 121

*1 Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation

(2) All Japan

Crude steel output volume (10,000 tons)	10,418	5,207	5,211	10,984	－ 567
Steel consumption (10,000 tons)	6,218	3,089	3,129	6,403	－ 185
(In manufacturing industries) *2	(3,916)	(1,943)	(1,973)	(4,052)	(－136)
<(% of manufacturing)>	<63.0%>	<62.9%>	<63.1%>	<63.3%>	<-0.3%>
Plain carbon steel consumption (10,000 tons)	4,950	2,459	2,491	5,092	－ 142
In construction	2,188	1,089	1,099	2,236	－ 48
In manufacturing	2,762	1,370	1,392	2,856	－ 95
Specialty steel consumption (10,000 tons)	1,268	631	638	1,311	－ 43
Inventory volume(10,000 tons)	572			584	－ 12
Rolled sheets(10,000 tons)	417		*3	431	－ 14

*2 The Company estimates , *3 Revised report for February 2016

(Reference) Segment Information

(Billions of yen)

	2015FY	1st half	2nd half	1st half ⇒ 2nd half	2014FY	2014FY ⇒ 2015FY	Previous Forecasts (Released on Feb. 1, 2016)
Net sales	**4,907.4**	**2,507.5**	**2,399.8**	**(107.7)**	**5,610.0**	**(702.6)**	**4,970.0**
Steelmaking and steel fabrication	4,283.9	2,202.5	2,081.3	- 121.2	4,939.2	- 655.3	4,330.0
Engineering and construction	315.7	140.2	175.5	+ 35.3	348.6	- 32.9	320.0
Chemicals	181.8	101.3	80.4	- 20.9	212.7	- 30.9	185.0
New materials	36.2	17.8	18.4	+ 0.6	36.4	- 0.2	36.0
System solutions	218.9	106.2	112.6	+ 6.4	206.0	+ 12.9	222.0
Adjustments	(129.2)	(60.6)	(68.6)	- 8.0	(133.1)	+ 3.9	(123.0)
Ordinary Profit	**200.9**	**129.8**	**71.0**	**- 58.8**	**451.7**	**- 250.8**	**200.0**
Steelmaking and steel fabrication	160.0	110.7	49.3	- 61.4	401.9	- 241.9	160.0
Engineering and construction	12.1	2.1	9.9	+ 7.8	18.7	- 6.6	12.0
Chemicals	1.0	3.1	(2.0)	- 5.1	6.8	- 5.8	1.0
New materials	3.0	1.6	1.4	- 0.2	2.4	+ 0.6	2.5
System solutions	19.4	10.1	9.3	- 0.8	16.5	+ 2.9	21.0
Adjustments	5.0	2.0	3.0	+ 1.0	5.0	+ 0.0	3.5

【Dividends】

In accordance with the basic profit distribution policy described previously, as announced at the announcement meeting held on February 1, 2016, of results for the third quarter, the Company intends to distribute a year-end dividend payment of ¥15.00 per share. The Company plans to request approval for this at the General Meeting of Shareholders for 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 full-year dividend per share will effectively be ¥45.00 and the consolidated payout ratio 28.4%.

Forecasts of Consolidated Financial Results for Fiscal 2016

Fiscal 2016 Forecast

The Company 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.

(Reference) Previously Announced Projects

Establishment, Business Consolidation and Reorganization

■ Already Running Projects

Time	Projects
Apr. 2015	(Integration and Reorganization of Railway-Related Business of the NSSMC Group's Companies) Integration and reorganization of railway engineering business and an manufacturing processing business for Osaka Steel Works
June 2015	(Nippon Steel & Sumitomo Metal Corporation Making Unipres Corporation its Affiliate Accounted for by the Equity-method) Strengthening of the collaboration with Unipres and increasing global competitiveness of press-formed products for automobiles
Aug. 2015	(Nippon Steel & Sumitomo Metal Corporation Making NIPPON STEEL & SUMIKIN TEXENG. Co., Ltd. its Wholly-Owned Subsidiary through a Share Exchange)
Sep. 2015	(Nippon Steel & Sumitomo Metal Corporation Making Suzuki Metal Industry Co., Ltd. its Wholly-Owned Subsidiary through a Share Exchange)
Feb. 2016	(Joint Venture Manufacturing Steel Wires for Cold Heading and Forging to be established in USA) Establishment of NIPPON STEEL & SUMIKIN COLD HEADING WIRE INDIANA INC.
Mar. 2016	(Tender Offer by Osaka Steel Co., Ltd.) Share Acquisition of Tokyo Kohtetsu Co., Ltd. by Osaka Steel Co., Ltd. and making Tokyo Kohtetsu a subsidiary of Osaka Steel

■Other Previously Announced Projects, etc

Time	Projects
1. From Apr. 2016 2. within 2016 (announced in Feb. 2016)	(Enhancement of Strategic Partnership with Vallourec) 1. Subscription to the rights issue and the mandatory convertible bonds 2. Integration between Vallourec & Sumitomo Tubos do Brasil Limitada, and Vallourec Tubos do Brasil S.A. .
Mar. 2017 (announced in Feb. 2016)	(Commencement of Discussion regarding Making Nisshin Steel a Subsidiary of Nippon Steel & Sumitomo Metal) Making Nisshin Steel a Subsidiary of Nippon Steel & Sumitomo Metal and supplying Steel Slabs to Nisshin Steel
Sep. 2016 (announced in Feb. 2016)	(Integration of Steel Sheet Business Companies in Thailand) Integration between The Siam United Steel (1995) Co., Ltd. and Nippon Steel & Sumikin Galvanizing (Thailand) Co., Ltd.
Apr. 2016 (announced in Mar. 2016)	(Issuance of Subscription Rights of Usiminas) Underwriting allotment of preemptive subscription rights for preferred shares
July 2016 (announced in Apr. 2016)	(Merger between Nippon Steel & Sumikin Fine Technology Co., Ltd. and Nippon Tubular Products Co., Ltd.) Building an optimum system for the production of oil well tubular couplings and to realize high cost-competitiveness.

Nippon Steel & Sumitomo Metal Corporation
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Supplementary Information on the Financial Results for Fiscal 2015

Japanese Steel Industry

1. Crude Steel Production

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2014FY	27.67	27.89	55.56	27.54	26.74	54.28	109.84
2015FY	25.85	26.21	52.07	26.34	25.77	52.11	104.18

2. Inventory Volume

At the end of:		Inventory at manufacturers and distributors (million tons)	Inventory /shipment ratio (%)	Rolled sheets *1 (million tons)	H-flange beams *2 (million tons)
Mar.	2014	5.69	(126.5)	4.11	0.234
Apr.	2014	5.67	(139.0)	4.13	0.229
May	2014	5.79	(143.4)	4.24	0.231
June	2014	5.83	(142.9)	4.20	0.221
July	2014	5.59	(130.3)	4.10	0.215
Aug.	2014	5.93	(162.7)	4.32	0.211
Sep.	2014	5.91	(142.3)	4.31	0.213
Oct.	2014	5.87	(138.3)	4.25	0.208
Nov.	2014	5.95	(150.1)	4.25	0.206
Dec.	2014	5.94	(157.4)	4.18	0.207
Jan.	2015	5.98	(153.0)	4.32	0.211
Feb.	2015	5.91	(156.4)	4.27	0.218
Mar.	2015	5.84	(137.4)	4.31	0.218
Apr.	2015	5.73	(156.0)	4.23	0.206
May	2015	5.87	(161.8)	4.31	0.207
June	2015	5.73	(147.3)	4.20	0.201
July	2015	5.63	(144.3)	4.07	0.197
Aug.	2015	5.86	(168.9)	4.25	0.198
Sep.	2015	5.79	(150.3)	4.21	0.198
Oct.	2015	5.65	(140.2)	4.13	0.195
Nov.	2015	5.68	(152.7)	4.08	0.189
Dec.	2015	5.71	(161.1)	4.09	0.185
Jan.	2016	5.87	(163.1)	4.27	0.185
Feb.	2016	5.72	(156.5)	4.17	0.192

*1 Hot-rolled, cold-rolled and coated sheets

*2 Inventories of distributors dealing with H-flange beams manufactured by Nippon Steel & Sumitomo Metal Corporation

NSSMC

3. Pig Iron Production

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2014FY	11.05	11.60	22.64	11.35	10.91	22.27	44.91
2015FY	10.45	10.89	21.35	10.65	10.52	21.17	42.51

*Including Hokkai Iron & Coke Co., Ltd. and Nippon Steel & Sumikin Koutetsu Wakayama Corporation

4. Crude Steel Production

(Consolidated basis (The Company and its domestic consolidated subsidiaries))

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2014FY	11.86	12.16	24.02	11.83	11.47	23.30	47.32
2015FY	10.89	11.38	22.27	11.14	11.12	22.26	44.53

(Non-consolidated basis)

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2014FY	11.29	11.59	22.88	11.20	10.88	22.08	44.96
2015FY	10.31	10.76	21.07	10.56	10.55	21.11	42.17

*Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation

5. Steel Products Shipment

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2014FY	10.43	10.68	21.11	10.32	10.45	20.77	41.88
2015FY	9.85	9.79	19.64	9.99	9.99	19.98	39.62

*Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation

6. Average Price of Steel Products

(thousands of yen / ton)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2014FY	87.6	86.0	86.8	88.7	86.4	87.5	87.2
2015FY	82.8	79.8	81.3	75.5	70.6	73.1	77.1

*Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation

7. Export Ratio of Steel Products (Value basis)

(%)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2014FY	46	47	46	48	48	48	47
2015FY	48	46	47	43	43	43	45

*Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation

8. Foreign Exchange Rate

(¥／$)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2014FY	102	103	103	113	119	116	109
2015FY	121	122	122	121	118	120	121

9. Amount of Capital Expenditure and Depreciation

(Consolidated basis)

(billions of yen)

	Capital Expenditure	Depreciation
2014FY	304.3	320.0
2015FY	304.6	308.2