Nippon Steel & Sumitomo Metal Corporation
Code Number: 5401
Listings: Tokyo, Nagoya, Sapporo and Fukuoka Stock Exchanges
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# Supplementary Information on the Financial Results for the First Half of Fiscal 2018

## Japanese Steel Industry

1. Crude Steel Production

(million tons)

| | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|---|---|---|---|---|---|---|---|
| 2017FY | 26.09 | 25.94 | 52.04 | 26.39 | 26.41 | 52.80 | 104.84 |
| 2018FY | 26.56 | 25.65 | 52.21 | (*)Approx.26.45 | | | |

(*)METI forecast

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) |
|---|---|---|---|---|---|
| Oct. | 2016 | 5.61 | (140.4) | 3.96 | 0.177 |
| Nov. | 2016 | 5.43 | (135.3) | 3.83 | 0.173 |
| Dec. | 2016 | 5.48 | (146.8) | 3.81 | 0.177 |
| Jan. | 2017 | 5.60 | (148.6) | 3.89 | 0.186 |
| Feb. | 2017 | 5.64 | (151.9) | 3.88 | 0.200 |
| Mar. | 2017 | 5.37 | (124.8) | 3.80 | 0.201 |
| Apr. | 2017 | 5.54 | (151.7) | 3.88 | 0.197 |
| May | 2017 | 5.78 | (155.9) | 4.09 | 0.197 |
| June | 2017 | 5.56 | (139.9) | 4.01 | 0.193 |
| July | 2017 | 5.42 | (142.0) | 3.95 | 0.189 |
| Aug. | 2017 | 5.66 | (158.4) | 4.14 | 0.179 |
| Sep. | 2017 | 5.70 | (145.4) | 4.16 | 0.182 |
| Oct. | 2017 | 5.83 | (150.1) | 4.11 | 0.176 |
| Nov. | 2017 | 5.66 | (139.2) | 4.00 | 0.173 |
| Dec. | 2017 | 5.67 | (149.2) | 4.04 | 0.175 |
| Jan. | 2018 | 5.86 | (157.5) | 4.15 | 0.185 |
| Feb. | 2018 | 5.81 | (154.4) | 4.12 | 0.196 |
| Mar. | 2018 | 5.83 | (140.8) | 4.21 | 0.200 |
| Apr. | 2018 | 5.79 | (145.8) | 4.15 | 0.196 |
| May | 2018 | 5.87 | (150.1) | 4.34 | 0.200 |
| June | 2018 | 5.92 | (149.3) | 4.41 | 0.207 |
| July | 2018 | 5.68 | (143.1) | 4.20 | 0.208 |
| Aug. | 2018 | 6.01 | (170.5) | 4.39 | 0.204 |
| Sep. *3 | 2018 | 6.22 | (176.0) | 4.40 | 0.204 |

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

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

*3 Preliminary report

**NSSMC**

3. Pig Iron Production

(million tons)

| | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|---|---|---|---|---|---|---|---|
| 2017FY | 9.92 | 10.13 | 20.05 | 10.08 | 10.49 | 20.57 | 40.61 |
| 2018FY | 10.25 | 10.24 | 20.49 | | | Approx.21.40 | Approx.41.80 |

Including Hokkai Iron & Coke Co., Ltd. and Nippon Steel & Sumikin Koutetsu Wakayama Corporation *1

4. Crude Steel Production

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

(million tons)

| | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|---|---|---|---|---|---|---|---|
| 2017FY | 11.49 | 11.74 | 23.23 | 11.72 | 12.07 | 23.79 | 47.02 |
| 2018FY | 11.89 | 11.76 | 23.65 | | | Approx.25.30 | Approx.49.00 |

(Non-consolidated basis)

(million tons)

| | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|---|---|---|---|---|---|---|---|
| 2017FY | 9.90 | 10.19 | 20.09 | 10.08 | 10.50 | 20.58 | 40.67 |
| 2018FY | 10.29 | 10.21 | 20.50 | | | Approx.21.60 | Approx.42.10 |

Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation *1

5. Steel Products Shipment

(million tons)

| | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|---|---|---|---|---|---|---|---|
| 2017FY | 9.34 | 9.39 | 18.72 | 9.39 | 9.67 | 19.07 | 37.79 |
| 2018FY | 9.57 | 8.99 | 18.56 | | | Approx.20.00 | Approx.38.50 |

Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation *1

6. Average Price of Steel Products

(thousands of yen / ton)

| | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|---|---|---|---|---|---|---|---|
| 2017FY | 84.0 | 83.0 | 83.5 | 86.0 | 85.7 | 85.8 | 84.7 |
| 2018FY | 87.2 | 90.2 | 88.7 | | | Approx.90 | Approx.89 |

Weighted average of the Company and Nippon Steel & Sumikin Koutetsu Wakayama Corporation *1

## 7. Export Ratio of Steel Products (Value basis)

(%)

| | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|---|---|---|---|---|---|---|---|
| 2017FY | 42 | 41 | 42 | 41 | 41 | 41 | 41 |
| 2018FY | 41 | 41 | 41 | | | Approx.40 | Approx.41 |

Weighted average of the Company and Nippon Steel & Sumikin Koutetsu Wakayama Corporation *1

## 8. Foreign Exchange Rate

(¥／$)

| | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|---|---|---|---|---|---|---|---|
| 2017FY | 111 | 111 | 111 | 113 | 110 | 111 | 111 |
| 2018FY | 108 | 111 | 109 | | | Approx.110 | Approx.110 |

## 9. Amount of Capital Expenditure and Depreciation

(Consolidated basis)

(billions of yen)

| | Capital Expenditure | Depreciation |
|---|---|---|
| 2017FY | 411.9 | 340.7 |
| 2018FY *2 | Approx.450.0 | Approx.430.0 |

*1 Nippon Steel & Sumikin Koutetsu Wakayama Corporation was merged into NSSMC on April 1, 2018.

*2 included for impacts of transition to IFRS and other impacts