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## Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2018 (Japanese GAAP)

July 31, 2017  
Stock Exchange: Tokyo

Listed company name: **NIPPON STEEL & SUMIKIN BUSSAN CORPORATION**  
Code No. : 9810  
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Quarterly securities report to be submitted: August 10, 2017  
Start of cash dividend payments: –  
Supplementary materials: Yes (Japanese only)  
IR conference: None

(Figures rounded down to nearest million yen)

### 1. Consolidated Earnings through the First Quarter of the Fiscal Year Ending March 31, 2018 (April 1, 2017 to June 30, 2017)

#### (1) Consolidated Operating Results (Cumulative) (%: change from the same period of the previous 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	%
1Q FYE March 31, 2018	483,045	15.4	7,983	13.6	9,582	32.6	6,415	154.5
1Q FYE March 31, 2017	418,525	(13.9)	7,025	(2.9)	7,223	(18.7)	2,520	(57.7)

Note: Comprehensive income  
1Q FYE March 31, 2018: ¥8,138 million (–%)  
1Q FYE March 31, 2017: ¥881 million (–%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
1Q FYE March 31, 2018	207.52		–	
1Q FYE March 31, 2017	81.55		–	

\* Effective October 1, 2016, the Company consolidated its common shares at the ratio of 10 shares to 1 share. Accordingly, earnings per share has been calculated as if the said share consolidation was conducted at the beginning of the previous fiscal year.

#### (2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2017	695,971		210,595		28.0	
As of March 31, 2017	673,078		206,187		28.2	

Reference: Equity capital  
As of June 30, 2017: ¥194,883 million  
As of March 31, 2017: ¥189,906 million

## 2. Dividends

	Annual dividends per share				
	1Q	2Q	3Q	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
FYE March 31, 2017	-	7.50	-	105.00	-
FYE March 31, 2018	-				
FYE March 31, 2018 (Est.)		90.00	-	90.00	180.00

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

Effective October 1, 2016, the Company consolidated its common shares at the ratio of 10 shares to 1 share. Accordingly, the field for total annual dividends per share for the fiscal year ended March 31, 2017 displays a hyphen (-). When the share consolidation is counted, the dividends per share for the second quarter-end of the fiscal year ended March 31, 2017 are ¥75.00 and total annual dividends are ¥180.00.

## 3. Projected Consolidated Results for Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	2,000,000	8.6	32,500	5.4	33,000	6.7	19,500	6.9	630.82

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.: None
  - ii. Other accounting policy changes: None
  - iii. Changes in accounting estimates: None
  - iv. Restatements: None
- (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, 2017	30,957,800 shares
As of March 31, 2017	30,957,800 shares
  - ii. Number of treasury shares at the end of the period

As of June 30, 2017	45,792 shares
As of March 31, 2017	45,368 shares
  - iii. Average number of shares during the period (cumulative quarter)

1Q FYE March 31, 2018	30,912,260 shares
1Q FYE March 31, 2017	30,914,595 shares

\* Effective October 1, 2016, the Company consolidated its common shares at the ratio of 10 shares to 1 share. Accordingly, the number of shares outstanding at the end of the period, number of treasury shares at the end of the period and average number of shares during the period have been calculated as if the said share consolidation was conducted at the beginning of the previous fiscal year.

\* Quarterly financial results reports are not required to be subjected to quarterly reviews.

\* 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 31, 2017, and they were published on the Company’s website on the same date.

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Qualitative Information on Quarterly Settlement of Accounts

**(1) Explanation of Operating Results**

The world economy during the cumulative first quarter under review generally remained on a modest recovery path; In the United States, employment conditions improved and personal consumption rallied, and in China, the economy held steady owing in part to the government's economic stimulus packages.

The Japanese economy remained on a modest recovery trend with improvement in the employment environment and strong corporate earnings.

Against this business environment, the Company's consolidated earnings were as follows: Net sales were ¥483.0 billion, up ¥64.5 billion (15.4%). Operating profit was ¥7.9 billion, up ¥900 million (13.6%). Ordinary profit was ¥9.5 billion, up 2.3 billion (32.6%). Quarterly profit attributable to owners of parent was ¥6.4 billion, up ¥3.8 billion (154.5%) due to improvements in extraordinary income/losses.

Earnings for reportable segments are as below.

(Steel)

In the Steel business, demand for steel was generally firm both inside Japan and overseas, and the Company's sales volume was on par with the corresponding period of the previous fiscal year. The Company's domestic and export sales prices were significantly higher than the corresponding period of the previous fiscal year, reflecting the recovery trend in steel market prices that began in the second half of the previous fiscal year. As a result, net sales in the Steel segment reached ¥389.6 billion, up ¥66.6 billion (20.6%), and ordinary profit was ¥6.3 billion, up ¥2.4 billion (65.3%) partly supported by an improvement in sales price and an expansion of profits among group companies.

(Industrial Supply and Infrastructure)

In the Industrial Supply and Infrastructure business, net sales reached ¥22.1 billion, up ¥600 million (3.2%) due to a rise in the non-ferrous metals market. Ordinary profit reached ¥1.4 billion, up ¥700 million (90.5%), due to one-time income resulting from business combination regarding equity method affiliates.

(Textiles)

In the Textiles business, the sales environment remained harsh. Moreover, there was a decline in the cost reduction effect generated by the strong yen during the corresponding period of the previous fiscal year and a deterioration in earnings among group companies. As a result, net sales were ¥36.1 billion, down ¥1.1 billion (3.2%), and ordinary profit was ¥900 million, down ¥600 million (39.9%).

(Foodstuffs)

In the Foodstuffs business, although meat prices remained stable on the whole, profit margins deteriorated following fluctuations in imported poultry market and other factors. As a result, net sales were ¥34.6 billion, down ¥1.6 billion (4.6%), and ordinary profit was ¥700 million, down ¥200 million (22.6%).

**(2) Explanation of Financial Position**

Total assets at the end of the first quarter under review were ¥695.9 billion, up ¥22.8 billion from the end of the previous period, due to an increase in notes and accounts receivable – trade and inventories, etc.

Total liabilities were ¥485.3 billion, up ¥18.4 billion, due to an increase in loans payable, which offset a decrease in accounts payable.

Total net assets were ¥210.5 billion, up ¥4.4 billion, due to the recording of profit attributable to owners of parent for the cumulative first quarter under review, which offset the payment of dividends.

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

The consolidated earnings projections for the fiscal year ending March 31, 2018 remains as stated in the announcement on May 11, 2017.

## 1. Quarterly Consolidated Financial Statements and Significant Notes Thereto

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2017)	First Quarter Under Review (As of June 30, 2017)
<b>Assets</b>		
Current assets		
Cash and deposits	22,690	20,375
Notes and accounts receivable - trade	403,720	413,236
Inventories	91,675	101,463
Other	20,375	21,818
Allowance for doubtful accounts	(1,011)	(1,108)
Total current assets	537,450	555,784
Non-current assets		
Property, plant and equipment	57,783	57,832
Intangible assets		
Goodwill	91	79
Other	771	728
Total intangible assets	862	808
Investments and other assets		
Other	80,224	84,714
Allowance for doubtful accounts	(3,241)	(3,169)
Total investments and other assets	76,982	81,545
Total non-current assets	135,628	140,186
Total assets	673,078	695,971
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	224,266	208,536
Short-term loans payable	127,883	154,667
Income taxes payable	3,324	2,069
Provision	3,791	2,686
Other	26,328	34,976
Total current liabilities	385,594	402,935
Non-current liabilities		
Long-term loans payable	68,216	67,973
Provision	554	474
Net defined benefit liability	1,891	1,951
Other	10,634	12,040
Total non-current liabilities	81,296	82,440
Total liabilities	466,891	485,376
<b>Net assets</b>		
Shareholders' equity		
Capital stock	12,335	12,335
Capital surplus	50,721	50,707
Retained earnings	115,308	118,477
Treasury shares	(127)	(129)
Total shareholders' equity	178,237	181,391
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,266	10,549
Deferred gains or losses on hedges	(355)	(352)
Foreign currency translation adjustment	3,696	3,212
Remeasurements of defined benefit plans	61	81
Total accumulated other comprehensive income	11,668	13,491
Non-controlling interests	16,280	15,712
Total net assets	206,187	210,595
Total liabilities and net assets	673,078	695,971

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

(Quarterly consolidated statement of income)

(Cumulative First Quarter)

(Millions of yen)

	Cumulative First Quarter of Previous Fiscal Year (April 1, 2016 to June 30, 2016)	Cumulative First Quarter Under Review (April 1, 2017 to June 30, 2017)
Net sales	418,525	483,045
Cost of sales	387,909	451,145
Gross profit	30,616	31,900
Selling, general and administrative expenses	23,591	23,916
Operating profit	7,025	7,983
Non-operating income		
Interest income	91	93
Dividend income	374	757
Share of profit of entities accounted for using equity method	474	1,299
Purchase discounts	117	144
Other	322	276
Total non-operating income	1,381	2,571
Non-operating expenses		
Interest expenses	660	743
Foreign exchange losses	371	25
Other	150	204
Total non-operating expenses	1,182	972
Ordinary profit	7,223	9,582
Extraordinary income		
Gain on sales of investment securities	20	64
Total extraordinary income	20	64
Extraordinary losses		
Loss on sales of investment securities	2	-
Loss on valuation of investment securities	3,235	220
Loss on valuation of investments in capital	38	-
Loss on change in equity	4	-
Total extraordinary losses	3,280	220
Profit before income taxes	3,963	9,425
Income taxes	1,162	2,784
Profit	2,800	6,641
Profit attributable to non-controlling interests	279	226
Profit attributable to owners of parent	2,520	6,415

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

	(Millions of yen)	
	Cumulative First Quarter of Previous Fiscal Year (April 1, 2016 to June 30, 2016)	Cumulative First Quarter Under Review (April 1, 2017 to June 30, 2017)
Profit	2,800	6,641
Other comprehensive income		
Valuation difference on available-for-sale securities	518	2,289
Deferred gains or losses on hedges	(341)	2
Foreign currency translation adjustment	(2,598)	(966)
Remeasurements of defined benefit plans, net of tax	44	20
Share of other comprehensive income of entities accounted for using equity method	(1,306)	151
Total other comprehensive income	(3,682)	1,496
Comprehensive income	(881)	8,138
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(427)	8,237
Comprehensive income attributable to non-controlling interests	(454)	(99)

### (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.)

[Segment Information]

#### I. Cumulative First Quarter of Previous Fiscal Year (April 1, 2016 to June 30, 2016)

##### 1 Information on sales and profit/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	323,038	21,458	37,356	36,330	418,183	341	418,525	–	418,525
Intersegment sales or transfers	206	337	0	–	545	39	584	(584)	–
Total	323,244	21,795	37,357	36,330	418,728	381	419,110	(584)	418,525
Segment profit (Ordinary profit)	3,819	783	1,626	990	7,220	2	7,222	1	7,223

(Notes) 1. "Others" represents items not included under "reportable segments," and it includes real estate business.

2. The adjustment of ¥1 million in "segment profit" represents the elimination of inter-segment trade.

3. The total profit of the "reportable segments" and "others" aligns with the ordinary profit in the quarterly consolidated statement of income excepting the adjustment of ¥1 million.

##### 2 Information on impairment loss on non-current assets, goodwill, etc., for each reporting segment

Not applicable.

#### II. Cumulative First Quarter Under Review (April 1, 2017 to June 30, 2017)

##### 1 Information on sales and profit/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	389,651	22,141	36,162	34,664	482,620	425	483,045	–	483,045
Intersegment sales or transfers	200	282	2	–	485	45	530	(530)	–
Total	389,852	22,423	36,164	34,664	483,105	470	483,575	(530)	483,045
Segment profit (Ordinary profit)	6,314	1,492	978	767	9,552	29	9,582	0	9,582

(Notes) 1. "Others" represents items not included under "reportable segments," and it includes real estate business.

2. The adjustment of ¥0 million in "segment profit" represents the elimination of inter-segment trade.

3. The total profit of the "reportable segments" and "others" aligns with the ordinary profit in the quarterly consolidated statement of income excepting the adjustment of ¥0 million.

##### 2 Information on impairment loss on non-current assets, goodwill, etc., for each reporting segment

Not applicable.