Nisshin Steel Co., LTD.

I. Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2016 (FY2016)

1. Consolidated Operating Results

(Billions of yen)

				•	• •
			FY2016	FY2015	
			1Q	1Q	Difference
			(Actual)	(Actual)	
		No	а	b	a-b
Net sales		1	137.2	151.0	(13.8)
Operating income	rating income 2 1.0				(1.2)
Ordinary income	Ordinary steel / Special steel	3	3.8	2.2	1.6
	Stainless steel	4	(2.0)	(1.0)	(1.0)
	Total	5	1.8	1.2	0.6
Profit attributable to ov	vners of parent	6	1.2	0.0	1.2
Inventory evaluation Ordinary steel / Special ste		7	(1.0)	(0.5)	(0.5)
	Stainless steel	8	(1.5)	0.5	(2.0)
	Total	9	(2.5)	0.0	(2.5)

2. Other Information

			FY2016	FY2015	
			1Q	1Q	Difference
			(Actual)	(Actual)	
		No	а	b	a-b
Crude steel production	Ordinary steel / Special steel	1	79	82	(3)
(10,000tons)	Stainless steel	2	15	20	(5)
	Total	3	94	102	(8)
Sales volume	Ordinary steel / Special steel	4	74	80	(6)
(10,000tons)	Stainless steel	5	12	15	(3)
	Total	6	86	95	(9)
Average sales price of steel products(1,000yen/tons)			124	124	0
Export ratio(monetary basis;%)			17	17	0
Export exchange rate(y	en/US\$)	9	121	102	19

3. Breakdown of Differences in Ordinary Income

i) 1Q of FY2015(Actual) vs 1Q of FY2016(Actual)

(Billions of yen) (Of which stainless steel)

1Q of FY2015(Actual)	1.2	Breakdown	(1.0)
Sales related	(2.5)	Volume and composition difference (2.5), Price difference (2.0),	
		Export exchange difference 2.0	
Purchasing price	4.5	.5 Iron ore 7.0, Coking coal 1.0, Oil 1.5, Nickel 2.0,	
		Import exchange difference (7.5)	
Cost improvement, etc.	1.1	Rationalization, etc.	0.5
Subsidiaries, etc.	0.0		0.0
Inventory evaluation	(2.5)	0.0→(2.5) (Of which, stainless steel 0.5→(1.5))	(2.0)
Total	0.6		(1.0)
1Q of FY2016(Actual)	1.8		(2.0)

4. Consolidated Balance Sheet (June 30, 2015)

vs Mar 31,2015

(3.7)
(10.9)
1.2
(0.9)
0.7

5.3

(Billions of yen) vs Mar 31,2015 Interest-bearing debt 286.9 (2.8) Other liabilities 204.3 (4.4)Total liabilities 491.3 (7.2) Common stock and additional paid-in capital 106.3 (14.7) 87.6 13.5 Retained earnings (0.0)Treasury stock, at cost (0.5)Accumulated other comprehensive income 70.0 1.8 (1.7)Non-controlling interests 7.3 Total net assets 270.8 (1.0)(8.3) Total liabilities and net assets 762.2

II . Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2016 (FY2016)

22.5

68.0

145.4

29.9

278.4

217.7

762.2

1. Consolidated Earnings Forecasts

Cash on hand and in banks

Tangible and intangible fixed assets

Investments in securities, etc.

Accounts receivable

Other current assets

Inventories

Total assets

(Billions of yen)

(billions of yell								, , , , , , , , , , , , , , , , , , ,		
				FY2	2016					
			1st	1st half			FY2015	Diffe	Difference	
			1Q	2Q	2nd half					
			(Actual)	(Forecast)	(Forecast)	(Forecast)	(Actual)	(i)	(ii)	
		No	а	b	С	d	е	b-a	d-e	
Net sales		1	137.2	142.8	297.0	577.0	617.5	5.6	(40.5)	
Operating income		2	1.0	4.0	9.5	14.5	21.0	3.0	(6.5)	
Ordinary income	Ordinary steel / Special steel	3	3.8	4.7	10.0	18.5	16.1	0.9	2.4	
	Stainless steel	4	(2.0)	(2.0)	(2.5)	(6.5)	3.5	0.0	(10.0)	
	Total	5	1.8	2.7	7.5	12.0	19.6	0.9	(7.6)	
Profit attributable to owners of parent		6	1.2	1.3	5.5	8.0	16.9	0.1	(8.9)	
Inventory evaluation	Ordinary steel / Special steel	7	(1.0)	(1.0)	(1.0)	(3.0)	(2.5)	0.0	(0.5)	
	Stainless steel	8	(1.5)	(1.0)	(1.0)	(3.5)	2.5	0.5	(6.0)	
	Total	9	(2.5)	(2.0)	(2.0)	(6.5)	0.0	0.5	(6.5)	

2. Other Information

			1st half		2nd half		FY2015	
			1Q	2Q	Ziiu iiaii			
			(Actual)	(Forecast)	(Forecast)	(Forecast)	(Actual)	
		No	а	b	С	d	е	
Crude steel production	Ordinary steel / Special steel	1	79	81	160	320	327	
(10,000tons)	Stainless steel	2	15	20	33	68	71	
	Total	3	94	101	193	388	398	
Sales volume	Ordinary steel / Special steel	4	74	74	158	306	321	
(10,000tons)	Stainless steel	5	12	14	29	55	60	
	Total	6	86	88	187	361	381	
Average sales price of steel products(1,000yen/tons)		7	124	122	122	122	127	
Export ratio(monetary basis;%)		8	17	16	17	17	17	
Export exchange rate(ye	en/US\$)	9	121	120	120	120	109	

Difference					
(i)	(ii)				
b-a	d-e				
2	(7)				
5	(3)				
7	(10)				
0	(15)				
2	(5)				
2	(20)				
(2)	(5)				
(1)	0				
(1)	11				

3. Breakdown of Differences in Ordinary Income

i) 1Q of FY2016(Actual) vs 2Q of FY2016(Forecast)

(Billions of yen) (Of which stainless steel)

1Q of FY2016(Actual)	1.8	Breakdown	(2.0)
Sales related	(3.5)	Volume and composition difference 0.5, Price difference (4.0)	(1.5)
Purchasing price	3.5	Iron ore 1.5, Coking coal 1.0, Nickel 1.0	1.0
Cost improvement, etc.	0.4	Rationalization, etc.	0.0
Subsidiaries, etc.	0.0		0.0
Inventory evaluation	0.5	(2.5)→(2.0) (Of which, stainless steel (1.5)→(1.0))	0.5
Total	0.9		0.0
2Q of FY2016(Forecast)	2.7		(2.0)

ii) FY2015(Actual) vs FY2016(Forecast)

(Billions of yen) (Of which stainless steel)

FY2015(Actual)	19.6	Breakdown	3.5
Sales related	(22.5)	Volume and composition difference (6.0), Price difference (22.5),	(6.5)
		Export exchange difference 6.0	
Purchasing price	24.0	Iron ore 21.5, Coking coal 4.0, Nickel 11.0, Oil 7.5,	
		Import exchange difference (22.5)	
Cost improvement, etc.	0.4	Rationalization, etc.	0.0
Subsidiaries, etc.	(3.0)	Overseas consolidated subsidiaries, etc.	(3.0)
Inventory evaluation	(6.5)	0.0→(6.5) (Of which, stainless steel 2.5→(3.5))	(6.0)
Total	(7.6)		(10.0)
FY2016(Forecast)	12.0		(6.5)

4. Cash Dividends

We have decided to pay mid-term cash dividends of ¥15.0 per share considering stable shareholder returns and consolidated results and earnings forecasts for this FY2016. The year-end cash dividends for the FY2016 are undetermined, which will be announced as soon as they are made available.

(Reference) Interest-Bearing Dept and Net D/E Ratio

	31-Mar-14	31-Mar-15	30-Jun-15
Cash on hand and in banks(Billions of yen)	40.8	26.3	22.5
Interest-bearing debt(Billions of yen)	323.5	289.8	286.9
Net D/E ratio	1.36	1.00	1.00
	1.11	0.86	0.86

 $\ensuremath{\,\mathbb{X}}\xspace$ Net D/E ratio with 50% of the principal of hybrid securities/hybrid loans,

which receive equity credit from Japan Credit Rating Agency, deemed as capital.

(50% of 50 billion yen each at the end of March of 2014,

as well as 50% of 40 billion yen at the end of March of 2015 and June of 2015 entered as capital respectively)