30-Oct-15

Nisshin Steel Co., LTD.

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

1. Consolidated Operating Results

(Billions of yen)

				FY2016		FY2015	FY2016		Difference	
			1Q	2Q		1st half	1st half		Dillerence	
			100	200		13t Hall	(Previous			
			(Actual)	(Actual)	(Actual)	(Actual)	forecast)	(i)	(ii)	(iii)
		No	а	b	С	d	е	c-d	b-a	c-e
Net sales		1	137.2	139.5	276.7	310.8	280.0	(34.1)	2.3	(3.3)
Operating income	Operating income		1.0	5.3	6.3	8.9	5.0	(2.6)	4.3	1.3
Ordinary income	Ordinary steel / Special steel	3	3.8	5.6	9.4	7.3	8.5	2.1	1.8	0.9
	Stainless steel	4	(2.0)	(2.0)	(4.0)	1.0	(4.0)	(5.0)	0.0	0.0
	Total	5	1.8	3.6	5.4	8.3	4.5	(2.9)	1.8	0.9
Profit attributable to ov	vners of parent	6	1.2	0.8	2.0	5.2	2.5	(3.2)	(0.4)	(0.5)
									-	•
Inventory evaluation	Ordinary steel / Special steel	7	(1.0)	(1.0)	(2.0)	(1.5)	(2.0)	(0.5)	0.0	0.0
	Stainless steel	8	(1.5)	(1.5)	(3.0)	2.5	(2.5)	(5.5)	0.0	(0.5)
	Total	9	(2.5)	(2.5)	(5.0)	1.0	(4.5)	(6.0)	0.0	(0.5)

2. Other Information

			FY2016		FY2015	FY2016		Difference		
			1Q 2Q			1st half	1st half		Dillelelice	7
			I IQ	20		istriali	(Previous			
			(Actual)	(Actual)	(Actual)	(Actual)	(forecast)	(i)	(ii)	(iii)
		No	а	b	С	d	е	c-d	b-a	с-е
Crude steel production	Ordinary steel / Special steel	1	79	79	158	168	160	(10) 0	
(10,000tons)	Stainless steel	2	15	19	34	39	35	(5	5) 4	
	Total	3	94	98	192	207	195	(15	i) 4	
Sales volume	Ordinary steel / Special steel	4	74	76	150	160	148	(10) 2	
(10,000tons)	Stainless steel	5	12	13	25	32	26	(7	') 1	
	Total	6	86	89	175	192	174	(17	') 3	
Average sales price of steel products(1,000yen/tons)		7	124	120	122	127	123	(5	(4)	
Export ratio(monetary basis;%)		8	17	16	16	17	17	(1) (1)	
Export exchange rate(y	en/US\$)	9	121	122	122	103	121	19	1	

3. Breakdown of Differences in Ordinary Income

i) 1st half of FY2015(Actual) vs 1st half of FY2016(Actual)

(Billions of yen) (Of which stainless steel)

1st half of FY2015(Actual)	8.3	Breakdown	1.0
Sales related	(9.0)	Volume and composition difference (4.5), Price difference (9.0),	0.0
	` ′	Export exchange difference 4.5	
Purchasing price	15.0	Iron ore 15.0, Coking coal 1.5, Oil 6.0, Nickel 5.5, Import exchange difference (14.0)	2.0
Cost improvement, etc.	0.6	Rationalization, etc.	0.5
Subsidiaries, etc.	(3.5)		(2.0)
Inventory evaluation	(6.0)	1.0→(5.0) (Of which, stainless steel 2.5→(3.0))	(5.5)
Total	(2.9)		(5.0)
1st half of FY2016(Actual)	5.4		(4.0)

ii) 1Q of FY2016(Actual) vs 2Q of FY2016(Actual)

(Billions of yen) (Of which stainless steel)

1Q of FY2016(Actual)	1.8	Breakdown	(2.0)	
TQ 011 12010(Actual)	-			
Sales related	(3.0)	Volume and composition difference 0.5, Price difference (3.5)	(1.5	
Purchasing price	4.5	ron ore 1.5, Coking coal 1.0, Nickel 1.5, Oil 0.5		
Cost improvement, etc.	0.3	Rationalization, etc.	0.0	
Subsidiaries, etc.	0.0		0.0	
Inventory evaluation	0.0	(2.5)→(2.5) (Of which, stainless steel (1.5)→(1.5))	0.0	
Total	1.8		0.0	
2Q of FY2016(Actual)	3.6		(2.0	

iii) 1st half of FY2016(Previous forecast) vs 1st half of FY2016(Actual)

(Billions of yen) (Of which stainless steel)

1st half of FY2016(Previous forecast)	4.5	Breakdown	(4.0)
Sales related	0.5	Price difference 0.5	0.0
Purchasing price	1.0	Oil 0.5, Nickel 0.5	0.5
Cost improvement, etc.	0.4	Rationalization, etc.	0.0
Subsidiaries, etc.	(0.5)		0.0
Inventory evaluation	(0.5)	(4.5)→(5.0) (Of which, stainless steel (2.5)→(3.0))	(0.5)
Total	0.9		0.0
1st half of FY2016(Actual)	5.4		(4.0)

4. Consolidated Balance Sheet (September 30, 2015)

(Billions of yen)

		vs Mar 31,2015
Cash on hand and in banks	23.4	(2.8)
Accounts receivable	73.8	(5.2)
Inventories	142.5	(1.6)
Other current assets	23.7	(7.1)
Tangible and intangible fixed assets	284.1	6.3
Investments in securities, etc.	204.6	(7.7)
Total assets	752.3	(18.1)

(Dillions of year						
		vs Mar 31,2015				
		V3 Widi 01,2010				
Interest-bearing debt	285.2	(4.5)				
Other liabilities	203.0	(5.7)				
Total liabilities	488.2	(10.3)				
Common stock and additional paid-in capital	106.3	(14.7)				
Retained earnings	88.4	14.2				
Treasury stock, at cost	(0.5)	(0.0)				
Accumulated other comprehensive income	62.4	(5.7)				
Non-controlling interests	7.4	(1.6)				
Total net assets	264.1	(7.8)				
Total liabilities and net assets	752.3	(18.1)				

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

1. Consolidated Earnings Forecasts

(Billions of yen)

(ii)

(16.0) (2.0)

							(Billio	ns
				FY2016		FY2016	Differ	one
			1st half	2nd half		(Previous	Dille	CHIC
			(Actual)	(Forecast)	(Forecast)	forecast)	(i)	
		No	а	b	С	d	b-a	
Net sales		1	276.7	284.3	561.0	577.0	7.6	
Operating income		2	6.3	6.2	12.5	14.5	(0.1)	
Ordinary income	Ordinary steel / Special steel	3	9.4	9.6	19.0	18.5	0.2	
	Stainless steel	4	(4.0)	(5.5)	(9.5)	(6.5)	(1.5)	20000000
	Total	5	5.4	4.1	9.5	12.0	(1.3)	
Profit attributable to ow	ners of parent	6	2.0	2.5	4.5	8.0	0.5	
Inventory evaluation	Ordinary steel / Special steel	7	(2.0)	(2.0)	(4.0)	(3.0)	0.0	
	Stainless steel	8	(3.0)	(1.5)	(4.5)	(3.5)	1.5	
	Total	9	(5.0)	(3.5)	(8.5)	(6.5)	1.5	200000000

(1.5)	(3.0)
(1.3)	(2.5)
0.5	(3.5)
0.0	(1.0)
1.5	(1.0)

2. Other Information

	·			FY2016		FY2016
			1st half	2nd half		(Previous
			(Actual)	(Forecast)	(Forecast)	forecast)
		No	а	b	С	d
Crude steel production	Ordinary steel / Special steel	1	158	164	322	320
(10,000tons)	Stainless steel	2	34	32	66	68
	Total	3	192	196	388	388
Sales volume	Ordinary steel / Special steel	4	150	154	304	306
(10,000tons)	Stainless steel	5	25	28	53	55
	Total	6	175	182	357	361
Average sales price of steel products(1,000yen/tons)		7	122	115	118	122
Export ratio(monetary basis;%)		8	16	15	16	17
Export exchange rate(ye	en/US\$)	9	122	120	121	120

Difference						
(i)	(ii)					
b-a	c-d					
6	2					
(2)	(2)					
4	0					
4	(2)					
3	(2)					
7	(4)					
(7)	(4)					
(1)	(1)					
(2)	1					

3. Breakdown of Differences in Ordinary Income

i) 1st half of FY2016(Actual) vs 2nd half of FY2016(Forecast)

(Billions of yen) (Of which stainless steel)

1st half of FY2016(Actual)	5.4	Breakdown	(4.0)
Sales related	(13.0)	Volume and composition difference 0.0, Price difference (13.0)	(7.0)
Purchasing price	9.5	Iron ore 2.5, Coking coal 2.0, Oil 1.0, Nickel 3.0	4.0
Cost improvement, etc.	1.7	Rationalization, etc.	1.0
Subsidiaries, etc.	(1.0)		(1.0)
Inventory evaluation	1.5	(5.0)→(3.5) (Of which, stainless steel (3.0)→(1.5))	1.5
Total	(1.3)		(1.5)
2nd half of FY2016(Forecast)	4.1		(5.5)

ii) FY2016(Previous forecast) vs FY2016(Forecast)

(Billions of yen) (Of which stainless steel)

FY2016(Previous forecast)	ecast) 12.0 Breakdown		(6.5)
Sales related	(9.0)	Volume and composition difference (1.5), Price difference (7.5),	(7.0)
Purchasing price	10.5	Iron ore 2.0, Nickel 5.0, Oil 2.0	6.0
Cost improvement, etc.	0.0		0.0
Subsidiaries, etc.	(2.0)		(1.0)
Inventory evaluation	(2.0)	(6.5)→(8.5) (Of which, stainless steel (3.5)→(4.5))	
Total	(2.5)		(3.0)
FY2016(Forecast)	9.5		(9.5)

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-Sep-15
Cash on hand and in banks(Billions of yen)	40.8	26.3	23.4
Interest-bearing debt(Billions of yen)	323.5	289.8	285.2
Net D/E ratio	1.36	1.00	1.02
	1.11	0.86	0.87

 \frak{Met} 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 September of 2015 entered as capital respectively)