Translation

Inquiries:

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on Japanese GAAP)

July 28, 2017

Company name: Nisshin Steel Co., Ltd.

Stock exchange listing: Tokyo

Stock code: 5413 URL http://www.nisshin-steel.co.jp/

President & Chief Executive Officer and Representative:

Representative Director

Kinya Yanagawa

Hirokazu Kuwasako

Executive Officer and General Manager,

General Administration Dept.

Scheduled date to file Quarterly Securities Report: August 9, 2017

Scheduled date to commence dividend payments:

Preparation of supplementary material on quarterly financial results: Yes

Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

TEL 03-3216-5566

1. Consolidated financial results for the three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|----------------------------------|-----------------|--------|------------------|--------|-----------------|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Three months ended June 30, 2017 | 148,720 | 24.5 | 3,646 | _ | 4,675 | _ | 3,213 | - |
| Three months ended June 30, 2016 | 119,408 | (13.0) | 278 | (72.5) | (1,345) | I | (1,544) | _ |

| | Earnings per share | Diluted earnings per share |
|----------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Three months ended June 30, 2017 | 29.32 | _ |
| Three months ended June 30, 2016 | (14.09) | _ |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|----------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of June 30, 2017 | 713,867 | 230,697 | 30.3 |
| As of March 31, 2017 | 706,418 | 226,223 | 30.2 |

2. Cash dividends

| | | Annual dividends per share | | | | | |
|---------------------------------------|-----------------|----------------------------|-----------------|-----------------|-------|--|--|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total | | |
| | Yen | Yen | Yen | Yen | Yen | | |
| Year ended March 31, 2017 | _ | 0.00 | _ | 5.00 | 5.00 | | |
| Year ending March 31, 2018 | _ | | | | | | |
| Year ending March 31, 2018 (Forecast) | | 15.00 | - | _ | - | | |

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

| | Net sales | | Operating pr | ofit | Ordinary pro | ofit | Profit attributa owners of pa | | Earnings per share |
|---|-----------------|------|-----------------|-------|-----------------|-------|-------------------------------|---|--------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Six months ending September 30, 2017 | 310,000 | 23.2 | 13,500 | 214.9 | 13,500 | - | 8,000 | - | 72.99 |
| Full year | 620,000 | 18.0 | 18,000 | 129.8 | 16,000 | 166.8 | _ | _ | _ |

4. Notes

(1) Changes in significant subsidiaries during the three months ended June 30, 2017 (changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:

No
Changes in accounting policies due to other reasons:

Yes
Changes in accounting estimates:

No

Restatement of prior period financial statements:

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

| Total number of issued shares at the one of the period (increasing fleatury shares) | | | | | | | |
|---|--------------------|----------------------------------|--------------------|--|--|--|--|
| As of June 30, 2017 | 109,843,923 shares | As of March 31, 2017 | 109,843,923 shares | | | | |
| Number of treasury shares at the end of the | period | | | | | | |
| As of June 30, 2017 | 235,192 shares | As of March 31, 2017 | 233,415 shares | | | | |
| Average number of shares during the period (cumulative from the beginning of the fiscal year) | | | | | | | |
| Three months ended June 30, 2017 | 106,609,241 shares | Three months ended June 30, 2016 | 109,618,226 shares | | | | |

Quarterly consolidated financial statements Consolidated balance sheets

| | A CM 1 2017 | (Millions of yen) |
|--|----------------------|---------------------|
| Anna | As of March 31, 2017 | As of June 30, 2017 |
| Assets | | |
| Current assets | 16.717 | 12.452 |
| Cash and deposits | 16,717 | 13,453 |
| Notes and accounts receivable - trade | 60,588 | 75,347 |
| Securities | 4,625 | 4,777 |
| Inventories | 132,139 | 150,537 |
| Other | 44,248 | 26,199 |
| Allowance for doubtful accounts | (514) | (482 |
| Total current assets | 257,805 | 269,833 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 75,761 | 75,542 |
| Machinery, equipment and vehicles, net | 108,210 | 108,255 |
| Land | 71,803 | 72,338 |
| Other, net | 17,539 | 18,670 |
| Total property, plant and equipment | 273,314 | 274,807 |
| Intangible assets | 14,075 | 13,948 |
| Investments and other assets | | |
| Investment securities | 114,455 | 112,193 |
| Net defined benefit asset | 23,108 | 23,148 |
| Other | 24,387 | 20,381 |
| Allowance for doubtful accounts | (728) | (444 |
| Total investments and other assets | 161,223 | 155,278 |
| Total non-current assets | 448,613 | 444,033 |
| Total assets | 706,418 | 713,867 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 112,309 | 118,959 |
| Short-term loans payable | 52,711 | 53,823 |
| Commercial papers | 7,000 | 27,000 |
| Current portion of bonds | 20,000 | 10,000 |
| Provision | 197 | 280 |
| Other | 42,576 | 38,879 |
| Total current liabilities | 234,795 | 248,943 |
| Non-current liabilities | | , |
| Bonds payable | 20,000 | 10,000 |
| Long-term loans payable | 145,323 | 142,646 |
| Provision for special repairs | 8,590 | 8,618 |
| Other provision | 1,447 | 1,453 |
| Net defined benefit liability | 48,191 | 49,188 |
| Other | 21,847 | 22,319 |
| Total non-current liabilities | 245,399 | 234,226 |
| | | |
| Total liabilities | 480,195 | 483,16 |

(Millions of yen)

| | | (William of yell) |
|---|----------------------|---------------------|
| | As of March 31, 2017 | As of June 30, 2017 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 30,000 | 30,000 |
| Capital surplus | 76,345 | 76,345 |
| Retained earnings | 77,107 | 81,643 |
| Treasury shares | (565) | (568) |
| Total shareholders' equity | 182,887 | 187,420 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 20,324 | 21,844 |
| Deferred gains or losses on hedges | (42) | (18) |
| Revaluation reserve for land | 465 | 465 |
| Foreign currency translation adjustment | 11,815 | 9,099 |
| Remeasurements of defined benefit plans | (2,171) | (2,392) |
| Total accumulated other comprehensive income | 30,391 | 28,997 |
| Non-controlling interests | 12,944 | 14,278 |
| Total net assets | 226,223 | 230,697 |
| Total liabilities and net assets | 706,418 | 713,867 |

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

| | | (Millions of yen) |
|---|--------------------|--------------------|
| | Three months ended | Three months ended |
| | June 30, 2016 | June 30, 2017 |
| Net sales | 119,408 | 148,720 |
| Cost of sales | 107,125 | 131,589 |
| Gross profit | 12,282 | 17,130 |
| Selling, general and administrative expenses | 12,004 | 13,483 |
| Operating profit | 278 | 3,646 |
| Non-operating income | | |
| Interest income | 38 | 26 |
| Dividend income | 791 | 701 |
| Share of profit of entities accounted for using equity method | - | 1,811 |
| Other | 304 | 480 |
| Total non-operating income | 1,133 | 3,021 |
| Non-operating expenses | | |
| Interest expenses | 999 | 949 |
| Service cost of temporarily transferred employees | 671 | 546 |
| Foreign exchange losses | 383 | 228 |
| Share of loss of entities accounted for using equity method | 304 | - |
| Other | 399 | 267 |
| Total non-operating expenses | 2,757 | 1,992 |
| Ordinary profit (loss) | (1,345) | 4,675 |
| Extraordinary losses | | |
| Loss on sales and retirement of non-current assets | 100 | 62 |
| Total extraordinary losses | 100 | 62 |
| Profit (loss) before income taxes | (1,445) | 4,613 |
| Income taxes | 47 | 1,167 |
| Profit (loss) | (1,493) | 3,446 |
| Profit attributable to non-controlling interests | 51 | 232 |
| Profit (loss) attributable to owners of parent | (1,544) | 3,213 |

Consolidated statements of comprehensive income (cumulative)

| | | (Millions of yen) |
|--|--------------------|--------------------|
| | Three months ended | Three months ended |
| | June 30, 2016 | June 30, 2017 |
| Profit (loss) | (1,493) | 3,446 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (2,608) | 1,491 |
| Deferred gains or losses on hedges | (153) | - |
| Foreign currency translation adjustment | (1,186) | (1,001) |
| Remeasurements of defined benefit plans, net of tax | 43 | (228) |
| Share of other comprehensive income of entities accounted | (4,413) | (1,809) |
| for using equity method | (4,413) | (1,007) |
| Total other comprehensive income | (8,319) | (1,548) |
| Comprehensive income | (9,812) | 1,898 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | (9,765) | 1,811 |
| Comprehensive income attributable to non-controlling interests | (46) | 86 |