Translation

Inquiries:

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2018 (Based on Japanese GAAP)

November 2, 2018

Company name: Nisshin Steel Co., Ltd.

Stock exchange listing: Tokyo

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

Representative: President & Chief Executive Officer

and Representative Director

Kinya Yanagawa

Hirokazu Kuwasako

Executive Officer and General Manager,

General Administration Dept.

Scheduled date to file Quarterly Securities Report: November 7, 2018

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 six months ended September 30, 2018 (from April 1, 2018 to September 30, 2018)

(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	%
Six months ended September 30, 2018	300,047	(2.8)	(2,986)	-	(1,123)	-	(18,112)	-
Six months ended September 30, 2017	308,781	22.7	13,976	226.0	14,829	_	9,628	_

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2018	(165.26)	-
Six months ended September 30, 2017	87.84	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2018	710,029	224,191	29.7
As of March 31, 2018	711,989	247,860	32.8

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, 2018	_	15.00	_	15.00	30.00		
Year ending March 31, 2019	-	0.00					
Year ending March 31, 2019 (Forecast)			-	-	-		

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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
Full year	630,000	2.6	(1,800)	_	2,000	(89.4)	_	_	_

4. Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2018 (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:

No 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)

	the period (merading treat					
As of September 30, 2018	109,843,923 shares	As of March 31, 2018	109,843,923 shares			
Number of treasury shares at the end of the	period					
As of September 30, 2018	239,596 shares	As of March 31, 2018	238,416 shares			
Average number of shares during the period (cumulative from the beginning of the fiscal year)						
Six months ended September 30, 2018	109,604,825 shares	Six months ended September 30, 2017	109,608,714 shares			

Quarterly consolidated financial statements Consolidated balance sheets

	As of March 31, 2018	As of Contombor 20, 2019
Assets	As of March 31, 2018	As of September 30, 2018
Current assets	14.772	14507
Cash and deposits	14,772	14,587
Notes and accounts receivable - trade	65,251	62,242
Securities	5,266	1,039
Inventories	152,001	170,894
Other	15,924	14,531
Allowance for doubtful accounts	(512)	(399)
Total current assets	252,703	262,895
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	79,013	76,324
Machinery, equipment and vehicles, net	118,839	111,847
Land	72,700	72,696
Other, net	10,830	10,780
Total property, plant and equipment	281,383	271,649
Intangible assets	13,946	14,206
Investments and other assets		
Investment securities	112,635	110,327
Net defined benefit asset	30,117	30,445
Other	21,579	20,923
Allowance for doubtful accounts	(377)	(418)
Total investments and other assets	163,955	161,278
Total non-current assets	459,285	447,133
Total assets	711,989	710,029
Liabilities		
Current liabilities		
Notes and accounts payable - trade	115,770	129,551
Short-term loans payable	65,127	52,767
Commercial papers	22,000	51,000
Current portion of bonds	20,000	10,000
Provision for loss on disaster	_	3,810
Other provision	147	254
Other	46,954	42,432
Total current liabilities	270,000	289,816
Non-current liabilities		
Long-term loans payable	116,874	108,540
Provision for special repairs	8,705	8,831
Provision for loss on disaster	_	9,768
Other provision	1,427	1,396
Net defined benefit liability	47,871	48,022
Other	19,249	19,462
Total non-current liabilities	194,128	196,021
Total liabilities	464,128	485,837

(Millions of yen)

		(minimons or you)
	As of March 31, 2018	As of September 30, 2018
Net assets		
Shareholders' equity		
Capital stock	30,000	30,000
Capital surplus	76,345	76,345
Retained earnings	89,820	70,084
Treasury shares	(573)	(575)
Total shareholders' equity	195,592	175,855
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	24,001	23,633
Deferred gains or losses on hedges	(13)	(60)
Revaluation reserve for land	458	439
Foreign currency translation adjustment	10,103	7,503
Remeasurements of defined benefit plans	3,439	3,283
Total accumulated other comprehensive income	37,989	34,799
Non-controlling interests	14,278	13,537
Total net assets	247,860	224,191
Total liabilities and net assets	711,989	710,029

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

Consolidated statements of income (cumulative)

	Six months ended	Six months ended
	September 30, 2017	September 30, 2018
Net sales	308,781	300,047
Cost of sales	267,238	273,936
Gross profit	41,543	26,111
Selling, general and administrative expenses	27,567	29,097
Operating profit (loss)	13,976	(2,986)
Non-operating income		
Interest income	53	90
Dividend income	779	901
Share of profit of entities accounted for using equity method	2,400	2,690
Foreign exchange gains	-	336
Other	474	626
Total non-operating income	3,709	4,645
Non-operating expenses		
Interest expenses	1,865	1,006
Service cost of temporarily transferred employees	205	227
Foreign exchange losses	257	_
Other	527	1,548
Total non-operating expenses	2,855	2,782
Ordinary profit (loss)	14,829	(1,123)
Extraordinary income		
Gain on sales of investment securities	-	698
Gain on transfer of business	_	496
Total extraordinary income	_	1,194
Extraordinary losses		
Loss on sales and retirement of non-current assets	189	210
Impairment loss	_	1,010
Loss on disaster	_	15,090
Loss on valuation of investment securities	1,404	_
Expenses related to advanced repayment of loans	1,016	_
Total extraordinary losses	2,610	16,311
Profit (loss) before income taxes	12,219	(16,240)
Income taxes	2,874	1,997
Profit (loss)	9,345	(18,238)
Loss attributable to non-controlling interests	(282)	(125)
Profit (loss) attributable to owners of parent	9,628	(18,112)

Consolidated statements of comprehensive income (cumulative)

	,	(Millions of yen)
	Six months ended	Six months ended
	September 30, 2017	September 30, 2018
Profit (loss)	9,345	(18,238)
Other comprehensive income		
Valuation difference on available-for-sale securities	2,952	(371)
Foreign currency translation adjustment	(669)	(1,467)
Remeasurements of defined benefit plans, net of tax	(435)	(173)
Share of other comprehensive income of entities accounted	(2,001)	(1,644)
for using equity method	(2,001)	(1,044)
Total other comprehensive income	(154)	(3,656)
Comprehensive income	9,191	(21,894)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,482	(21,284)
Comprehensive income attributable to non-controlling	(201)	((00)
interests	(291)	(609)