

3. Consolidated Financial Forecasts for Fiscal 2016 (April 1, 2016—March 31, 2017)

(Percentage figures are changes from the same period of the previous fiscal year.)

	Net sales		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half of Fiscal 2016	2,200,000	(12.3)	15,000	(88.4)	0	(100.0)	0.00
Fiscal 2016	—	—	130,000	(35.3)	—	—	—

Notes: 1. Whether the consolidated financial forecasts for fiscal 2016 under review have been revised: Yes

2. For further details, please refer to page 4, “1. Qualitative Information for the First quarter of Fiscal 2016 (2) Explanation of Information on Future Estimates, Including Consolidated Earnings Forecasts.”

* Notes

(1) Changes in significant subsidiaries during the period: None

(2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements: Yes

Note: For further details, please refer to page 6, “2. Matters Concerning Summary Information (Notes to Financial Statements) (2) Adoption of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements.”

(3) Changes in accounting principles, changes in accounting estimates, and retrospective restatements

(a) Changes in accounting principles accompanying revisions in accounting standards: Yes

(b) Changes other than those in (a) above: None

(c) Changes in accounting estimates: None

(d) Retrospective restatements: None

Note: For further details, please refer to page 6, “2. Matters Concerning Summary Information (Notes to Financial Statements) (3) Changes in Accounting Principles, Changes in Accounting Estimates, and Retrospective Restatements.”

(4) Number of shares issued (common shares)

(a) Number of shares issued at the end of the period (including treasury stock)

First quarter of Fiscal 2016 950,321,402 shares

Fiscal 2015 950,321,402 shares

(b) Number of treasury stock at the end of the period

First quarter of Fiscal 2016 67,721,255 shares

Fiscal 2015 48,055,060 shares

(c) Average number of shares issued during the term

First quarter of Fiscal 2016 890,229,326 shares

First quarter of Fiscal 2015 912,821,920 shares

* The Company carried out the share consolidation at the ratio of 10 shares to 1 share effective October 1, 2015. In accordance with it, average number of shares issued during the term is calculated based on the assumption that the share consolidation had been carried out at the beginning of the previous fiscal year.

* Status of Performance of Quarterly Review Procedures

This quarterly flash report is exempt from the quarterly review procedures based on Japan’s Financial Instruments and Exchange Law. At the time when this quarterly flash report was disclosed, the quarterly review procedures based on the Financial Instruments and Exchange Law had not been completed.

* Explanation of the appropriate use of performance forecasts and other related items

(Explanation of the appropriate use of performance forecasts)

The forward-looking statements included in this flash report are based on the assumptions, forecasts, and plans of the Company as of the date on which this document is made public. The Company’s actual results may differ substantially from such statements due to various risks and uncertainties.

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

None

(Notes in Case of Significant Changes to Shareholders' Equity)

(Acquisition of Treasury Stock)

The Company acquired 19,658,800 shares of treasury stock in the first quarter of fiscal 2016 in accordance with a resolution made at the Company's Board of Directors held on February 1, 2016. As a result, treasury stock increased by ¥44,239 million.

(Segment Information)

(Information about segment sales, profit (loss))

First quarter of Fiscal 2015 (April 1, 2015—June 30, 2015)

(Millions of yen)

	Reportable segment					Total	Adjustments	Consolidated Total
	Steelmaking and steel fabrication	Engineering and construction	Chemicals	New materials	System solutions			
Net sales	1,109,686	70,602	52,252	8,806	51,182	1,292,530	(27,597)	1,264,933
Segment profit <Ordinary Profit>	74,734	1,757	2,276	856	4,873	84,498	(77)	84,420

First quarter of Fiscal 2016 (April 1, 2016—June 30, 2016)

(Millions of yen)

	Reportable segment					Total	Adjustments	Consolidated Total
	Steelmaking and steel fabrication	Engineering and construction	Chemicals	New materials	System solutions			
Net sales	927,003	55,463	39,230	8,668	50,055	1,080,420	(29,279)	1,051,141
Segment profit <Ordinary Profit (loss)>	(16,194)	1,239	(1,227)	456	4,998	(10,727)	(1,322)	(12,050)

(Depreciation Information)

The Company does not prepare a cumulative Quarterly Consolidated Statement of Cash Flows for the first quarter of the fiscal year. Depreciation and amortization (including intangible fixed assets amortization other than goodwill) are as follows:

(Millions of yen)

	For the first quarter of Fiscal 2015	For the first quarter of Fiscal 2016
Depreciation and amortization	73,424	71,447

Nippon Steel & Sumitomo Metal Corporation

Code Number: 5401

Listings: Tokyo, Nagoya, Sapporo and Fukuoka Stock Exchanges

Contact: Fumiaki Ohnishi, General Manager, Public Relations Center-Tel: +81-3-6867-2130

Supplementary Information on the Financial Results for the First Quarter of Fiscal 2016

Japanese Steel Industry

1. Crude Steel Production

(million tons)							
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2015FY	25.86	26.20	52.05	26.33	25.84	52.17	104.23
2016FY	26.20	(*)Approx.26.36	Approx.52.56				

(*)METI forecast

2. Inventory Volume

At the end of:		Inventory at manufacturers and distributors (million tons)	Inventory /shipment ratio (%)	Rolled sheets *1 (million tons)	H-flange beams *2 (million tons)
June	2014	5.83	(142.9)	4.20	0.221
July	2014	5.59	(130.3)	4.10	0.215
Aug.	2014	5.93	(162.7)	4.32	0.211
Sep.	2014	5.91	(142.3)	4.31	0.213
Oct.	2014	5.87	(138.3)	4.25	0.208
Nov.	2014	5.95	(150.1)	4.25	0.206
Dec.	2014	5.94	(157.4)	4.18	0.207
Jan.	2015	5.98	(153.0)	4.32	0.211
Feb.	2015	5.91	(156.4)	4.27	0.218
Mar.	2015	5.84	(137.4)	4.31	0.218
Apr.	2015	5.73	(156.0)	4.23	0.206
May	2015	5.87	(161.8)	4.31	0.207
June	2015	5.73	(147.3)	4.20	0.201
July	2015	5.63	(144.3)	4.07	0.197
Aug.	2015	5.86	(168.9)	4.25	0.198
Sep.	2015	5.79	(150.4)	4.21	0.198
Oct.	2015	5.65	(140.2)	4.13	0.195
Nov.	2015	5.68	(152.7)	4.08	0.189
Dec.	2015	5.72	(161.1)	4.09	0.185
Jan.	2016	5.87	(163.1)	4.27	0.185
Feb.	2016	5.72	(156.5)	4.17	0.192
Mar.	2016	5.50	(135.5)	4.11	0.203
Apr.	2016	5.61	(164.2)	4.08	0.196
May	2016	5.70	(159.0)	4.18	0.198

*1 Hot-rolled, cold-rolled and coated sheets

*2 Inventories of distributors dealing with H-flange beams manufactured by Nippon Steel & Sumitomo Metal Corporation

NSSMC**3. Pig Iron Production**

(million tons)

							total
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
2015FY	10.45	10.89	21.35	10.65	10.52	21.17	42.51
2016FY	10.49	Approx.11.20	Approx.21.70				

*Including Hokkai Iron & Coke Co., Ltd. and Nippon Steel & Sumikin Koutetsu Wakayama Corporation

4. Crude Steel Production

(Consolidated basis (The Company and its domestic consolidated subsidiaries))

(million tons)

							total
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
2015FY	10.89	11.38	22.27	11.14	11.12	22.26	44.53
2016FY	11.16	Approx.11.80	Approx.23.00				

(Non-consolidated basis)

(million tons)

							total
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
2015FY	10.31	10.76	21.07	10.56	10.55	21.11	42.17
2016FY	10.58	Approx.11.20	Approx.21.80				

*Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation

5. Steel Products Shipment

(million tons)

							total
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
2015FY	9.85	9.79	19.64	9.99	9.99	19.98	39.62
2016FY	9.60	Approx.10.70	Approx.20.30				

*Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation

6. Average Price of Steel Products

(thousands of yen / ton)

							total
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
2015FY	82.8	79.8	81.3	75.5	70.6	73.1	77.1
2016FY	68.1	Approx.66	Approx.67				

*Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation

7. Export Ratio of Steel Products (Value basis)

(%)

							total
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
2015FY	48	46	47	43	43	43	45
2016FY	43	Approx.43	Approx.43				

*Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation

8. Foreign Exchange Rate

(¥ / \$)

							total
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
2015FY	121	122	122	121	118	120	121
2016FY	111	Approx.100	Approx.105				

9. Amount of Capital Expenditure and Depreciation

(Consolidated basis)

(billions of yen)

	Capital Expenditure	Depreciation
2015FY	304.6	308.2
2016FY	Approx.370.0	Approx.310.0