Flash Report Consolidated Basis

Results for the First Half of Fiscal 2016 (April 1, 2016—September 30, 2016)

<under Japanese GAAP>

November 1, 2016

Company name: Nippon Steel & Sumitomo Metal Corporation

Stock listing: Tokyo, Nagoya, Sapporo, Fukuoka stock exchanges

Code number: 540

URL: http://www.nssmc.com/en/index html

Representative:Kosei Shindo, Representative Director and President
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Telephone: +81-3-6867-2130 **Scheduled date to submit Securities Report:** November 9, 2016

Scheduled date to pay dividends:

Preparation of supplemental explanatory materials: Yes

Holding of quarterly financial results meeting: Yes (for investment analysts)

(Figures of less than ¥1 million have been omitted.)

1. Consolidated Financial and Operating Results through the First Half of Fiscal 2016 (April 1, 2016—September 30, 2016)

(1) Consolidated Operating Results (Accumulated)

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

	Net sales		Net sales Operating profit		rofit	Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
First half of Fiscal 2016	2,160,793	(13.8)	17,830	(81.9)	28,013	(78.4)	11,009	(90.8)	
First half of Fiscal 2015	2,507,562	(9.8)	98,380	(27.4)	129,848	(26.4)	120,117	7.0	

(For reference) Comprehensive income:

First half of Fiscal 2016 First half of Fiscal 2015 ¥(96,546)million —% ¥(46,679)million —%

	Earnings per share	Earnings per share after full dilution	
	Yen	Yen	
First half of Fiscal 2016	12.41	_	
First half of Fiscal 2015	131.23	_	

Note: The Company carried out the share consolidation at the ratio of 10 shares to 1 share effective October 1, 2015. In accordance with it, earnings per share are calculated based on the assumption that the share consolidation had been carried out at the beginning of the previous fiscal year.

(2) Consolidated Financial Results

(_)	(-)								
	Total assets	Net assets	Ratio of shareholders' equity to total assets						
	Millions of yen	Millions of yen	%						
First half of Fiscal 2016	6,179,131	2,854,817	42.5						
Fiscal 2015	6,425,043	3,009,075	43.2						

(For reference) Shareholders' equity: First half of Fiscal 2016 ¥ 2,623,098 million Fiscal 2015 ¥ 2,773,822 million

2. Dividends

		Dividends per share							
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full fiscal year				
	Yen	Yen	Yen	Yen	Yen				
Fiscal 2015	_	3.00	_	15.00	_				
Fiscal 2016	_	0.00							
Fiscal 2016 (Forecasts)			_	_	_				

Notes: 1. Whether the divided forecasts under review have been revised: No

- 2. The Company carried out the share consolidation at the ratio of 10 shares to 1 share effective October 1, 2015. In accordance with it, the full fiscal year dividend of fiscal 2015 is shown as "—". Assuming the share consolidation, the full fiscal year dividend of fiscal 2015 would be ¥45.00.
- 3. The Company plans to determine the forecast for the year-end dividend distribution amount, with due consideration of full-year outlook of profit attributable to owners of parent, and to announce it at the time of its third-quarter result announcement.

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 Earning				Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2016	4,550,000	(7.3)	130,000	(35.3)	60,000	(58.7)	68.00

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 Half 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 half 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 half of Fiscal 2016 67,729,853 shares Fiscal 2015 48,055,060 shares

(c) Average number of shares issued during the term

First half of Fiscal 2016 886,957,724 shares First half of Fiscal 2015 915,329,152 shares

* 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.

^{*} 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.

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1. Qualitative Information for the First Half of Fiscal 2016

(1) Explanation of Operating Results

Global and Domestic Economic Conditions in the First Half of Fiscal 2016

The overall global economy lacked strength, growing only moderately. The U.S. economy expanded steadily, led by consumer spending, and Europe continued to recover at a moderate pace, while China's economy remained sluggish, despite indications that governmental stimulus measures are having some effect.

In Japan, the economic recovery continued at a moderate pace. While consumer spending remained sluggish, employment conditions improved and there were signs of an upturn in corporate production activities.

Operating Results by Business Segment in the First Half of Fiscal 2016

The Nippon Steel & Sumitomo Metal Corporation Group's business segments strived to respond to the changing business environment and to improve sales and earnings. An overview of operating results by business segment is shown below.

(Billions of yen) Net Sales **Ordinary Profit** 1H FY15 **1H FY16** 1H FY16 1H FY15 Steelmaking and steel fabrication 1.900.8 2.202.5 110.7 14.0 Engineering and construction 140.2 116.5 1.5 2.1 3.1 Chemicals 101.3 81.2 0.8 New materials 17.1 17.8 0.7 1.6 System solutions 106.2 10.3 106.0 10.1 Total 2,221.9 2,568.1 27.5 127.8 Adjustments (61.1)(60.6)0.4 2.0 Consolidated total 2,160.7 2,507.5 28.0 129.8

Steelmaking and Steel Fabrication

Domestic demand for steel declined year-on-year as a result of a slow recovery in sales to the construction industry and depressed sales to manufacturers, particularly in the automotive sector, which was affected by the Kumamoto earthquakes. However, due to the recent increase in demand, mainly in the construction and automotive sectors, overall demand bottomed in 1Q and turned to an uptrend in 2Q.

Overseas steel demand was flat overall. Although there were signs of a moderate recovery in ASEAN countries, the downtrend continued in China, despite some recent signs of the bottoming out of domestic demand.

International market conditions hit bottom at the start of the year and have since remained on a recovery track.

The steelmaking and steel fabrication segment recorded net sales of \(\frac{\pma}{1}\),900.8 billion and ordinary profit of \(\frac{\pma}{1}\)4.0 billion.

^{*} The first half (1H) is the six-month period from April 1 to September 30.

Engineering and Construction

Nippon Steel & Sumikin Engineering Co., Ltd. recorded healthy orders from the domestic construction industry. However, the business outlook is increasingly uncertain due to low oil prices, a cautious investment stance among overseas steelmakers, and other factors. The company made its maximum efforts to improve earnings by steadily implementing project execution controls, but earnings decreased partly due to a decline in sales and the impact from the strong yen. The engineering and construction segment posted net sales of ¥116.5 billion and ordinary profit of ¥1.5 billion.

Chemicals

Nippon Steel & Sumikin Chemical Co., Ltd. secured stable earnings in the functional materials business on strong sales for styrene monomers, supported by robust demand in the Asian market, and steady sales of circuit board materials, display materials, and other products for electronics components. However, the coal chemicals business continued to face extremely severe business conditions as a result of sluggish demand for needle coke. The chemicals segment recorded net sales of ¥81.2 billion and ordinary profit of ¥0.8 billion.

New Materials

Nippon Steel & Sumikin Materials Co., Ltd. posted continued strong sales of surface-treated copper wire in the electronics industrial materials field. In the carbon fiber and composite materials field, demand was steady for infrastructure maintenance and reinforcement materials for tunnels and bridges. In contrast, the sluggish economies in emerging countries, intensified market competition, and the strong yen contributed to a decline in sales and earnings. The new materials segment posted net sales of ¥17.1 billion and ordinary profit of ¥0.7 billion.

System Solutions

NS Solutions Corporation provides comprehensive solutions in the planning, configuration, operation, and maintenance of IT systems for clients in a wide range of business fields, and develops leading-edge solutions services that respond to the changing business conditions of its clients. During the period under review, NS Solutions concluded a share exchange agreement with a specialized trading company with a particular strength in the network security field, which will become a wholly owned subsidiary effective January 1, 2017. The system solutions segment recorded net sales of ¥106.0 billion and ordinary profit of ¥10.3 billion.

Sales and Profit for the First Half of Fiscal 2016

Nippon Steel & Sumitomo Metal Corporation (NSSMC or the Company) posted first-half consolidated net sales of ¥2,160.7 billion, with operating profit of ¥17.8 billion, ordinary profit of ¥28.0 billion, and profit attributable to owners of parent of ¥11.0 billion.

(2) Explanation of Information on Future Estimates, Including Consolidated Earnings Forecasts Consolidated Earnings Forecasts

NSSMC anticipates moderate growth in the overall global economy. While economic conditions are likely to remain firm in the United States, centered on consumer spending, and a gradual improvement in the European economy is expected, the sluggish growth in China is projected to continue.

The Japanese economy is expected to recover at a moderate pace, despite sluggish private consumption, owing to the effects of government economic stimulus measures and signs of a recovery in corporate capital investment.

In the second half of fiscal 2016, the Company anticipates a firm recovery in domestic steel demand, albeit at a moderate pace, as a result of the revival of the automotive sector and an increase in construction demand related to the 2020 Tokyo Olympics. With regard to overseas steel demand, there are signs of the bottoming out of local demand in China, while steady gains are anticipated in ASEAN countries and India. In terms of global market conditions, the recent sharp rise in coking coal prices is expected to be increasingly reflected in steel market prices going forward. Against this background, NSSMC will continue to make its utmost efforts to secure margins that are sufficient to allow the resumption of production, in response to the rapid rise in coking coal prices that exceed self-help efforts. At the same time, the Company will work closely with customers to gain their understanding in revising steel material prices.

For the full period of fiscal 2016, the Company is maintaining its previous forecast disclosed at the time of the first-quarter results announcement (July 28, 2016), and intends to achieve ¥130.0 billion in consolidated ordinary profit.

Basic Profit Distribution Policy and the First-Half Dividend Distribution

NSSMC's basic policy regarding profit distribution is to pay dividends from distributable funds at the end of the first half (interim) and second half (year-end) of the fiscal year, in consideration of the consolidated operating results and such factors as capital requirements for investment and other activities aimed at raising corporate value and performance prospects, while also considering the financial structure of the Company on both consolidated and non-consolidated bases. The Company has adopted a consolidated payout ratio target of around 20%–30% as the benchmark for the "payment of dividends from distributable funds in consideration of the consolidated operating results." The level of the first-half dividend is determined based on consideration of interim performance figures and forecasts for the full fiscal year performance.

In accordance with the above basic profit distribution policy, the Company sincerely regrets that it has decided to forgo the first-half dividend distribution, as disclosed at the time of the first-quarter results announcement.

The Company plans to determine the forecast for the year-end dividend distribution amount, with due consideration of the full-year outlook of profit attributable to owners of parent, and announce it at the time of its third-quarter results announcement.

2. Matters Concerning Summary Information (Notes to Financial Statements)

(1) Changes in Significant Subsidiaries during the Period:

None

(2) Adoption of Special Accounting Methods for the Preparation of Quarterly Consolidated Financial Statements:

The Company reasonably estimated the effective tax rate following application of tax-effect accounting on profit before income taxes for the consolidated fiscal year, which includes the quarterly period under review, and applied this percentage to quarterly profit before income taxes to determine income taxes.

(3) Changes in Accounting Principles, Changes in Accounting Estimates, and Retrospective Restatements: (Changes in Accounting Principles)

Application of Practical Solution on a Change in Depreciation Method due to Tax Reform 2016

Accompanying tax reform, the Company has applied "Practical Solution on a Change in Depreciation Method due to Tax Reform 2016" (PITF No. 32, issued June 17, 2016) in its consolidated financial statements since the first quarter of fiscal 2016. As a result, the Company has changed its method of depreciation for facilities attached to buildings and structures acquired on and after April 1, 2016 from the declining-balance method to the straight-line method.

The effect of this change in accounting principles on the quarterly consolidated financial statements for the first half of fiscal 2016 was not material.

(Additional Information)

Application of the "Implementation Guidance on Recoverability of Deferred Tax Assets"

The Company has applied "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26, issued March 28, 2016) in its consolidated financial statements since the first quarter of fiscal 2016.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

		Millions of yen
ASSETS	March 31, 2016	September 30, 2016
Current assets :		
Cash and bank deposits	85,365	74,884
Notes and accounts receivable	523,207	423,117
Inventories	1,110,901	1,062,191
Other	271,164	261,089
Less: Allowance for doubtful accounts	(567)	(1,197)
Total current assets	1,990,072	1,820,085
Fixed assets:		
Tangible fixed assets:		
Buildings and structures	682,187	678,512
Machinery, equipment and vehicles	1,028,856	995,144
Other	868,195	879,533
	2,579,240	2,553,190
Intangible assets:	87,680	78,968
Investments and others:		
Investments in securities	592,402	598,931
Shares of subsidiaries and affiliates	979,879	930,291
Net defined benefit assets	58,708	59,567
Other	139,566	140,534
Less: Allowance for doubtful accounts	(2,508)	(2,437)
	1,768,049	1,726,886
Total fixed assets	4,434,970	4,359,045
Total assets	6,425,043	6,179,131

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LIABILITIES	March 31, 2016	September 30, 2016
Command Habilities		
Current liabilities:	590.210	544.252
Notes and accounts payable	589,319 400,386	544,252
Short-term loans payable	•	361,468
Bonds due within one year	50,000	80,000
Income taxes payable	25,342	19,407
Provision	2,124	588
Other	547,744	583,390
Total current liabilities	1,614,918	1,589,107
Long-term liabilities :		
Bonds and notes	335,683	295,687
Long-term loans payable	1,209,116	1,200,985
Allowance and reserve	4,805	4,132
Net defined benefit liabilities	128,837	117,950
Other	122,606	116,451
Total long-term liabilities	1,801,049	1,735,205
Total liabilities	3,415,968	3,324,313
NET ASSETS		
Shareholders' equity:		
Common stock	419,524	419,524
Capital surplus	383,010	383,205
Retained earnings	1,837,919	1,835,270
Less: Treasury stock, at cost	(87,942)	(132,231)
	2,552,512	2,505,769
Accumulated other comprehensive income:		
Unrealized gains on available-for-sale securities	171,378	155,059
Deferred hedge income (loss)	(10,883)	(7,085)
Unrealized gains on revaluation of land	3,025	2,999
Foreign currency translation adjustments	14,652	(81,538)
Remeasurements of defined benefit plans	43,136	47,894
	221,310	117,328
Non-controlling interests in consolidated subsidiaries	235,252	231,719
Total net assets	3,009,075	2,854,817
Total liabilities and net assets	6,425,043	6,179,131

(2) Quarterly Consolidated Statements of Operations and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Operations		Millions of yen
	First half of	First half of
	fiscal 2015	Fiscal 2016
Operating revenues :		
Net sales	2,507,562	2,160,793
Cost of sales	2,177,202	1,918,536
Gross profit	330,360	242,257
Selling, general and administrative expenses	231,979	224,426
Operating profit	98,380	17,830
Non-operating profit and loss :		
Non-operating profit:		
Interest income	2,935	2,820
Dividend income	8,824	7,448
Equity in profit of unconsolidated	28,697	25.010
subsidiaries and affiliates	28,097	35,018
Other	26,011	19,015
	66,469	64,303
Non-operating loss:		
Interest expense	9,789	9,247
Other	25,212	44,872
	35,002	54,119
Ordinary profit	129,848	28,013
Extraordinary profit :		,
Gain on sales of shares of subsidiaries and associates	33,461	-
Settlement received	30,000	-
	63,461	-
Extraordinary loss:		
Loss on inactive facilities	15,870	2,712
Restructuring loss	· -	6,407
	15,870	9,119
Profit before income taxes	177,438	18,894
Income taxes - current and deferred	51,260	2,136
Profit	126,178	16,757
Profit attributable to non-controlling interests	6,061	5,748
Profit attributable to owners of parent	120,117	11,009

Quarterly Consolidated Statements of Comprehensive Income		Millions of yer
	First half of	First half of
	Fiscal 2015	Fiscal 2016
Profit	126,178	16,757
Other comprehensive income		
Unrealized gains on available-for-sale securities	(90,007)	(13,585)
Deferred hedge income (loss)	(7,483)	2,830
Unrealized gains on revaluation of land	(11)	-
Foreign currency translation adjustments	(27,868)	(93,590)
Remeasurements of defined benefit plans	(27,178)	4,990
Share of other comprehensive income of affiliates accounted for using equity method	(20,308)	(13,949)
Total other comprehensive income	(172,858)	(113,303)
Comprehensive income	(46,679)	(96,546)
(breakdown)		
Comprehensive income attributable to owners of parent	(53,085)	(92,945)
Comprehensive income attributable to non-controlling interests	6,405	(3,600)

(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 half 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)

First half of Fiscal 2015 (April 1, 2015—September 30, 2015)

(Millions of yen)

		R	Reportable segm	ent				
	Steelmaking and steel fabrication	Engineering and construction	Chemicals	New materials	System solutions	Total	Adjustments	Consolidated Total
Net sales	2,202,567	140,214	101,338	17,811	106,253	2,568,185	(60,623)	2,507,562
Segment profit <ordinary profit=""></ordinary>	110,741	2,179	3,170	1,622	10,117	127,832	2,015	129,848

First half of Fiscal 2016 (April 1, 2016—September 30, 2016)

(Millions of yen)

							(minons or yen)
		Reportable segment						
	Steelmaking and steel fabrication	Engineering and construction	Chemicals	New materials	System solutions	Total	Adjustments	Consolidated Total
Net sales	1,900,877	116,541	81,288	17,196	106,025	2,221,929	(61,136)	2,160,793
Segment profit <ordinary profit=""></ordinary>	14,077	1,593	802	710	10,368	27,552	460	28,013

(Depreciation Information)

Depreciation and amortization (including intangible assets amortization other than goodwill) are as follows:

(Millions of yen)

	For the first half of Fiscal 2015	For the first half of Fiscal 2016
	118Cai 2013	1 18Cai 2010
Depreciation and amortization	151,927	145,233

Nippon Steel & Sumitomo Metal Corporation

Code Number: 5401

Listings: Tokyo, Nagoya, Sapporo and Fukuoka Stock Exchanges

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Supplementary Information on the Financial Results for the First Half 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	26.21	26.33	52.54	(*)Approx.26.58			

(*)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)
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	(140.1)	4.13	0.195
Nov.	2015	5.68	(153.0)	4.08	0.189
Dec.	2015	5.72	(161.4)	4.09	0.185
Jan.	2016	5.87	(162.8)	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
June	2016	5.56	(146.7)	4.03	0.197
July	2016	5.39	(142.0)	3.91	0.191
Aug.	2016	5.67	(164.7)	4.05	0.187
Sep. *3	2016	5.60	(148.3)	3.97	0.180

^{*1} Hot-rolled, cold-rolled and coated sheets

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

^{*3} Preliminary report

NSSMC

3. Pig Iron Production

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2015FY	10.45	10.89	21.35	10.65	10.52	21.17	42.51
2016FY	10.49	10.76	21.26			Approx.21.90	Approx.43.20

^{*}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)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2015FY	10.89	11.38	22.27	11.14	11.12	22.26	44.53
2016FY	11.16	11.53	22.70			Approx.23.30	Approx.46.00

(Non-consolidated basis)

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2015FY	10.31	10.76	21.07	10.56	10.55	21.11	42.17
2016FY	10.58	10.93	21.51			Approx.22.00	Approx.43.50

^{*}Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation

5. Steel Products Shipment

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2015FY	9.85	9.79	19.64	9.99	9.99	19.98	39.62
2016FY	9.60	10.09	19.68			Approx.20.60	Approx.40.30

^{*}Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation

6. Average Price of Steel Products

(thousands of yen / ton)

							1
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2015FY	82.8	79.8	81.3	75.5	70.6	73.1	77.1
2016FY	68.1	67.9	68.0			Approx.74	Approx.71

^{*}Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation

7. Export Ratio of Steel Products (Value basis)

(%)

		1				1	
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2015FY	48	46	47	43	43	43	45
2016FY	43	43	43			Approx.41	Approx.42

^{*}Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation

8. Foreign Exchange Rate

(\\\ \$)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2015FY	121	122	122	121	118	120	121
2016FY	111	103	107			Approx.100	Approx.103

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