

**Flash Report**  
**Consolidated Basis**  
**Results for Fiscal 2017**  
**(April 1, 2017—March 31, 2018)**  
**< under Japanese GAAP >**

April 26, 2018

**Company name:** Nippon Steel & Sumitomo Metal Corporation  
**Stock listing:** Tokyo, Nagoya, Sapporo, Fukuoka stock exchanges  
**Code number:** 5401  
**URL:** <http://www.nssmc.com/en/index.html>  
**Representative:** Kosei Shindo, Representative Director and President  
**Contact:** Fumiaki Ohnishi, General Manager, Public Relations Center  
**Telephone:** +81-3-6867-2130  
**Scheduled date to Ordinary General Meeting of Shareholders:** June 26, 2018  
**Scheduled date to pay dividends:** June 27, 2018  
**Scheduled date to submit Securities Report:** June 26, 2018  
**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 Fiscal 2017**

(April 1, 2017—March 31, 2018)

**(1) Consolidated Operating Results**

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

|                    | Net sales        |             | Operating profit |             | Ordinary profit |             | Profit attributable to owners of parent |             |
|--------------------|------------------|-------------|------------------|-------------|-----------------|-------------|---|-------------|
|                    | Millions of yen  | %           | Millions of yen  | %           | Millions of yen | %           | Millions of yen                         | %           |
| <b>Fiscal 2017</b> | <b>5,668,663</b> | <b>22.4</b> | <b>182,382</b>   | <b>59.7</b> | <b>297,541</b>  | <b>70.5</b> | <b>195,061</b>                          | <b>49.0</b> |
| Fiscal 2016        | 4,632,890        | (5.6)       | 114,202          | (31.9)      | 174,531         | (13.1)      | 130,946                                 | (10.0)      |

(For reference) Comprehensive income: Fiscal 2017 ¥299,598 million 37.8%  
Fiscal 2016 ¥217,453 million —%

|                    | Earnings per share | Earnings per share after full dilution | Return on Equity | Return on Assets | Return on Sales |
|--------------------|--------------------|--|------------------|------------------|-----------------|
|                    | Yen                | Yen                                    | %                | %                | %               |
| <b>Fiscal 2017</b> | <b>221.00</b>      | —                                      | <b>6.4</b>       | <b>4.0</b>       | <b>3.2</b>      |
| Fiscal 2016        | 147.97             | —                                      | 4.6              | 2.6              | 2.5             |

(For reference) Equity in profit of unconsolidated subsidiaries and affiliates: Fiscal 2017 ¥122,675 million  
Fiscal 2016 ¥79,180 million

**(2) Consolidated Financial Results**

|                    | Total assets     | Net assets       | Ratio of shareholders' equity to total assets | Net assets per share |
|--------------------|------------------|------------------|---|----------------------|
|                    | Millions of yen  | Millions of yen  | %   | Yen                  |
| <b>Fiscal 2017</b> | <b>7,592,413</b> | <b>3,515,501</b> | <b>41.4</b>                                   | <b>3,563.80</b>      |
| Fiscal 2016        | 7,261,923        | 3,291,015        | 40.6  | 3,340.22             |

(For reference) Shareholders' equity: Fiscal 2017 ¥3,145,450 million  
Fiscal 2016 ¥2,948,232 million

**(3) Consolidated Statements of Cash-Flows**

|                    | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of year |
|--------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                    | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                          |
| <b>Fiscal 2017</b> | <b>458,846</b>                       | <b>(353,419)</b>                     | <b>(89,190)</b>                      | <b>111,779</b>                           |
| Fiscal 2016        | 484,288                              | (343,738)                            | (135,054)                            | 91,391                                   |

## 2. Dividends

|                                | Dividends per share  |                       |                      |                    |              |
|--------------------------------|----------------------|-----------------------|----------------------|--------------------|--------------|
|                                | End of first quarter | End of second quarter | End of third quarter | End of fiscal year | Fiscal year  |
|                                | Yen                  | Yen                   | Yen                  | Yen                | Yen          |
| Fiscal 2016                    | —                    | 0.00                  | —                    | 45.00              | 45.00        |
| <b>Fiscal 2017</b>             | —                    | <b>30.00</b>          | —                    | <b>40.00</b>       | <b>70.00</b> |
| <b>Fiscal 2018 (Forecasts)</b> | —                    | —                     | —                    | —                  | —            |

|                         | Cash dividends  | Ratio of cash dividends to profit | Ratio of cash dividends to net assets |
|-------------------------|-----------------|-----------------------------------|---------------------------------------|
|                         | Millions of yen | %                                 | %                                     |
| Fiscal 2016             | 39,776          | 30.4                              | 1.4                                   |
| <b>Fiscal 2017</b>      | 61,872          | <b>31.7</b>                       | <b>2.0</b>                            |
| Fiscal 2018 (Forecasts) |                 | —                                 |                                       |

Notes: 1. The Company has not determined a dividend distribution plan for fiscal 2018 due to the inability to establish reasonable earnings forecasts. The dividend distribution plan will be disclosed when it becomes available.

## 3. Consolidated Financial Forecasts for Fiscal 2018 (April 1, 2018—March 31, 2019)

The earnings forecasts for fiscal 2018 are not presented because the outlook has not been determined due to the difficulty formulating reasonably accurate estimates at this time. For further details, please refer to page 8, “(2) Outlook for Fiscal 2018” of “1. Summary of Results of Operations.”

### \* Notes

- (1) Changes in significant subsidiaries during the period: None
- (2) Changes in accounting principles, changes in accounting estimates, and retrospective restatements
  - (a) Changes in accounting principles accompanying revisions in accounting standards: None
  - (b) Changes other than those in (a) above: None
  - (c) Changes in accounting estimates: None
  - (d) Retrospective restatements: None
- (3) Number of shares issued (common shares)
  - (a) Number of shares issued at the end of the period (including treasury stock)
 

|             |                    |
|-------------|--------------------|
| Fiscal 2017 | 950,321,402 shares |
| Fiscal 2016 | 950,321,402 shares |
  - (b) Number of treasury stock at the end of the period
 

|             |                   |
|-------------|-------------------|
| Fiscal 2017 | 67,710,915 shares |
| Fiscal 2016 | 67,674,097 shares |
  - (c) Average number of shares issued during the term
 

|             |                    |
|-------------|--------------------|
| Fiscal 2017 | 882,629,157 shares |
| Fiscal 2016 | 884,959,677 shares |

**(For Reference) A Summary of Non-Consolidated Financial and Operating Results**  
**Non-Consolidated Financial and Operating Results through Fiscal 2017**  
**(April 1, 2017—March 31, 2018)**

**(1) Non-Consolidated Operating Results**

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

|                    | Net sales        |            | Operating profit |   | Ordinary profit |              | Profit          |              |
|--------------------|------------------|------------|------------------|---|-----------------|--------------|-----------------|--------------|
|                    | Millions of yen  | %          | Millions of yen  | % | Millions of yen | %            | Millions of yen | %            |
| <b>Fiscal 2017</b> | <b>3,266,686</b> | <b>9.8</b> | <b>6,408</b>     | — | <b>107,213</b>  | <b>122.7</b> | <b>118,275</b>  | <b>184.7</b> |
| Fiscal 2016        | 2,974,224        | (5.9)      | (29,195)         | — | 48,132          | (45.3)       | 41,541          | (50.4)       |

|                    | Earnings per share | Earnings per share after full dilution |
|--------------------|--------------------|--|
|                    | Yen                | Yen                                    |
| <b>Fiscal 2017</b> | 133.81             | —                                      |
| Fiscal 2016        | 46.87              | —                                      |

**(2) Non-Consolidated Financial Results**

|                    | Total assets     | Net assets       | Ratio of shareholders' equity to total assets | Net assets per share |
|--------------------|------------------|------------------|---|----------------------|
|                    | Millions of yen  | Millions of yen  | %   | Yen                  |
| <b>Fiscal 2017</b> | <b>5,235,048</b> | <b>2,024,648</b> | <b>38.7</b>                                   | <b>2,290.62</b>      |
| Fiscal 2016        | 5,085,063        | 1,938,126        | 38.1  | 2,192.65             |

(For reference) Shareholders' equity: Fiscal 2017 ¥2,024,648 million  
Fiscal 2016 ¥1,938,126 million

\* This flash report is exempt from the audit procedures.

\* 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.

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## 1. Summary of Results of Operations

### (1) Summary of Results of Operations and Financial Position for Fiscal Year Ended March 31, 2018 (Fiscal 2017)

#### 1. Overview of Conditions in Fiscal 2017

The global economy stayed on a recovery trend overall during the period under review. The United States maintained a steady economic recovery against the background of robust private consumption and an improvement in labor market conditions, while Europe continued its upward trend. China experienced stable economic conditions, and developing countries maintained a gradual economic recovery.

The Japanese economy continued to improve moderately, sustained by steady private consumption and capital investment.

Domestic demand for steel remained firm, mainly in the automotive and construction/civil engineering sectors. Overseas steel demand also continued to increase at a moderate pace. The international steel market in general remained at high levels, against the background of tighter supply and demand conditions and other factors.

Under such business environment, the Nippon Steel & Sumitomo Metal Corporation (NSSMC) Group made steady progress in implementing the strategies of the Mid-Term Management Plan to Fiscal 2017, which was launched in March 2015. This included enhancing the competitiveness of the domestic “mother mills,” advancing global strategies, augmenting technological superiority, realizing world-leading cost-competitiveness, and strengthening the Group companies in the steelmaking business.

#### Operating Results by Business Segment for Fiscal 2017

The NSSMC Group’s business segments each put forth utmost management effort to generate results while responding to the changing business environment. An overview of operating results by business segment is shown below.

|                                   | (Billions of yen) |             |                 |             |
|-----------------------------------|-------------------|-------------|-----------------|-------------|
|                                   | Net Sales         |             | Ordinary Profit |             |
|                                   | Fiscal 2017       | Fiscal 2016 | Fiscal 2017     | Fiscal 2016 |
| Steelmaking and steel fabrication | 5,017.2           | 4,052.2     | 245.7           | 138.0       |
| Engineering and construction      | 294.2             | 267.5       | 9.1             | 6.8         |
| Chemicals                         | 200.7             | 174.2       | 15.4            | 4.5         |
| New materials                     | 37.0              | 34.5        | 1.9             | 1.7         |
| System solutions                  | 244.2             | 232.5       | 23.2            | 22.1        |
| Total                             | 5,793.5           | 4,761.0     | 295.5           | 173.2       |
| Adjustments                       | (124.8)           | (128.1)     | 2.0             | 1.2         |
| Consolidated total                | 5,668.6           | 4,632.8     | 297.5           | 174.5       |

## **Steelmaking and steel fabrication**

The Steelmaking and Steel Fabrication segment implemented various measures centered primarily on enhancing the competitiveness of the domestic “mother mills” and advancing global strategies.

In Japan, NSSMC identified the improvement and reconstruction of steelworks as a priority management issue and continued to implement policies to enhance these manufacturing capabilities in terms of both facilities and workforce. Concerning facilities, NSSMC decided to refurbish the coke oven at its Muroran Works and took other measures to maintain and strengthen the soundness of its manufacturing capabilities, including the upgrading of basic facilities. As for the workforce, to ensure the transfer of skills without fail from the retiring older generation to the younger generations, NSSMC strengthened its recruitment activities and took initiatives to train personnel from a long-term perspective. Moreover, NSSMC absorbed and merged consolidated subsidiary Nippon Steel & Sumikin Kotetsu Wakayama Corporation, which performs the upstream operations (ironmaking and steelmaking operations) in NSSMC’s Wakayama Works, with the aim of substantially increasing management efficiency through the use of its business infrastructure.

In markets outside Japan, NSSMC took major strides toward enhancing its global supply network to capture demand in overseas growth markets and build an operating structure that better responds to customers’ global development requirements. For example, in Indonesia, where demand is expected to grow in the automotive market, NSSMC’s joint venture to manufacture and sell high-grade, high-quality steel sheets for automobiles, began operation. In Brazil, NSSMC exchanged basic agreements to introduce new governance rules and other provisions at Usinas Siderúrgicas de Minas Gerais S.A. – Usiminas (“Usiminas”), an equity-method affiliate of NSSMC, with the Argentine company Ternium Investments S.à r.l., which jointly manages Usiminas, and confirmed that both companies will closely cooperate to enhance the competitiveness of Usiminas and increase its corporate value.

In India, with the aim of steadily capturing significant demand growth in the medium to long term, NSSMC has decided to participate in the procedure for the joint acquisition of Essar Steel India Limited with ArcelorMittal. In the area of specialty steels where strong demand is expected, NSSMC is seeking to substantially strengthen its technological capabilities, quality, and product development while enhancing as well as expanding its global business. The Company has therefore concluded an agreement to acquire Ovako AB, a Swedish company which has world-leading technologies in bearing steel and other such products combined with a manufacturing and sales network in Europe. At the same time, in Japan, the Company has decided to commence discussions regarding making Sanyo Special Steel Co., Ltd. a subsidiary of NSSMC and other issues.

As evidence of NSSMC’s strengths in advanced technology, a “resource-saving, environmentally friendly, high productivity stainless steelmaking process” using a steel alloy melting furnace developed by the Company was awarded the Okochi Memorial Foundation Special Production Award in the 64th Okochi Awards. This award is the highest of the Okochi awards that are presented to remarkable contributions in areas such as production engineering. The process that received the award this time, enables the full recycling of scrap containing chrome, which is generated by the stainless steel production process and other materials. It is therefore not only environmentally friendly but also contributes to

increasing productivity and reducing costs. In addition, NSSMC decided to newly install an ultra-high tensile strength sheet manufacturing facility at its Kimitsu Works. This is expected to enable NSSMC to capture demand from the automobile industry for materials to make vehicles lighter and stronger. Through these activities, the Company will continue to contribute to offering high-performance materials and solutions technologies to create new value for its customers.

Furthermore, NSSMC also continued to strive to reduce raw material and fuel costs and improve production yield, from the perspective of cost reduction, and to seek the understanding and cooperation of its customers in adjusting steel product prices, given the surge in raw material prices and other factors. The steelmaking and steel fabrication segment recorded net sales of ¥5,017.2 billion and ordinary profit of ¥245.7 billion.

### **Engineering and Construction**

Nippon Steel & Sumikin Engineering Co., Ltd., saw signs of an improvement in the robust business environment, as oil prices rose and overseas steelmakers resumed capital investments. Solid business conditions in the domestic construction sector and other areas and the company's steady control of project execution also contributed to an increase in both sales and profit. The engineering and construction segment posted net sales of ¥294.2 billion and ordinary profit of ¥9.1 billion.

### **Chemicals**

Nippon Steel & Sumikin Chemical Co., Ltd. expanded sales of circuit board materials and display materials for electronic devices such as smartphones in its functional materials business, and posted record-high sales volume of both materials during the term. In the chemicals business, supply and demand conditions for styrene monomer, a core product in this segment, were favorable, enabling the company to report a steady gain in profit. In the coal tar chemicals business, supply and demand conditions for needle coke were tight due to robust demand for graphite electrodes used in the electric furnace sector, while demand for coke used in negative pole electrodes in lithium ion batteries also increased. As a result, the market environment showed a significant improvement along with rising product price levels and other factors. The chemicals segment recorded net sales of ¥200.7 billion and ordinary profit of ¥15.4 billion.

### **New Materials**

Nippon Steel & Sumikin Materials Co., Ltd. within its semiconductor and electronics industrial materials business, continued to post favorable sales of metal foils for suspension and other materials. In the field of environmental and energy materials, sales of metal substrates expanded as the company steadily captured demand in developing countries. Although overall performance was affected by severer competition, an increase in sales boosted both net sales and profit. The new materials segment posted net sales of ¥37.0 billion and ordinary profit of ¥1.9 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 fiscal year, the company promoted the development of solutions for its customer enterprises to enable them to make use of AI, machine learning, and IoT and thereby enhance the sophistication of their operations in their production and logistics workplaces. This contributed to the expansion of both sales and profit. The system solutions segment recorded net sales of ¥244.2 billion and ordinary profit of ¥23.2 billion.

### **Sales and Profit**

The Company's profit for the fiscal year was negatively affected by a decrease in production and shipment volume due to some facility-related troubles and adverse weather, a surge in prices of primary raw materials, and rises in costs of some auxiliary materials such as scrap and alloy, other materials procurement costs, and distribution costs. However, these factors were more than offset by positive factors such as the steady execution of cost reduction measures, the improved performance of domestic and overseas Group companies, and the positive impact of differences in inventory valuations. As a result, NSSMC posted consolidated net sales of ¥5,668.6 billion, operating profit of ¥182.3 billion, ordinary profit of ¥297.5 billion, and profit attributable to owners of parent of ¥195.0 billion.

### **Assets, Liabilities, Net Assets, and Cash Flows**

Consolidated total assets at the end of fiscal 2017 were ¥7,592.4 billion, representing an increase of ¥330.4 billion from ¥7,261.9 billion at the end of fiscal 2016. The main factors accounting for this were increases of ¥54.4 billion in notes and accounts receivable, ¥164.3 billion in inventories, and ¥55.0 billion in investments in securities.

Consolidated total liabilities at the end of fiscal 2017 were ¥4,076.9 billion, representing an increase of ¥106.0 billion from ¥3,970.9 billion at the end of fiscal 2016. The main factors accounting for this were a decrease in interest-bearing liabilities of ¥35.9 billion, from ¥2,104.8 billion at the end of fiscal 2016 to ¥2,068.9 billion at the end of fiscal 2017, a rise in notes and accounts payable of ¥46.8 billion, a rise in accounts payable-other of ¥66.7 billion, and an increase in deferred tax liabilities of ¥14.8 billion.

Net assets amounted to ¥3,515.5 billion at the end of fiscal 2017, representing an increase of ¥224.4 billion from ¥3,291.0 billion at the end of fiscal 2016. The main factors behind the increase were a rise in profit attributable to owners of parent of ¥195.0 billion, a decrease in the payment of dividends of ¥66.2 billion, an increase in unrealized gains on available-for-sale securities of ¥43.8 billion, and an increase in non-controlling interests of ¥27.2 billion. As a result, shareholders' equity at the end of fiscal 2017 amounted to ¥3,145.4 billion, and the ratio of interest-bearing debt to shareholders' equity (D/E ratio) was 0.66 times.

Cash flows provided by operating activities in fiscal 2017 amounted to an inflow of ¥458.8 billion (compared to an inflow of ¥484.2 billion in fiscal 2016). The main factors were inflows of ¥289.8 billion from profit before income taxes and ¥340.7 billion from depreciation and amortization, as well as outflows from an increase in notes and accounts receivable of ¥50.1 billion and an increase in inventories of ¥162.8 billion.

Cash flows from investing activities amounted to an outflow of ¥353.4 billion (compared to an outflow of ¥343.7 billion in fiscal 2016), as outflows from capital investments and other items of ¥403.0 billion exceeded inflows, which included proceeds of ¥39.9 billion from sales of investment securities. The result was a free cash inflow of ¥105.4 billion in fiscal 2017 (compared to an inflow of ¥140.5 billion in fiscal 2016).

Cash flows from financing activities amounted to an outflow of ¥89.1 billion (compared to an outflow of ¥135.0 billion in fiscal 2016) largely due to the payment of cash dividends of ¥66.2 billion at the end of fiscal 2016 and the end of first half (interim) of fiscal 2017 and a decrease in interest-bearing debt of ¥35.9 billion. As a result of these cash flows, cash and cash equivalents at the end of the fiscal year stood at ¥111.7 billion.

### **Basic Profit Distribution Policy and Distribution of Dividends for Fiscal 2017**

NSSMC's basic profit distribution policy 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.

NSSMC has adopted a consolidated payout ratio target of around 20%-30% as a 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.

Concerning dividend distribution, in accordance with the basic profit distribution policy described above, NSSMC paid a dividend of ¥30 per share for the end of the first half (interim). Regarding the fiscal year-end dividend, following the previously stated policy and in view of more favorable results in earnings compared to the most recent forecasts announced on February 1, 2018, the Company now plans to request the approval of the General Meeting of Shareholders to distribute a year-end dividend payment of ¥40 per share (bringing the dividend for the full year to ¥70 per share and representing a consolidated payout ratio of 31.7%), raising the previously announced dividend of ¥30 per share by ¥10.

## **(2) Outlook for the Fiscal Year Ending March 31, 2019 (Fiscal 2018)**

### **Outlook for Operations in Fiscal 2018**

The overall global economy is expected to show a continued moderate recovery, although conditions will remain uncertain because of political issues in various countries and other factors. This forecast assumes that the economies of both the United States and Europe will continue to show their upward trend, the Chinese economy continues to be firm, and the economies of developing countries stay on a gradual recovery path.

The Japanese economy is forecast to show a continued moderate improvement as labor market conditions show steady improvement.

Domestic steel demand is expected to remain firm, especially in the automotive and industrial machinery sectors. We anticipate that overseas steel demand will continue to expand at a moderate pace. In the international steel market, we are assuming that the supply and demand balance will remain relatively tight, but, since there are concerns about the impact of protectionist policies in the United States and other countries, close attention to future trends will be necessary.

Amid these conditions, NSSMC will continue to closely monitor trends in steel product supply and demand and raw material prices and will also strive to implement steady cost improvement. In tandem with these initiatives, NSSMC is working to secure appropriate sales prices for continuous supply, and will continue to seek the understanding and cooperation of its customers in adjusting steel product prices, given surges in primary raw material prices, especially for coking coal, as well as rises in prices of some auxiliary materials such as scrap and alloy, other materials procurement costs, and distribution costs.

NSSMC is unable at this time to establish reasonably accurate earnings estimates for fiscal 2018 due to several factors, including the uncertainty of price trends for primary raw materials and steel products. The Company will disclose fiscal 2018 earnings forecasts when reasonable estimates become possible.

### **Outlook for Distribution of Dividends for Fiscal 2018**

NSSMC will increase the guideline for the payment of dividends from distributable funds in consideration of consolidated operating results in the basic profit distribution policy to a targeted consolidated payout ratio of around 30% as the benchmark. This guideline will apply beginning with the payment of dividends for the first half (interim) of fiscal 2018 in order to provide a higher return to shareholders.

The Company has not determined a dividend distribution plan for fiscal 2018 due to the inability to establish reasonable earnings forecasts, as stated above. The dividend distribution plan will be disclosed when it becomes available.

## **2. Basic Rationale for Selection of Accounting Standards**

The Company has considered transition to international accounting standards with aims to increase corporate value through enhancement of global business development and improve international comparability of financial information in capital markets. The Company has changed timing for adoption of international accounting standards from the first quarter of the fiscal year ending March 31, 2019 to the year end of the fiscal year ending March 31, 2019 to make sure to provide its investors with more useful information. The Company will adopt the International Financial Reporting Standards (IFRS) as international accounting standards.

### Disclosure schedule

| Fiscal Year                       |   | Disclosure Materials   | Accounting Standards |
|-----------------------------------|---|--|----------------------|
| Fiscal year ending March 31, 2018 | Year End  | -Flash report consolidated basis results<br>-Consolidated financial statements pursuant to the Companies Act of Japan<br>-Consolidated financial statements pursuant to the Financial Instruments and Exchange Act | JGAAP                |
| Fiscal year ending March 31, 2019 | 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> quarter | -Flash report consolidated basis results<br>-Quarterly consolidated financial statements pursuant to the Financial Instruments and Exchange Act  | JGAAP                |
|                                   | Year End  | -Flash report consolidated basis results<br>-Consolidated financial statements pursuant to the Companies Act of Japan<br>-Consolidated financial statements pursuant to the Financial Instruments and Exchange Act | IFRS                 |

### 3. Consolidated Financial Statements and Major Notes

#### (1) Consolidated Balance Sheets

|                                       | Millions of yen |                       |
|---------------------------------------|-----------------|-----------------------|
| <b>ASSETS</b>                         | March 31, 2017  | <b>March 31, 2018</b> |
| <b>Current assets :</b>               |                 |                       |
| Cash and bank deposits                | 88,111          | <b>108,782</b>        |
| Notes and accounts receivable         | 624,089         | <b>678,579</b>        |
| Marketable securities                 | 4,654           | <b>7,266</b>          |
| Inventories                           | 1,215,649       | <b>1,380,003</b>      |
| Deferred tax assets                   | 59,441          | <b>77,363</b>         |
| Other                                 | 254,669         | <b>226,635</b>        |
| Less: Allowance for doubtful accounts | (2,179)         | <b>(1,766)</b>        |
| <b>Total current assets</b>           | 2,244,436       | <b>2,476,863</b>      |
| <b>Fixed assets :</b>                 |                 |                       |
| Tangible fixed assets :               |                 |                       |
| Buildings and structures              | 753,697         | <b>759,716</b>        |
| Machinery, equipment and vehicles     | 1,114,851       | <b>1,131,993</b>      |
| Tools, furniture and fixtures         | 47,903          | <b>52,671</b>         |
| Land                                  | 654,475         | <b>653,182</b>        |
| Leased assets                         | 10,318          | <b>13,061</b>         |
| Construction in progress              | 259,591         | <b>264,334</b>        |
| Total tangible fixed assets           | 2,840,838       | <b>2,874,959</b>      |
| Intangible assets :                   |                 |                       |
| Goodwill                              | 38,652          | <b>32,401</b>         |
| Leased assets                         | 359             | <b>1,636</b>          |
| Patents and utility rights            | 5,229           | <b>4,802</b>          |
| Software                              | 47,045          | <b>46,131</b>         |
| Total intangible assets               | 91,287          | <b>84,972</b>         |
| Investments and others :              |                 |                       |
| Investments in securities             | 816,389         | <b>871,399</b>        |
| Shares of subsidiaries and affiliates | 1,041,397       | <b>1,069,688</b>      |
| Long-term loans receivable            | 36,713          | <b>32,149</b>         |
| Net defined benefit assets            | 92,948          | <b>116,573</b>        |
| Deferred tax assets                   | 55,521          | <b>26,185</b>         |
| Other                                 | 45,959          | <b>43,346</b>         |
| Less: Allowance for doubtful accounts | (3,569)         | <b>(3,726)</b>        |
| Total investments and others          | 2,085,361       | <b>2,155,616</b>      |
| <b>Total fixed assets</b>             | 5,017,487       | <b>5,115,549</b>      |
| <b>Total assets</b>                   | 7,261,923       | <b>7,592,413</b>      |

|   | Millions of yen  |                  |
|---|------------------|------------------|
| <b>LIABILITIES</b>  | March 31, 2017   | March 31, 2018   |
| <b>Current liabilities :</b>  |                  |                  |
| Notes and accounts payable  | 728,300          | 775,126          |
| Short-term loans payable  | 316,115          | 300,632          |
| Commercial paper  | 20,000           | 76,000           |
| Bonds due within one year   | 140,000          | 85,700           |
| Current portion of lease obligations  | 3,769            | 3,016            |
| Accounts payable-other  | 383,125          | 449,913          |
| Income taxes payable  | 31,909           | 43,916           |
| Provision for loss on construction contracts  | 2,297            | 1,508            |
| Other   | 329,616          | 350,477          |
| <b>Total current liabilities</b>  | <u>1,955,134</u> | <u>2,086,291</u> |
| <b>Long-term liabilities :</b>  |                  |                  |
| Bonds and notes   | 255,690          | 209,996          |
| Long-term loans payable   | 1,360,025        | 1,380,660        |
| Lease obligations (excluding current portion)   | 8,444            | 12,990           |
| Deferred tax liabilities  | 99,293           | 114,120          |
| Deferred tax liabilities on revaluation of land   | 7,069            | 7,010            |
| Allowance for retirement benefits of directors<br>and Audit & Supervisory Board members | 4,799            | 4,991            |
| Net defined benefit liabilities   | 188,016          | 166,152          |
| Other   | 92,433           | 94,698           |
| <b>Total long-term liabilities</b>  | <u>2,015,774</u> | <u>1,990,620</u> |
| <b>Total liabilities</b>  | <u>3,970,908</u> | <u>4,076,911</u> |
| <b>NET ASSETS</b>   |                  |                  |
| <b>Shareholders' equity :</b>   |                  |                  |
| Common stock  | 419,524          | 419,524          |
| Capital surplus   | 386,873          | 386,865          |
| Retained earnings   | 1,949,960        | 2,076,769        |
| Less: Treasury stock, at cost   | (132,063)        | (132,162)        |
| <b>Total shareholders' equity</b>   | <u>2,624,294</u> | <u>2,750,997</u> |
| <b>Accumulated other comprehensive income:</b>  |                  |                  |
| Unrealized gains on available-for-sale securities                                       | 269,282          | 313,116          |
| Deferred hedge income (loss)  | (2,370)          | (2,107)          |
| Unrealized gains on revaluation of land   | 3,002            | 3,001            |
| Foreign currency translation adjustments  | (9,339)          | (4,898)          |
| Remeasurements of defined benefit plans   | 63,363           | 85,341           |
| <b>Total accumulated other comprehensive income</b>                                     | <u>323,938</u>   | <u>394,453</u>   |
| <b>Non-controlling interests in consolidated subsidiaries</b>                           | <u>342,782</u>   | <u>370,050</u>   |
| <b>Total net assets</b>   | <u>3,291,015</u> | <u>3,515,501</u> |
| <b>Total liabilities and net assets</b>   | <u>7,261,923</u> | <u>7,592,413</u> |

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

| Consolidated Statements of Operations                          |             | Millions of yen |  |
|--|-------------|-----------------|--|
|  | Fiscal 2016 | Fiscal 2017     |  |
| <b>Operating revenues :</b>                                    |             |                 |  |
| Net sales  | 4,632,890   | 5,668,663       |  |
| Cost of sales  | 4,065,779   | 4,969,121       |  |
| <b>Gross profit</b>  | 567,111     | 699,541         |  |
| Selling, general and administrative expenses                   | 452,908     | 517,158         |  |
| <b>Operating profit</b>  | 114,202     | 182,382         |  |
| <b>Non-operating profit and loss :</b>                         |             |                 |  |
| Non-operating profit :   |             |                 |  |
| Interest income  | 5,654       | 5,146           |  |
| Dividend income  | 14,923      | 17,608          |  |
| Equity in profit of unconsolidated subsidiaries and affiliates | 79,180      | 122,675         |  |
| Other  | 43,162      | 55,704          |  |
|  | 142,921     | 201,135         |  |
| Non-operating loss :   |             |                 |  |
| Interest expense   | 18,006      | 20,106          |  |
| Other  | 64,586      | 65,869          |  |
|  | 82,593      | 85,976          |  |
| <b>Ordinary profit</b>   | 174,531     | 297,541         |  |
| <b>Extraordinary profit :</b>                                  |             |                 |  |
| Gain on sales of investment in securities                      | -           | 25,685          |  |
| Gain on sales of shares of subsidiaries and associates         | 24,172      | -               |  |
| Gain on step acquisitions                                      | 10,027      | -               |  |
|  | 34,200      | 25,685          |  |
| <b>Extraordinary loss :</b>                                    |             |                 |  |
| Impairment loss  | -           | 15,602          |  |
| Loss on inactive facilities                                    | 12,793      | 11,604          |  |
| Loss on disaster   | 7,839       | -               |  |
| Restructuring loss   | 6,407       | 6,158           |  |
|  | 27,039      | 33,366          |  |
| <b>Profit before income taxes</b>                              | 181,692     | 289,860         |  |
| Income taxes - current   | 47,074      | 76,309          |  |
| Income taxes - deferred  | (11,377)    | (7,510)         |  |
|  | 35,697      | 68,798          |  |
| <b>Profit</b>  | 145,995     | 221,061         |  |
| Profit attributable to non-controlling interests               | 15,048      | 26,000          |  |
| <b>Profit attributable to owners of parent</b>                 | 130,946     | 195,061         |  |

| Consolidated Statements of Comprehensive Income                                     |             | Millions of yen |  |
|---|-------------|-----------------|--|
|   | Fiscal 2016 | Fiscal 2017     |  |
| Profit  | 145,995     | 221,061         |  |
| Other comprehensive income  |             |                 |  |
| Unrealized gains on available-for-sale securities                                   | 68,181      | 44,845          |  |
| Deferred hedge income (loss)  | 6,515       | (736)           |  |
| Foreign currency translation adjustments  | (30,691)    | 10,937          |  |
| Remeasurements of defined benefit plans   | 20,348      | 23,779          |  |
| Share of other comprehensive income of affiliates accounted for using equity method | 7,103       | (288)           |  |
| Total other comprehensive income  | 71,458      | 78,537          |  |
| Comprehensive income  | 217,453     | 299,598         |  |
| (Breakdown)   |             |                 |  |
| Comprehensive income attributable to owners of parent                               | 203,625     | 265,294         |  |
| Comprehensive income attributable to non-controlling interests                      | 13,828      | 34,303          |  |

**(3) Consolidated Statements of Changes in Net Assets**

| Fiscal 2016   | Shareholders' equity |                 |                   |                         |                            | Millions of yen |
|---|----------------------|-----------------|-------------------|-------------------------|----------------------------|-----------------|
|   | Common stock         | Capital surplus | Retained earnings | Treasury stock, at cost | Total Shareholders' equity |                 |
| Balance at March 31, 2016   | 419,524              | 383,010         | 1,837,919         | (87,942)                | 2,552,512                  |                 |
| Changes of items during period  |                      |                 |                   |                         |                            |                 |
| Cash dividends  |                      |                 | (13,554)          |                         | (13,554)                   |                 |
| Profit attributable to owners of parent   |                      |                 | 130,946           |                         | 130,946                    |                 |
| Acquisition of treasury stock   |                      |                 |                   | (44,321)                | (44,321)                   |                 |
| Disposal of treasury stock  |                      | (17)            |                   | 199                     | 182                        |                 |
| Increase(decrease) due to the change in the number of consolidated companies        |                      |                 | (5,385)           | 0                       | (5,385)                    |                 |
| Increase due to reversal of unrealized gains on revaluation of land                 |                      |                 | 34                |                         | 34                         |                 |
| Change in shares of parent arising from transactions with non-controlling interests |                      | 3,879           |                   |                         | 3,879                      |                 |
| Net changes of items other than shareholders' equity                                |                      |                 |                   |                         |                            |                 |
| Total change for fiscal 2016  | -                    | 3,862           | 112,041           | (44,121)                | 71,782                     |                 |
| <b>Balance at March 31, 2017</b>  | <b>419,524</b>       | <b>386,873</b>  | <b>1,949,960</b>  | <b>(132,063)</b>        | <b>2,624,294</b>           |                 |

|   | Accumulated other comprehensive income            |                              |   |  |   |  | Non-controlling interests in consolidated subsidiaries | Total net assets |
|---|---|------------------------------|---|--|---|--|--|------------------|
|   | Unrealized gains on available-for-sale securities | Deferred hedge income (loss) | Unrealized gains on revaluation of land | Foreign currency translation adjustments | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |  |                  |
| Balance at March 31, 2016   | 171,378   | (10,883)                     | 3,025                                   | 14,652                                   | 43,136                                  | 221,310                                      | 235,252  | 3,009,075        |
| Changes of items during period  |   |                              |   |  |   |  |  |                  |
| Cash dividends  |   |                              |   |  |   |  |  | (13,554)         |
| Profit attributable to owners of parent   |   |                              |   |  |   |  |  | 130,946          |
| Acquisition of treasury stock   |   |                              |   |  |   |  |  | (44,321)         |
| Disposal of treasury stock  |   |                              |   |  |   |  |  | 182              |
| Increase(decrease) due to the change in the number of consolidated companies        |   |                              |   |  |   |  |  | (5,385)          |
| Increase due to reversal of unrealized gains on revaluation of land                 |   |                              |   |  |   |  |  | 34               |
| Change in shares of parent arising from transactions with non-controlling interests |   |                              |   |  |   |  |  | 3,879            |
| Net changes of items other than shareholders' equity                                | 97,904  | 8,513                        | (23)                                    | (23,991)                                 | 20,226                                  | 102,628                                      | 107,530  | 210,158          |
| Total change for fiscal 2016  | 97,904  | 8,513                        | (23)                                    | (23,991)                                 | 20,226                                  | 102,628                                      | 107,530  | 281,940          |
| <b>Balance at March 31, 2017</b>  | <b>269,282</b>                                    | <b>(2,370)</b>               | <b>3,002</b>                            | <b>(9,339)</b>                           | <b>63,363</b>                           | <b>323,938</b>                               | <b>342,782</b>   | <b>3,291,015</b> |

| Fiscal 2017   | Shareholders' equity |                 |                   |                         |  | Total Shareholders' equity |
|---|----------------------|-----------------|-------------------|-------------------------|--|----------------------------|
|   | Common stock         | Capital surplus | Retained earnings | Treasury stock, at cost |  |                            |
| Balance at March 31, 2017   | 419,524              | 386,873         | 1,949,960         | (132,063)               |  | 2,624,294                  |
| Changes of items during period  |                      |                 |                   |                         |  |                            |
| Cash dividends  |                      |                 | (66,293)          |                         |  | (66,293)                   |
| Profit attributable to owners of parent   |                      |                 | 195,061           |                         |  | 195,061                    |
| Acquisition of treasury stock   |                      |                 |                   | (102)                   |  | (102)                      |
| Disposal of treasury stock  |                      | 1               |                   | 3                       |  | 4                          |
| Increase(decrease) due to the change in the number of consolidated companies        |                      |                 | (1,959)           | 0                       |  | (1,958)                    |
| Increase due to reversal of unrealized gains on revaluation of land                 |                      |                 | 0                 |                         |  | 0                          |
| Change in shares of parent arising from transactions with non-controlling interests |                      | (8)             |                   |                         |  | (8)                        |
| Net changes of items other than shareholders' equity                                |                      |                 |                   |                         |  |                            |
| Total change for fiscal 2017  | -                    | (7)             | 126,809           | (98)                    |  | 126,702                    |
| <b>Balance at March 31, 2018</b>  | <b>419,524</b>       | <b>386,865</b>  | <b>2,076,769</b>  | <b>(132,162)</b>        |  | <b>2,750,997</b>           |

|   | Accumulated other comprehensive income            |                              |   |  |   |  | Non-controlling interests in consolidated subsidiaries | Total net assets |
|---|---|------------------------------|---|--|---|--|--|------------------|
|   | Unrealized gains on available-for-sale securities | Deferred hedge income (loss) | Unrealized gains on revaluation of land | Foreign currency translation adjustments | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |  |                  |
| Balance at March 31, 2017   | 269,282   | (2,370)                      | 3,002                                   | (9,339)                                  | 63,363                                  | 323,938                                      | 342,782  | 3,291,015        |
| Changes of items during period  |   |                              |   |  |   |  |  |                  |
| Cash dividends  |   |                              |   |  |   |  |  | (66,293)         |
| Profit attributable to owners of parent   |   |                              |   |  |   |  |  | 195,061          |
| Acquisition of treasury stock   |   |                              |   |  |   |  |  | (102)            |
| Disposal of treasury stock  |   |                              |   |  |   |  |  | 4                |
| Increase(decrease) due to the change in the number of consolidated companies        |   |                              |   |  |   |  |  | (1,958)          |
| Increase due to reversal of unrealized gains on revaluation of land                 |   |                              |   |  |   |  |  | 0                |
| Change in shares of parent arising from transactions with non-controlling interests |   |                              |   |  |   |  |  | (8)              |
| Net changes of items other than shareholders' equity                                | 43,834  | 262                          | (0)                                     | 4,440                                    | 21,978                                  | 70,515                                       | 27,267   | 97,783           |
| Total change for fiscal 2017  | 43,834  | 262                          | (0)                                     | 4,440                                    | 21,978                                  | 70,515                                       | 27,267   | 224,486          |
| <b>Balance at March 31, 2018</b>  | <b>313,116</b>                                    | <b>(2,107)</b>               | <b>3,001</b>                            | <b>(4,898)</b>                           | <b>85,341</b>                           | <b>394,453</b>                               | <b>370,050</b>   | <b>3,515,501</b> |

#### (4) Consolidated Statements of Cash-Flows

|  | Millions of yen  |                  |
|--|------------------|------------------|
|  | Fiscal 2016      | Fiscal 2017      |
| <b>Cash flows from operating activities :</b>                                      |                  |                  |
| Profit before income taxes   | 181,692          | 289,860          |
| Adjustments to reconcile profit to net cash provided by operating activities :     |                  |                  |
| Depreciation and amortization  | 304,751          | 340,719          |
| Impairment loss  | -                | 15,602           |
| Amortization of goodwill   | 4,015            | 4,774            |
| Interest and dividend income (accrual basis)                                       | (20,577)         | (22,754)         |
| Interest expense (accrual basis)   | 18,006           | 20,106           |
| Equity in profit of unconsolidated subsidiaries and affiliates                     | (79,180)         | (122,675)        |
| Loss on disposal of tangible and intangible assets                                 | 8,694            | 4,540            |
| Loss (gain) on sales of tangible and intangible assets                             | (7,192)          | (9,023)          |
| Loss (gain) on sales of investments in securities                                  | (8,535)          | (25,685)         |
| Loss (gain) on sales of shares of subsidiaries and affiliates                      | (24,172)         | (2,635)          |
| Loss (gain) on step acquisitions   | (10,027)         | -                |
| Restructuring loss   | 6,407            | 6,158            |
| Changes in allowance for doubtful accounts   | 1,439            | (260)            |
| Changes in notes and accounts receivable   | (29,227)         | (50,156)         |
| Changes in inventories   | 26,500           | (162,841)        |
| Changes in notes and accounts payable  | 27,363           | 49,296           |
| Other  | 109,945          | 157,865          |
| Subtotal   | 509,900          | 492,892          |
| Interest and dividend income (cash basis)  | 34,568           | 50,566           |
| Interest expense (cash basis)  | (18,428)         | (21,175)         |
| Income taxes (cash basis)  | (41,751)         | (63,438)         |
| <b>Net cash provided by operating activities</b>                                   | <b>484,288</b>   | <b>458,846</b>   |
| <b>Cash flows from investing activities :</b>                                      |                  |                  |
| Acquisition of tangible and intangible assets                                      | (321,879)        | (403,064)        |
| Proceeds from sales of tangible and intangible assets                              | 15,004           | 13,430           |
| Acquisition of investments in securities   | (48,715)         | (3,169)          |
| Proceeds from sales of investments in securities                                   | 42,520           | 39,936           |
| Acquisition of shares of subsidiaries and affiliates                               | (14,413)         | (4,939)          |
| Proceeds from sales of shares of subsidiaries and affiliates                       | 30,820           | 9,522            |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation   | (52,892)         | 289              |
| Payment for loans  | (9,511)          | (6,537)          |
| Proceeds from collections of loans   | 3,504            | 2,875            |
| Other  | 11,826           | (1,762)          |
| <b>Net cash used in investing activities</b>                                       | <b>(343,738)</b> | <b>(353,419)</b> |
| <b>Cash flows from financing activities :</b>                                      |                  |                  |
| Net increase (decrease) in short-term loans  | (49,857)         | 1,271            |
| Net increase (decrease) in commercial paper  | 13,000           | 56,000           |
| Proceeds from long-term loans  | 179,443          | 246,411          |
| Payments of long-term loans  | (271,826)        | (243,628)        |
| Proceeds from issuance of bonds and notes  | 20,000           | 40,000           |
| Redemption of bonds and notes  | (50,000)         | (140,000)        |
| Payments for purchase of treasury stock  | (44,315)         | (96)             |
| Cash dividends   | (13,554)         | (66,293)         |
| Cash dividends to non-controlling shareholders                                     | (4,720)          | (6,565)          |
| Proceeds from issuance of common stock to non-controlling shareholders             | 2,696            | -                |
| Other  | 84,080           | 23,709           |
| <b>Net cash used in financing activities</b>                                       | <b>(135,054)</b> | <b>(89,190)</b>  |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>                | <b>(655)</b>     | <b>196</b>       |
| <b>Net increase (decrease) in cash and cash equivalents</b>                        | <b>4,839</b>     | <b>16,433</b>    |
| <b>Cash and cash equivalents at beginning of the year</b>                          | <b>85,203</b>    | <b>91,391</b>    |
| <b>Increase (decrease) from the change in the number of consolidated companies</b> | <b>1,348</b>     | <b>3,953</b>     |
| <b>Cash and cash equivalents at end of year</b>                                    | <b>91,391</b>    | <b>111,779</b>   |

**(5) Notes to the Consolidated Financial Statements**

**(Notes to the Presumption of Going Concerns)**

None

**(Changes in Accounting Principles Accompanying Revisions in Accounting Standards)**

None

**(Segment Information)**

**1) Summary of reportable segment**

Nippon Steel & Sumitomo Metal Corporation is a company engaged in the steelmaking and steel fabrication businesses, and acts as the holding company for its business segment companies, which are engaged in the engineering and construction, chemicals, new materials, and system solutions businesses. Each business segment company shares the management strategy of the Nippon Steel & Sumitomo Metal Corporation Group, while conducting its business activities independently from and in parallel with other Group members. These five business segments are reportable segments.

| Reportable segment                | Principal businesses   |
|-----------------------------------|--|
| Steelmaking and steel fabrication | Manufacturing and marketing of steel products  |
| Engineering and construction      | Manufacturing and marketing of industrial machinery and equipment as well as steel structures, performance of construction work under contract, waste processing and recycling, and supplying electricity, gas, and heat |
| Chemicals                         | Manufacturing and marketing of coal-based chemical products, petrochemicals, and electronic materials  |
| New materials                     | Manufacturing and marketing of materials for semiconductors and electronic parts, components, carbon fiber and composite products, and products that apply technologies for metal processing                             |
| System solutions                  | Computer systems engineering and consulting services; IT-enabled outsourcing and other services  |

## 2) Information on the amounts of sales, profit, assets, liabilities, and other items for reportable segments

### Fiscal 2016 (April 1, 2016—March 31, 2017)

(Millions of yen)

|   | Reportable segment                |                              |                |               |                  | Total            | Adjustments      | Consolidated     |
|---|-----------------------------------|------------------------------|----------------|---------------|------------------|------------------|------------------|------------------|
|   | Steelmaking and steel fabrication | Engineering and construction | Chemicals      | New materials | System solutions |                  |                  |                  |
| Net sales   |                                   |                              |                |               |                  |                  |                  |                  |
| Sales to external customers   | 4,016,670                         | 234,861                      | 168,596        | 34,519        | 178,242          | 4,632,890        | -                | 4,632,890        |
| Inter-segment sales or transfers                                      | 35,590                            | 32,683                       | 5,630          | -             | 54,270           | 128,175          | (128,175)        | -                |
| <b>Total</b>  | <b>4,052,261</b>                  | <b>267,545</b>               | <b>174,227</b> | <b>34,519</b> | <b>232,512</b>   | <b>4,761,065</b> | <b>(128,175)</b> | <b>4,632,890</b> |
| Segment profit<br><Ordinary Profit>                                   | 138,017                           | 6,838                        | 4,518          | 1,786         | 22,113           | 173,274          | 1,256            | 174,531          |
| Segment assets  | 6,716,970                         | 248,628                      | 146,406        | 30,584        | 200,252          | 7,342,843        | (80,919)         | 7,261,923        |
| Segment liabilities<br><Interest-bearing debt>                        | 2,092,610                         | 6,066                        | 7,400          | 8,790         | 1,177            | 2,116,045        | (12,000)         | 2,104,045        |
| Other items   |                                   |                              |                |               |                  |                  |                  |                  |
| Depreciation and amortization   | 294,008                           | 2,653                        | 6,110          | 2,116         | 4,174            | 309,064          | (4,313)          | 304,751          |
| Amortization of goodwill  | 2,518                             | 1,257                        | -              | -             | 240              | 4,015            | -                | 4,015            |
| Interest income   | 5,566                             | 124                          | 19             | 16            | 133              | 5,860            | (206)            | 5,654            |
| Interest expenses   | 17,831                            | 118                          | 98             | 135           | 28               | 18,212           | (206)            | 18,006           |
| Equity in profit (loss) of unconsolidated subsidiaries and affiliates | 70,723                            | 655                          | 920            | -             | 21               | 72,320           | 6,859            | 79,180           |
| Balance of investments in equity method companies                     | 931,342                           | 4,056                        | 19,749         | -             | 32               | 955,181          | 76,571           | 1,031,752        |
| Increase (decrease) in tangible/intangible assets                     | 335,733                           | 5,637                        | 7,005          | 2,224         | 4,343            | 354,943          | (3,905)          | 351,038          |

### Information of net sales about geographical area

(Millions of yen)

| Japan     | Overseas  |           |         | Total     |
|-----------|-----------|-----------|---------|-----------|
|           |           | Asia      | Other   |           |
| 2,955,981 | 1,676,909 | 1,042,224 | 634,684 | 4,632,890 |

Note: Sales information is based on the geographical location of customers, and it is classified by region.

**Fiscal 2017 (April 1, 2017—March 31, 2018)**

(Millions of yen)

|   | Reportable segment                |                              |                |               |                  | Total            | Adjustments      | Consolidated     |
|---|-----------------------------------|------------------------------|----------------|---------------|------------------|------------------|------------------|------------------|
|   | Steelmaking and steel fabrication | Engineering and construction | Chemicals      | New materials | System solutions |                  |                  |                  |
| Net sales   |                                   |                              |                |               |                  |                  |                  |                  |
| Sales to external customers   | 4,983,335                         | 260,908                      | 197,057        | 37,050        | 190,310          | 5,668,663        | -                | 5,668,663        |
| Inter-segment sales or transfers                                      | 33,910                            | 33,360                       | 3,709          | -             | 53,889           | 124,868          | (124,868)        | -                |
| <b>Total</b>  | <b>5,017,245</b>                  | <b>294,268</b>               | <b>200,767</b> | <b>37,050</b> | <b>244,200</b>   | <b>5,793,531</b> | <b>(124,868)</b> | <b>5,668,663</b> |
| Segment profit <Ordinary Profit>                                      | 245,708                           | 9,110                        | 15,480         | 1,919         | 23,292           | 295,510          | 2,030            | 297,541          |
| Segment assets  | 7,003,681                         | 247,696                      | 154,230        | 30,758        | 223,601          | 7,659,967        | (67,554)         | 7,592,413        |
| Segment liabilities <Interest-bearing debt>                           | 2,057,997                         | 8,313                        | 4,520          | 6,999         | 3,693            | 2,081,524        | (12,527)         | 2,068,996        |
| Other items   |                                   |                              |                |               |                  |                  |                  |                  |
| Depreciation and amortization   | 330,393                           | 2,489                        | 5,467          | 1,861         | 4,646            | 344,859          | (4,140)          | 340,719          |
| Amortization of goodwill  | 3,029                             | 1,279                        | -              | -             | 465              | 4,774            | -                | 4,774            |
| Interest income   | 4,983                             | 180                          | 35             | 2             | 146              | 5,348            | (202)            | 5,146            |
| Interest expenses   | 20,080                            | 44                           | 42             | 130           | 11               | 20,309           | (202)            | 20,106           |
| Equity in profit (loss) of unconsolidated subsidiaries and affiliates | 116,408                           | 378                          | 148            | -             | (10)             | 116,925          | 5,750            | 122,675          |
| Balance of investments in equity method companies                     | 950,887                           | 4,393                        | 24,843         | -             | 17               | 980,142          | 83,614           | 1,063,757        |
| Increase (decrease) in tangible/intangible assets                     | 390,623                           | 6,301                        | 5,863          | 2,633         | 7,638            | 413,061          | (1,130)          | 411,930          |

**Information of net sales about geographical area**

(Millions of yen)

| Japan     | Overseas  |           |         | Total     |
|-----------|-----------|-----------|---------|-----------|
|           |           | Asia      | Other   |           |
| 3,708,644 | 1,960,019 | 1,267,604 | 692,414 | 5,668,663 |

Note: Sales information is based on the geographical location of customers, and it is classified by region.

**(Per Share Information)**

(Yen)

|                      | Fiscal 2016<br>(April 1, 2016—March 31, 2017) | Fiscal 2017<br>(April 1, 2017—March 31, 2018) |
|----------------------|---|---|
| Net assets per share | 3,340.22                                      | <b>3,563.80</b>                               |
| Earnings per share   | 147.97  | <b>221.00</b>                                 |

Regarding diluted earnings per share, no figures for diluted earnings per share have been disclosed because no latent shares existed.

Notes: Basis for calculations

1. Earnings per share

(Yen)

|  | Fiscal 2016<br>(April 1, 2016—March 31, 2017) | Fiscal 2017<br>(April 1, 2017—March 31, 2018) |
|--|---|---|
| Earnings per share   |   |   |
| Profit attributable to owners of parent                            | 130,946 Million                               | <b>195,061 Million</b>                        |
| Value not available to common shares                               | — Million                                     | — Million                                     |
| Profit attributable to owners of parent available to common shares | 130,946 Million                               | <b>195,061 Million</b>                        |
| Average number of outstanding common shares during the period      | 884,959,677 Shares                            | <b>882,629,157 Shares</b>                     |

2. Net assets per share

(Yen)

|   | End of fiscal 2016<br>(March 31, 2017) | End of fiscal 2017<br>(March 31, 2018)       |
|---|--|--|
| Total net assets  | 3,291,015 Million                      | <b>3,515,501 Million</b>                     |
| Amounts deducted from total net assets<br>(Portion of non-controlling interests)    | 342,782 Million<br>(342,782 Million)   | <b>370,050 Million<br/>(370,050 Million)</b> |
| Net assets at fiscal year-end available to common shares                            | 2,948,232 Million                      | <b>3,145,450 Million</b>                     |
| Number of common shares at fiscal year-end used in calculating net assets per share | 882,647,305 Shares                     | <b>882,610,487 Shares</b>                    |

**(Major Subsequent Events)**

None

**Results and dividends of Fiscal 2017 (Year ended March 31, 2018)**

Overview of Profitability (Consolidated)

|   | 2017FY                         |                               |                               | 1st half<br>⇒<br>2nd half      | 2016FY                         | 2016FY<br>⇒<br>2017FY              | Previous Forecasts<br>(Released<br>on Feb. 1, 2018) |
|---|--------------------------------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|------------------------------------|---|
|   | 1st half                       | 2nd half                      |                               |                                |                                |                                    |   |
| Net sales   | 5,668.6                        | 2,745.0                       | 2,923.5                       | + 178.5                        | 4,632.8                        | + 1,035.8                          | 5,700.0   |
| Operating profit  | 182.3                          | 99.9                          | 82.3                          | - 17.6                         | 114.2                          | + 68.1                             |   |
| Ordinary profit<br>[ ROS ]  | 297.5<br>[ 5.2% ]              | 157.6<br>[ 5.7% ]             | 139.9<br>[ 4.8% ]             | ※1 - 17.7<br>[ - 1.0% ]        | 174.5<br>[ 3.8% ]              | ※1 + 123.0<br>[ + 1.5% ]           | 300.0   |
| Extraordinary profit (loss)   | ※2 (7.6)                       | (2.9)                         | (4.7)                         | - 1.8                          | 7.1                            | - 14.7                             |   |
| Profit attributable to<br>owners of parent<br>< Earnings per share (¥) ><br>[ ROE ] | 195.0<br>< 221.0 ><br>[ 6.4% ] | 99.1<br>< 112.3 ><br>[ 6.6% ] | 95.9<br>< 108.7 ><br>[ 6.2% ] | - 3.2<br>< -3.7 ><br>[ -0.4% ] | 130.9<br>< 148.0 ><br>[ 4.6% ] | + 64.1<br>< + 73.0 ><br>[ + 1.8% ] | 180.0<br>< 204.0 >                                  |
| Interest-bearing debt   | 2,068.9                        |                               |                               |                                | 2,104.8                        | - 35.9                             |   |
| D/E ratio   | 0.66                           |                               |                               |                                | 0.71                           | -0.05                              |   |

※1 Analysis in consolidated ordinary profit (Billions of yen)

<Factors Influencing Performance>

(1) Nippon Steel & Sumitomo Metal Corporation

|   | 1st half<br>⇒2nd half<br>change | 2016FY<br>⇒2017FY<br>change | Change<br>from the<br>previous<br>forecasts | 2017FY   |          |       | 2016FY | 2016FY<br>⇒<br>2017FY | Previous Forecasts<br>(Released<br>on Feb. 1, 2018) |
|---|---------------------------------|-----------------------------|---|--|----------|-------|--------|-----------------------|---|
|   |                                 |                             |   | 1st half   | 2nd half |       |        |                       |   |
| <b>Change in Consolidated Ordinary Profit</b>                     | <b>- 18.0</b>                   | <b>+ 123.0</b>              | <b>- 3.0</b>                                |  |          |       |        |                       |   |
| <b>1. Ferrous materials business</b>                              | <b>- 12.0</b>                   | <b>+ 108.0</b>              | <b>- 9.0</b>                                |  |          |       |        |                       |   |
| ① Manufacturing shipment volume                                   | ~                               | - 70.0                      | - 13.0                                      | 4,682  | 2,312    | 2,370 | 4,517  | + 165                 | Approx. 4,720                                       |
| ② Selling prices and production mix                               | + 36.0                          | + 389.0                     | ~   | Non-Consolidated crude steel output<br>volume (10,000 tons) *1 | 2,009    | 2,058 | 4,262  | - 195                 | Approx. 4,100                                       |
| ③ Raw materials prices<br>(including carry-over of raw materials) | + 4.0                           | - 366.0                     | ~   | Steel materials shipment volume<br>(10,000 tons) *1            | 1,872    | 1,907 | 3,978  | - 199                 | Approx. 3,830                                       |
| ④ Cost improvement  | + 38.0                          | + 50.0                      | ~   | Steel materials price (¥1,000/ton) *1                          | 83.5     | 85.8  | 72.6   | + 12.1                | Approx. 85  |
| ⑤ Inventory evaluation impact                                     | - 57.0                          | + 102.0                     | + 9.0                                       | Exchange rate (¥/\$)   | 111      | 111   | 109    | + 2                   | Approx. 112   |
| ⑥ Group companies   | - 13.0                          | + 69.0                      | + 11.0                                      |  |          |       |        |                       |   |
| ⑦ Oita Works' Fire Accident                                       | + 10.0                          | -                           | ~   |  |          |       |        |                       |   |
| ⑧ Other   | - 30.0                          | - 66.0                      | - 16.0                                      |  |          |       |        |                       |   |
| <b>2. Non-ferrous materials business</b>                          | <b>+ 3.0</b>                    | <b>+ 14.0</b>               | <b>+ 4.0</b>                                |  |          |       |        |                       |   |
| <b>3. Adjustments</b>   | <b>- 9.0</b>                    | <b>+ 1.0</b>                | <b>+ 2.0</b>                                |  |          |       |        |                       |   |

\*1 Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation

(2) All Japan

|   | 2017FY           |                  |                  | 2016FY           | 2016FY<br>⇒<br>2017FY | Previous Forecasts<br>(Released<br>on Feb. 1, 2018) |
|---|------------------|------------------|------------------|------------------|-----------------------|---|
|   | 1st half         | 2nd half         |                  |                  |                       |   |
| Crude steel output volume (10,000 tons)                             | 10,484           | 5,204            | 5,280            | 10,517           | - 33                  | Approx. 10,483                                      |
| Steel consumption (10,000 tons) *2<br>(In manufacturing industries) | 6,277<br>(4,004) | 3,103<br>(1,980) | 3,173<br>(2,024) | 6,167<br>(3,929) | + 110<br>(+ 75)       | 6,277<br>(3,992)                                    |
| <% of manufacturing>  | <63.8%>          | <63.8%>          | <63.8%>          | <63.7%>          | <+0.1%>               | <63.6%>   |
| Plain carbon steel consumption<br>(10,000 tons)                     | 4,979            | 2,457            | 2,523            | 4,900            | + 79                  | 4,982   |
| In construction   | 2,183            | 1,079            | 1,104            | 2,157            | + 26                  | 2,195   |
| In manufacturing  | 2,796            | 1,377            | 1,419            | 2,743            | + 53                  | 2,786   |
| Specialty steel consumption<br>(10,000 tons)                        | 1,297            | 647              | 651              | 1,267            | + 30                  | 1,295   |
| Inventory volume(10,000 tons)                                       | *3 581           | 570              | 581              | 537              | + 44                  |   |
| Rolled sheets(10,000 tons)  | *3 412           | 415              | 412              | 380              | + 32                  |   |

\*2 The Company estimates \*3 Revised report for February 2018

※2 Extraordinary profit (loss)

(Billions of yen)

|  | 2017<br>FY |          |        |
|--|------------|----------|--------|
|  | 1st half   | 2nd half |        |
| Extraordinary profit (loss)                  | (7.6)      | (2.9)    | (4.7)  |
| Gain on sales of investment in<br>securities | 25.6       | -        | 25.6   |
| Impairment loss                              | (15.6)     | -        | (15.6) |
| Loss on inactive facilities                  | (11.6)     | (2.9)    | (8.6)  |
| Restructuring loss                           | (6.1)      | -        | (6.1)  |

(Reference) Segment Information

|                                   | 2017FY         |                |                | 1st half<br>⇒<br>2nd half | 2016FY         | 2016FY<br>⇒<br>2017FY | Previous Forecasts<br>(Released<br>on Feb. 1, 2018) |
|-----------------------------------|----------------|----------------|----------------|---------------------------|----------------|-----------------------|---|
|                                   | 1st half       | 2nd half       |                |                           |                |                       |   |
| <b>Net sales</b>                  | <b>5,668.6</b> | <b>2,745.0</b> | <b>2,923.5</b> | <b>+ 178.5</b>            | <b>4,632.8</b> | <b>+ 1,035.8</b>      | <b>5,700.0</b>                                      |
| Steelmaking and steel fabrication | 5,017.2        | 2,438.0        | 2,579.2        | + 141.2                   | 4,052.2        | + 965.0               | 5,060.0   |
| Engineering and construction      | 294.2          | 134.1          | 160.1          | + 26.0                    | 267.5          | + 26.7                | 290.0   |
| Chemicals                         | 200.7          | 98.3           | 102.3          | + 4.0                     | 174.2          | + 26.5                | 200.0   |
| New materials                     | 37.0           | 17.9           | 19.1           | + 1.2                     | 34.5           | + 2.5                 | 38.0  |
| System solutions                  | 244.2          | 116.5          | 127.6          | + 11.1                    | 232.5          | + 11.7                | 242.0   |
| Adjustments                       | (124.8)        | (59.8)         | (64.9)         | - 5.1                     | (128.1)        | + 3.3                 | (130.0)   |
| <b>Ordinary profit</b>            | <b>297.5</b>   | <b>157.6</b>   | <b>139.9</b>   | <b>- 17.7</b>             | <b>174.5</b>   | <b>+ 123.0</b>        | <b>300.0</b>  |
| Steelmaking and steel fabrication | 245.7          | 128.7          | 116.9          | - 11.8                    | 138.0          | + 107.7               | 255.0   |
| Engineering and construction      | 9.1            | 1.9            | 7.1            | + 5.2                     | 6.8            | + 2.3                 | 6.0   |
| Chemicals                         | 15.4           | 9.3            | 6.1            | - 3.2                     | 4.5            | + 10.9                | 14.0  |
| New materials                     | 1.9            | 1.1            | 0.7            | - 0.4                     | 1.7            | + 0.2                 | 2.0   |
| System solutions                  | 23.2           | 10.7           | 12.5           | + 1.8                     | 22.1           | + 1.1                 | 23.0  |
| Adjustments                       | 2.0            | 5.6            | (3.6)          | - 9.2                     | 1.2            | + 0.8                 | -   |

**【Dividends】**

Based on the Company's increase of profit compared to the previous earnings forecasts announced on February 1, 2018, the Company plans to request the approval of the General Meeting of Shareholders to increase the planned dividend by ¥10 and also distribute a year-end dividend payment of ¥40 per share in accordance with the basic profit distribution policy described previously announced. This would bring the full-year dividend distribution amount to ¥70 per share, representing a consolidated payout ratio of 31.7% for fiscal 2017.

**【Outlook for Operations in Fiscal 2018】**

The company is unable at this time to establish reasonably accurate earnings estimates for fiscal 2018 due to several factors, including the uncertainty of price trends for primary raw materials and steel products. The Company will disclose fiscal 2018 earnings forecasts when reasonable estimates become possible.

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 Fiscal 2017

### Japanese Steel Industry

#### 1. Crude Steel Production

|        | (million tons) |             |          |             |             |          | total  |
|--------|----------------|-------------|----------|-------------|-------------|----------|--------|
|        | 1st quarter    | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half |        |
| 2016FY | 26.21          | 26.33       | 52.54    | 26.39       | 26.23       | 52.62    | 105.17 |
| 2017FY | 26.09          | 25.94       | 52.04    | 26.39       | 26.40       | 52.80    | 104.84 |

#### 2. Inventory Volume

| At the end of: | Inventory at<br>manufacturers<br>and distributors<br>(million tons) | Inventory<br>/shipment ratio<br>(%) | Rolled sheets *1<br>(million tons) | H-flange beams *2<br>(million tons) |
|----------------|---|-------------------------------------|------------------------------------|-------------------------------------|
| Mar. 2016      | 5.50  | (135.5)                             | 4.11                               | 0.203                               |
| Apr. 2016      | 5.57  | (164.2)                             | 4.08                               | 0.196                               |
| May 2016       | 5.70  | (160.8)                             | 4.18                               | 0.198                               |
| June 2016      | 5.56  | (146.6)                             | 4.03                               | 0.197                               |
| July 2016      | 5.39  | (141.8)                             | 3.91                               | 0.191                               |
| Aug. 2016      | 5.67  | (164.7)                             | 4.05                               | 0.187                               |
| Sep. 2016      | 5.61  | (149.4)                             | 3.97                               | 0.180                               |
| Oct. 2016      | 5.61  | (140.4)                             | 3.96                               | 0.177                               |
| Nov. 2016      | 5.43  | (135.3)                             | 3.83                               | 0.173                               |
| Dec. 2016      | 5.48  | (146.8)                             | 3.81                               | 0.177                               |
| Jan. 2017      | 5.60  | (148.6)                             | 3.89                               | 0.186                               |
| Feb. 2017      | 5.64  | (151.9)                             | 3.88                               | 0.200                               |
| Mar. 2017      | 5.37  | (125.4)                             | 3.80                               | 0.201                               |
| Apr. 2017      | 5.54  | (151.7)                             | 3.88                               | 0.197                               |
| May 2017       | 5.78  | (156.1)                             | 4.08                               | 0.197                               |
| June 2017      | 5.56  | (140.1)                             | 4.01                               | 0.193                               |
| July 2017      | 5.42  | (142.2)                             | 3.95                               | 0.189                               |
| Aug. 2017      | 5.66  | (158.3)                             | 4.14                               | 0.179                               |
| Sep. 2017      | 5.70  | (145.5)                             | 4.15                               | 0.182                               |
| Oct. 2017      | 5.83  | (150.1)                             | 4.11                               | 0.176                               |
| Nov. 2017      | 5.66  | (139.2)                             | 4.00                               | 0.173                               |
| Dec. 2017      | 5.66  | (149.2)                             | 4.04                               | 0.175                               |
| Jan. 2018      | 5.86  | (157.5)                             | 4.15                               | 0.185                               |
| Feb. 2018      | 5.81  | (154.4)                             | 4.12                               | 0.196                               |

\*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)

|        |             |             | 1st half |             |             | 2nd half | total |
|--------|-------------|-------------|----------|-------------|-------------|----------|-------|
|        | 1st quarter | 2nd quarter |          | 3rd quarter | 4th quarter |          |       |
| 2016FY | 10.49       | 10.76       | 21.26    | 10.66       | 10.24       | 20.89    | 42.15 |
| 2017FY | 9.92        | 10.13       | 20.05    | 10.08       | 10.49       | 20.57    | 40.61 |

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

**4. Crude Steel Production**

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

(million tons)

|             |             |             | 1st half |             |             | 2nd half | total |
|-------------|-------------|-------------|----------|-------------|-------------|----------|-------|
|             | 1st quarter | 2nd quarter |          | 3rd quarter | 4th quarter |          |       |
| 2016FY (*1) | 11.16       | 11.53       | 22.70    | 11.52       | 10.95       | 22.47    | 45.17 |
| 2017FY (*2) | 11.44       | 11.69       | 23.12    | 11.68       | 12.02       | 23.70    | 46.82 |

\*1 Not Including Nisshin Steel Co., Ltd.

\*2 Including Nisshin Steel Co., Ltd.

(Non-consolidated basis)

(million tons)

|        |             |             | 1st half |             |             | 2nd half | total |
|--------|-------------|-------------|----------|-------------|-------------|----------|-------|
|        | 1st quarter | 2nd quarter |          | 3rd quarter | 4th quarter |          |       |
| 2016FY | 10.58       | 10.93       | 21.51    | 10.84       | 10.28       | 21.11    | 42.62 |
| 2017FY | 9.90        | 10.19       | 20.09    | 10.08       | 10.50       | 20.58    | 40.67 |

\*Including Nippon Steel &amp; Sumikin Koutetsu Wakayama Corporation

**5. Steel Products Shipment**

(million tons)

|        |             |             | 1st half |             |             | 2nd half | total |
|--------|-------------|-------------|----------|-------------|-------------|----------|-------|
|        | 1st quarter | 2nd quarter |          | 3rd quarter | 4th quarter |          |       |
| 2016FY | 9.60        | 10.09       | 19.68    | 10.29       | 9.81        | 20.09    | 39.78 |
| 2017FY | 9.34        | 9.39        | 18.72    | 9.39        | 9.67        | 19.07    | 37.79 |

\*Including Nippon Steel &amp; Sumikin Koutetsu Wakayama Corporation

**6. Average Price of Steel Products**

(thousands of yen / ton)

|        |             |             | 1st half |             |             | 2nd half | total |
|--------|-------------|-------------|----------|-------------|-------------|----------|-------|
|        | 1st quarter | 2nd quarter |          | 3rd quarter | 4th quarter |          |       |
| 2016FY | 68.1        | 67.9        | 68.0     | 70.9        | 83.6        | 77.1     | 72.6  |
| 2017FY | 84.0        | 83.0        | 83.5     | 86.0        | 85.7        | 85.8     | 84.7  |

\*Including Nippon Steel &amp; Sumikin Koutetsu Wakayama Corporation

7. Export Ratio of Steel Products (Value basis)

(%)

|        | 1st half    |             | 2nd half    |             |          | total |
|--------|-------------|-------------|-------------|-------------|----------|-------|
|        | 1st quarter | 2nd quarter | 3rd quarter | 4th quarter | 2nd half |       |
| 2016FY | 43          | 43          | 42          | 41          | 42       | 42    |
| 2017FY | 42          | 41          | 41          | 41          | 41       | 41    |

\*Including Nippon Steel &amp; Sumikin Koutetsu Wakayama Corporation

8. Foreign Exchange Rate

(¥/\$)

|        | 1st half    |             | 2nd half    |             |          | total |
|--------|-------------|-------------|-------------|-------------|----------|-------|
|        | 1st quarter | 2nd quarter | 3rd quarter | 4th quarter | 2nd half |       |
| 2016FY | 111         | 103         | 106         | 114         | 110      | 109   |
| 2017FY | 111         | 111         | 113         | 110         | 111      | 111   |

9. Amount of Capital Expenditure and Depreciation

(Consolidated basis)

(billions of yen)

|        | Capital Expenditure | Depreciation |
|--------|---------------------|--------------|
| 2016FY | 351.0               | 304.7        |
| 2017FY | 411.9               | 340.7        |