

Results and dividends of Fiscal 2013 (Year ended March 31, 2014)

Overview of Profitability (Consolidated)

	2013FY		2012FY ⇒ 2013FY		Previous Forecasts (Released on Jan. 30, 2014)	
	1st half	2nd half	1st half	2nd half	1st half	2nd half
Net sales	5,516.1	2,674.5	2,841.5	5,083.5	5,450.0	340.0
Ordinary profit	361.0	173.6	187.4	87.7	220.0	< 24.2 >
Special profit	※1 38.0	16.5	21.5	※2 + 273.3		
Net income	242.7	115.5	127.1			
Net income per share (¥)	< 26.7 >	< 12.7 >	< 13.9 >			
Interest-bearing debt	2,296.3			2,543.0	-246.7	
D/E ratio	0.86			1.06		

※1 Gain on sales of investment securities 56.6
Loss of inactive facilities -18.6

*1 (2012FY)
simple adding up of
Nippon Steel Corporation
and Sumitomo Metal Industries.

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

<Factors Influencing Performance>

(1) Nippon Steel & Sumitomo Metal Corporation

	2013FY			2012FY *2	2012FY ⇒ 2013FY	Previous Forecasts (Released on Jan. 30, 2014)
	1st half	2nd half				
Consolidated crude steel output volume (10,000 tons)	4,816	2,427	2,389	4,603	+ 212	Approx. 4,830
(Non-consolidated)	(4,567)	(2,302)	(2,264)	(4,355)	(+ 212)	(Approx. 4,580)
Steel materials shipment volume (10,000 tons)	4,202	2,097	2,105	4,097	+ 105	Approx. 4,210
Steel materials price (¥1,000/ton)	86.0	84.4	87.6	80.1	+ 5.9	Approx. 85
Exchange rate (¥/\$)	100	98	102	82	+ 18	Approx. 99

(2) All Japan

Crude steel output volume (10,000 tons)	11,151	5,580	5,571	10,730	+ 421
Steel consumption (10,000 tons)	6,410	3,154	3,256	6,142	+ 268
*3 (In manufacturing industries)	(4,044)	(1,987)	(2,057)	3,946	(+ 98)
<(% of manufacturing)>	<63.1%>	<63.0%>	<63.2%>	<64.2%>	<-1.1%>
Plain carbon steel consumption (10,000 tons)	5,102	2,502	2,600	4,895	+ 207
In construction	2,244	1,105	1,139	2,082	+ 162
In manufacturing	2,858	1,396	1,460	2,812	+ 46
Specialty steel consumption (10,000 tons)	1,308	653	656	1,247	+ 61

*2 2012FY : Simple adding up of Nippon Steel Corporation and Sumitomo Metal Industries.

*3 The Company estimates

(Reference) Segment Information

	2013FY			1st half ⇒ 2nd half	2012FY	2012FY ⇒ 2013FY	Previous Forecasts (Released on Jan. 30, 2014)
	1st half	2nd half					
Net sales (Simple sum)	5,516.1	2,674.5	2,841.5	+ 167.0	4,389.9 (5,083.5)	+ 1,126.2 (+ 432.6)	5,450.0
Steelmaking and steel fabrication (Simple sum)	4,877.9	2,383.6	2,494.3	+ 110.7	3,790.4 (4,484.0)	+ 1,087.5 (+ 393.9)	4,850.0
Engineering and construction	314.1	134.3	179.8	+ 45.5	303.0	+ 11.1	300.0
Chemicals	230.1	115.0	115.0	+ 0.0	195.7	+ 34.4	230.0
New materials	37.2	19.2	17.9	- 1.3	42.2	- 5.0	36.0
System solutions	179.8	81.4	98.4	+ 17.0	171.9	+ 7.9	178.0
Adjustments	(123.1)	(59.0)	(64.0)	- 5.0	(113.4)	- 9.7	(144.0)
Operating profit (Simple sum)	361.0	173.6	187.4	+ 13.8	76.9 (87.7)	+ 284.1 (+ 273.3)	340.0
Steelmaking and steel fabrication (Simple sum)	321.2	158.2	163.0	+ 4.8	41.5 (50.9)	+ 279.7 (+ 270.3)	305.0
Engineering and construction	17.7	3.6	14.0	+ 10.4	18.1	- 0.4	15.0
Chemicals	10.0	7.0	3.0	- 4.0	9.7	+ 0.3	10.0
New materials	1.3	0.6	0.7	+ 0.1	0.9	+ 0.4	1.0
System solutions	12.7	4.8	7.9	+ 3.1	11.6	+ 1.1	13.0
Adjustments (Simple sum)	(2.1)	(0.7)	(1.3)	- 0.6	(5.2) (3.8)	+ 3.1 (+ 1.7)	(4.0)

【Dividends】

In accordance with the basic profit distribution policy described previously, as announced at the announcement meeting held on January 30, 2014, of results for the third quarter, the Company intends to distribute a year-end dividend payment of ¥3.00 per share (bringing the full-year dividend distribution amount to ¥5.00 per share, representing a consolidated payout ratio of 18.7% for fiscal 2013). The Company plans to request approval for this at the General Meeting of Shareholders for fiscal 2013.

Forecasts of Consolidated Financial Results for Fiscal 2014**Fiscal 2014 Forecast**

The Company is unable to forecast reasonably accurate earnings estimates for fiscal 2014 results due to several factors, including the fact that price trends for primary raw materials and steel material products are uncertain. However, the Company will disclose fiscal 2014 earnings forecasts when reasonable estimates become possible.

(Reference) Previously Announced Projects**1. Business Consolidation and Reorganization**

■ Already Running Projects

FY	Time	Projects
2013	Apr. 2013	(NIPPON STEEL & SUMIKIN LOGISTICS CO., LTD.) Integration and Reorganization between Nippon Steel Logistics Co., Ltd. and Sumitomo Metal Logistics Service Co., Ltd.
	Apr. 2013	(NIPPON STEEL & SUMIKIN TECHNOLOGY Co., Ltd.) Business Integration between NIPPON STEEL TECHNOLOGICAL CORPORATION and Sumitomo Metal Technology, Inc.
	Apr. 2013	(Nittetsu Sumikin Shinko Shearing Co., Ltd.) The Merger between Nittetsu Shinko Shearing and Shearing Kozuyo
	Sep. 2013	(NIPPON STEEL & SUMIKIN NAOETSU TITANIUM CO., LTD.) A Joint Venture with Toho Titanium Co., Ltd. regarding the Titanium Materials Melting Business
	Oct. 2013	(NIPPON STEEL & SUMIKIN PIPE Co., Ltd.) The Merger of Sumitomo Pipe & Tube Co., Ltd. and Nittetsu Steel Pipe Co., Ltd.
	Oct. 2013	(NIPPON STEEL & SUMIKIN BUSSAN CORPORATION) Business Integration between Sumikin Bussan Corporation and Nippon Steel Trading Co., Ltd.
	Oct. 2013	(NIPPON STEEL & SUMIKIN TEXENG CO., LTD.) Business Integration between Taihei Kogyo Co., Ltd. and Nittetsu Elex Co., Ltd.
	Jan. 2014	(Reorganizing the Electric Resistance-Welded Pipe and Tube Business within the Nippon Steel & Sumitomo Metal Group) To Centralize the Overseas Operations
2014	Apr. 2014	(Organizational Integration of Steelworks) The Organizational Integration of Steelworks to Further Enhance the Competitiveness in Steel Business
	Apr. 2014	(Reorganizing the Electric Resistance-Welded Pipe and Tube Business within the Nippon Steel & Sumitomo Metal Group) Reorganization and Optimization of the Product Lineup between NSSMC and NIPPONSTEEL & SUMIKIN PIPE

■ Other Previously Announced Projects, etc

FY	Time	Projects
2014	Jul. 2014 (announced on Mar. 2014)	(Basic Agreement on the Integration of the Slag Sales Companies) Integration and Reorganization of the Slag Sales Companies
	Oct. 2014 (announced on Nov. 2013)	(Basic Agreement on Business Integration of Eight Consolidated Subsidiaries Engaged in Equipment Engineering and Maintenance) To Build the Total Competitiveness of NSSMC's Domestic Equipment and to Secure the Foundation of Equipment Readiness at NSSMC's Overseas Business Bases.

2. Key Overseas Investment Plan & Progress

%: NSSMC investment ratio		Investment Amount	Major Facility	Production Capacity	FY13	FY14	FY15
Auto	AM/NS Calvert 50% (USA) (JV with Arcelor Mittal)	Approx. 1.55bn\$ (total price)	Hot strip, PLCL, CGL, etc	5.3MMT/Y - Hot strip	★ Feb/14		
	TENIGAL 49% (Mexico) (JV with Ternium)	Approx. 300MM\$	CGL	0.4MMT/Y	★ Aug/13		
	JCAPCPL 49% (India) (JV with TATA)	Approx. 40bn¥	CAPL	0.6MMT/Y		★ May/14	
	NSGT 100% (Thailand)	Approx. 300MM\$	CGL	0.36MMT/Y	★ Oct/13		
	BNA 50% (China) (JV with Bao)	Approx. 1.1 bn CNY	No4 CGL (New line)	0.42MMT/Y	CGL capacity (1.25 → 1.67MMT/Y)		★ FY15 Start-up
	ICI 80% (USA) New Forging Press line	Approx. 46MM\$	No4 Forging Press line	Approx. 1.3MM crankshaft/Y	Forging press capacity (2.7 → 4.0MM)		★ FY15 Start-up
Const- ruction	NSBS 50% (Singapore, etc.) (JV with BSL)	554MM\$	CGL, etc	1.40MMT/Y - CGL	★ Mar/13 JV Established		
	CSVC 30% (Vietnam) (JV with CSC)	115bn¥ (JV total)	CDCM	1.20MMT/Y	★ Apr/13		
Container	WINSteel 50% (China) (JV with Wuhan)	Approx. 23bn¥	ETL, etc	0.80MMT/Y	★ Sep/13		
Pipe & Tube	VSB 40% (Brazil) (JV with Vallourec)	5.4bn BRL (VSB's capital)	Seamless Pipe, etc	0.6MMT/Y -SML	Ramping up		

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 Result for the Fiscal 2013

Japanese Steel Industry

1. Crude Steel Production

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2012FY	27.50	27.26	54.76	25.91	26.64	52.55	107.30
2013FY	28.07	27.72	55.80	28.14	27.58	55.71	111.51

2. Inventory Volume

At the end of:	Inventory at manufacturers and distributors (million tons)	Inventory /shipment ratio (%)	Rolled sheets *1 (million tons)	H-flange beams *2 (million tons)
Apr. 2012	5.52	(149.8)	4.04	0.203
May 2012	5.53	(141.6)	4.07	0.195
June 2012	5.46	(138.7)	3.96	0.196
July 2012	5.41	(135.6)	3.92	0.189
Aug. 2012	5.57	(151.9)	4.09	0.180
Sep. 2012	5.68	(147.0)	4.16	0.179
Oct. 2012	5.54	(139.0)	4.07	0.184
Nov. 2012	5.43	(142.0)	3.94	0.183
Dec. 2012	5.46	(151.9)	3.92	0.179
Jan. 2013	5.49	(146.1)	3.98	0.177
Feb. 2013	5.41	(146.4)	3.84	0.187
Mar. 2013	5.41	(125.6)	3.85	0.197
Apr. 2013	5.42	(142.2)	3.81	0.192
May 2013	5.48	(136.2)	3.83	0.197
June 2013	5.61	(145.8)	3.85	0.197
July 2013	5.36	(127.2)	3.75	0.190
Aug. 2013	5.53	(147.0)	3.92	0.186
Sep. 2013	5.53	(133.5)	3.88	0.187
Oct. 2013	5.61	(135.1)	3.88	0.180
Nov. 2013	5.49	(125.4)	3.82	0.180
Dec. 2013	5.65	(138.6)	3.93	0.185
Jan. 2014	5.76	(136.3)	4.09	0.200
Feb. 2014	5.73	(140.7)	3.99	0.220
Mar.*3 2014	5.66	(125.9)	4.11	0.234

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

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

*3 Preliminary report

3. Pig Iron Production

(Non-consolidated basis)

2012FY							(million tons)
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
Nippon Steel	7.78	8.01	15.79				
Sumitomo Metal	3.02	3.32	6.34				
NSSMC	(10.80)	(11.33)	(22.13)	10.62	11.14	21.76	43.90

2013FY							(million tons)
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
NSSMC	11.30	11.47	22.77	11.41	10.62	22.03	44.80

* Nippon Steel includes Hokkai Iron & Coke Co., Ltd. Sumitomo Metal Industries includes Nippon Steel & Sumikin Koutetsu Wakayama Corporation (formerly Sumikin Iron & Steel Corporation). NSSMC includes Hokkai Iron & Coke Co., Ltd. and Nippon Steel & Sumikin Koutetsu Wakayama Corporation.

* At the first half of fiscal 2012 of NSSMC, it is simple adding up of Nippon Steel and Sumitomo Metal Industries.

4. Crude Steel Production

(Consolidated basis)

2012FY							(million tons)
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
Nippon Steel	8.29	8.51	16.81				
Sumitomo Metal	3.10	3.43	6.53				
NSSMC	(11.39)	(11.95)	(23.34)	11.01	11.69	22.69	46.03

2013FY							(million tons)
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
NSSMC	12.13	12.14	24.27	12.26	11.63	23.89	48.16

* At the first half of fiscal 2012 of NSSMC, it is simple adding up of Nippon Steel and Sumitomo Metal Industries.

(Non-consolidated basis)

2012FY (million tons)							
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
Nippon Steel	7.70	7.95	15.66				
Sumitomo Metal	3.07	3.38	6.44				
NSSMC	(10.77)	(11.33)	(22.10)	10.40	11.05	21.45	43.55

2013FY (million tons)							
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
NSSMC	11.50	11.52	23.02	11.63	11.01	22.64	45.67

* Sumitomo Metal Industries and NSSMC include Nippon Steel & Sumikin Koutetsu Wakayama Corporation (formerly Sumikin Iron & Steel Corporation).

* At the first half of fiscal 2012 of NSSMC, it is simple adding up of Nippon Steel and Sumitomo Metal Industries.

5. Steel Products Shipment

2012FY (million tons)							
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
Nippon Steel	7.46	7.50	14.97				
Sumitomo Metal	2.78	2.86	5.64				
NSSMC	(10.24)	(10.36)	(20.61)	9.60	10.77	20.37	40.97

2013FY (million tons)							
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
NSSMC	10.29	10.68	20.97	10.38	10.67	21.05	42.02

* Sumitomo Metal Industries and NSSMC include Nippon Steel & Sumikin Koutetsu Wakayama Corporation (formerly Sumikin Iron & Steel Corporation).

* At the first half of fiscal 2012 of NSSMC, it is simple adding up of Nippon Steel and Sumitomo Metal Industries.

6. Average Price of Steel Products

2012FY (thousands of yen / ton)							
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
Nippon Steel	80.0	75.6	77.8				
Sumitomo Metal	94.7	94.4	94.5				
NSSMC	(84.0)	(80.8)	(82.4)	78.1	77.4	77.7	80.1

2013FY		(thousands of yen / ton)					
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
NSSMC	82.5	86.3	84.4	86.7	88.4	87.6	86.0

* Sumitomo Metal Industries and NSSMC include Nippon Steel & Sumikin Koutetsu Wakayama Corporation (formerly Sumikin Iron & Steel Corporation).

* At the first half of fiscal 2012 of NSSMC, it is weighted average of Nippon Steel and Sumitomo Metal Industries.

7. Export Ratio of Steel Products (Value basis)

2012FY		(%)					
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
Nippon Steel	42	42	42				
Sumitomo Metal	46	45	46				
NSSMC	(43)	(43)	(43)	43	47	45	44

2013FY		(%)					
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
NSSMC	49	47	48	45	45	45	46

* Sumitomo Metal Industries and NSSMC include Nippon Steel & Sumikin Koutetsu Wakayama Corporation (formerly Sumikin Iron & Steel Corporation).

* At the first half of fiscal 2012 of NSSMC, it is weighted average of Nippon Steel and Sumitomo Metal Industries.

8. Foreign Exchange Rate

		(¥ / \$)					
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2012FY	81	79	80	80	90	85	82
2013FY	98	98	98	100	103	102	100

9. Amount of Capital Expenditure and Depreciation

(Consolidated basis)

		(billions of yen)	
	Capital Expenditure	Depreciation	
2012FY	420.0	338.5	
2013FY	257.0	331.8	

* At the first half of fiscal 2012, it is simple adding up of Nippon Steel and Sumitomo Metal Industries.