

Results and dividends of Fiscal 2014 (Year ended March 31, 2015)

Overview of Profitability (Consolidated)

	2014FY	1st half	2nd half	1st half ⇒ 2nd half	2013FY	2013FY ⇒ 2014FY	Previous Forecasts (Released on Jan. 29, 2015)
Net sales	5,610.0	2,778.4	2,831.5	+ 53.1	5,516.1	+ 93.9	5,650.0
Ordinary profit	451.7	176.3	275.4	※2 + 99.1	361.0	※2 + 90.7	410.0
[ROS]	[8.1%]	[6.3%]	[9.7%]	[+3.4%]	[6.5%]	[+1.5%]	
Extraordinary profit	※1 (75.5)	(4.9)	(70.6)	- 65.7	38.0	- 113.5	
Net income	214.2	112.2	102.0	- 10.2	242.7	- 28.5	180.0
Net income per share (¥)	< 23.5 >	< 12.3 >	< 11.2 >	< -1.1 >	< 26.7 >	< -3.2 >	< 20 >
[ROE]	[7.6%]	[8.2%]	[7.0%]	[-1.1%]	[9.6%]	[-2.0%]	
Interest-bearing debt	1,976.5	※1 Gain on sales of investment securities 14.3 Loss of inactive facilities -21.2 Loss on business of subsidiaries and affiliates -68.6			2,296.3	- 319.7	
D/E ratio	0.66				0.86	-0.20	

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

<Factors Influencing Performance>

	1st half ⇒ 2nd half change	2013FY ⇒ 2014FY change	Change from the previous forecasts
Change in Consolidated Ordinary Profit	+ 99.0	+ 91.0	+ 42.0
1. Ferrous materials business	+ 83.0	+ 81.0	+ 35.0
①Manufacturing shipment volume	- 15.0	- 10.0	- 5.0
②Selling prices and production mix	- 100.0	- 120.0	~
③Raw materials prices (including carry-over of raw materials)	+ 128.0	+ 228.0	(*) + 3.0
④Procurement (price increase in logistics & electricity)	- 10.0	- 40.0	~
⑤Cost improvement(including stabilization treatments)	+ 5.0	+ 60.0	~
⑥Inventory evaluation impact	+ 5.0	- 31.0	+ 11.0
⑦Group companies	+ 9.0	+ 29.0	+ 15.0
⑧Nagoya accident	+ 2.0	- 24.0	~
⑨FOREX	+ 22.0	+ 5.0	+ 5.0
⑩Other	+ 37.0	(*) - 16.0	+ 6.0
2. Non-ferrous materials business	+ 10.0	+ 3.0	+ 5.0
3. Adjustments	+ 6.0	+ 7.0	+ 2.0

*1 sub-raw materials, etc.

*2 system integration expenses, etc.

(1)Nippon Steel & Sumitomo Metal Corporation

	2014FY	2013FY	2013FY ⇒ 2014FY	Previous Forecasts (Released on Jan. 29, 2015)
	1st half	2nd half		
Consolidated crude steel output volume (10,000 tons)	4,732	2,402	2,330	4,816
(Non-consolidated) *1	(4,496)	(2,288)	(2,208)	(4,567)
Steel materials shipment volume (10,000 tons) *1	4,188	2,111	2,077	4,202
Steel materials price (¥1,000/ton) *1	87.2	86.8	87.5	86.0
Exchange rate (¥/\$)	109	103	116	100

*1 Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation

(2) All Japan

	2014FY	2013FY	2013FY ⇒ 2014FY	Previous Forecasts (Released on Jan. 29, 2015)
	1st half	2nd half		
Crude steel output volume (10,000 tons)	10,985	5,556	5,429	11,152
Steel consumption (10,000 tons)	6,429	3,217	3,213	6,514
*2 (In manufacturing industries)	(4,065)	(2,041)	(2,024)	(4,094)
<(% of manufacturing)>	<63.2%>	<63.5%>	<63.0%>	<62.8%>
Plain carbon steel consumption (10,000 tons)	5,116	2,551	2,565	5,182
In construction	2,246	1,116	1,130	2,301
In manufacturing	2,870	1,435	1,435	2,880
Specialty steel consumption (10,000 tons)	1,313	665	648	1,332
Inventory volume(10,000 tons)	591			568
Rolled sheets(10,000 tons)	427			411

*2 The Company estimates, *3 Revised report for February 2015

(Reference) Segment Information

	2014FY	1st half	2nd half	1st half ⇒ 2nd half	2013FY	2013FY ⇒ 2014FY	Previous Forecasts (Released on Jan. 29, 2015)
Net sales	5,610.0	2,778.4	2,831.5	+ 53.1	5,516.1	+ 93.9	5,650.0
Steelmaking and steel fabrication	4,939.2	2,466.2	2,473.0	+ 6.8	4,877.9	+ 61.3	5,000.0
Engineering and construction	348.6	155.3	193.3	+ 38.0	314.1	+ 34.5	330.0
Chemicals	212.7	112.2	100.5	- 11.7	230.1	- 17.4	210.0
New materials	36.4	18.2	18.1	- 0.1	37.2	- 0.8	36.0
System solutions	206.0	94.8	111.1	+ 16.3	179.8	+ 26.2	195.0
Adjustments	(133.1)	(68.4)	(64.6)	+ 3.8	(123.1)	- 10.0	(121.0)
Ordinary Profit	451.7	176.3	275.4	+ 99.1	361.0	+ 90.7	410.0
Steelmaking and steel fabrication	401.9	159.1	242.8	+ 83.7	321.2	+ 80.7	367.0
Engineering and construction	18.7	4.8	13.8	+ 9.0	17.7	+ 1.0	16.5
Chemicals	6.8	4.3	2.5	- 1.8	10.0	- 3.2	6.0
New materials	2.4	1.1	1.3	+ 0.2	1.3	+ 1.1	2.0
System solutions	16.5	7.2	9.3	+ 2.1	12.7	+ 3.8	15.5
Adjustments	5.0	(0.5)	5.5	+ 6.0	(2.1)	+ 7.1	3.0

【Dividends】

Based on the Company's favorable performance since the announcement of the previous earnings forecasts and results for the third quarter on January 29, 2015, the Company plans to request the approval of the General Meeting of Shareholders to increase the planned dividend by ¥0.50 and also distribute a year-end dividend payment of ¥3.50 per share in accordance with the basic profit distribution policy described previously announced. This would bring the full-year dividend distribution amount to ¥5.50 per share, representing a consolidated payout ratio of 23.4% for fiscal 2014.

Forecasts of Consolidated Financial Results for Fiscal 2015

Fiscal 2015 Forecast

The Company is unable at this time to establish reasonably accurate earnings estimates for fiscal 2015 due to several factors, including the uncertainty of price trends for primary raw materials and steel products. The Company will disclose fiscal 2015 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 TECHNORESEARCH CORPORATION and Sumitomo Metal Technology, Inc.
	Apr. 2013	(Nittetsu Sumikin Shinko Shearing Co., Ltd.) The Merger between Nittetsu Shinko Shearing and Shearing Kozyo
	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
	Jul. 2014	(Organizational Integration the Slag Sales Companies within the Nippon Steel & Sumitomo Metal Group) Integration and Reorganization of Four Slag Sales Companies
	Oct. 2014	(Integration of the Consolidated Subsidiaries Engaged in Equipment Engineering and Maintenance within the Nippon Steel & Sumitomo Metal Group) Integration of Eight Consolidated Subsidiaries Engaged in Equipment Engineering and Maintenance
	Jan. 2015	(Regarding the transfer of the shares of capital stock in a subsidiary) Transfer of the Entire Shares of Capital Stock in NIPPON STEEL & SUMIKIN Electronics Devices Inc to NGK INSULATORS, LTD.

■ Other Previously Announced Projects, etc

FY	Time	Projects
2014	From Dec. 2014 (announced on May 2014)	(Reorganizing the Electric Resistance-Welded Pipe and Tube Business within the Nippon Steel & Sumitomo Metal Group) Optimizing the Production System in Japan
2015	Apr. 2015 (announced on Jul. 2014)	(Basic Agreement on Integration and Reorganization of Railway-Related Business of the NSSMC Group's Companies) Integration and Reorganization of Railway Engineering Business Integration and Reorganization of Manufacturing Processing Business
	Aug. 2015 (announced on Apr. 2015)	(Announcement regarding Nippon Steel & Sumitomo Metal Corporation Making NIPPON STEEL & SUMIKIN TEXENG. Co., Ltd. its Wholly-Owned Subsidiary through a Share Exchange)
	Sep. 2015 (announced on Apr. 2015)	(Announcement regarding Nippon Steel & Sumitomo Metal Corporation Making Suzuki Metal Industry Co., Ltd. its Wholly-Owned Subsidiary through a Share Exchange)

Nippon Steel & Sumitomo Metal Corporation

Code Number: 5401

Listings: Tokyo, Nagoya, Sapporo and Fukuoka Stock Exchanges

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Supplementary Information on the Financial Results for the Fiscal 2014

Japanese Steel Industry

1. Crude Steel Production

(million tons)							
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2013FY	28.08	27.74	55.82	28.14	27.57	55.71	111.52
2014FY	27.67	27.89	55.56	27.54	26.75	54.29	109.85

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)
Mar.	2013	5.41	(125.8)	3.85	0.197
Apr.	2013	5.44	(143.0)	3.82	0.192
May	2013	5.48	(135.9)	3.83	0.197
June	2013	5.61	(146.0)	3.86	0.197
July	2013	5.36	(127.3)	3.76	0.190
Aug.	2013	5.54	(147.1)	3.92	0.186
Sep.	2013	5.53	(133.5)	3.88	0.187
Oct.	2013	5.61	(135.0)	3.88	0.180
Nov.	2013	5.49	(125.5)	3.82	0.180
Dec.	2013	5.65	(138.5)	3.93	0.185
Jan.	2014	5.76	(136.4)	4.09	0.200
Feb.	2014	5.73	(140.7)	3.99	0.220
Mar.	2014	5.68	(126.6)	4.11	0.234
Apr.	2014	5.67	(139.0)	4.13	0.229
May	2014	5.79	(143.7)	4.24	0.231
June	2014	5.83	(142.8)	4.20	0.221
July	2014	5.58	(130.9)	4.10	0.215
Aug.	2014	5.93	(163.1)	4.33	0.211
Sep.	2014	5.93	(144.0)	4.31	0.213
Oct.	2014	5.87	(137.9)	4.25	0.208
Nov.	2014	5.95	(150.1)	4.25	0.206
Dec.	2014	5.94	(157.3)	4.18	0.207
Jan.	2015	5.98	(153.1)	4.32	0.211
Feb.	2015	5.91	(156.4)	4.27	0.218

*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 quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2013FY	11.30	11.47	22.77	11.41	10.62	22.03	44.80
2014FY	11.05	11.60	22.64	11.35	10.91	22.27	44.91

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

4. Crude Steel Production

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

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2013FY	12.13	12.14	24.27	12.26	11.63	23.89	48.16
2014FY	11.86	12.16	24.02	11.83	11.47	23.30	47.32

(Non-consolidated basis)

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2013FY	11.50	11.52	23.02	11.63	11.01	22.64	45.67
2014FY	11.29	11.59	22.88	11.20	10.88	22.08	44.96

*Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation.

5. Steel Products Shipment

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2013FY	10.29	10.68	20.97	10.38	10.67	21.05	42.02
2014FY	10.43	10.68	21.11	10.32	10.45	20.77	41.88

*Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation.

6. Average Price of Steel Products

(thousands of yen / ton)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2013FY	82.5	86.3	84.4	86.7	88.4	87.6	86.0
2014FY	87.6	86.0	86.8	88.7	86.4	87.5	87.2

*Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation.

7. Export Ratio of Steel Products (Value basis)

(%)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2013FY	49	47	48	45	45	45	46
2014FY	46	47	46	48	48	48	47

*Including Nippon Steel & Sumikin Koutetsu Wakayama Corporation.

8. Foreign Exchange Rate

(¥ / \$)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2013FY	98	98	98	100	103	102	100
2014FY	102	103	103	113	119	116	109

9. Amount of Capital Expenditure and Depreciation

(Consolidated basis)

(billions of yen)

	Capital Expenditure	Depreciation
2013FY	257.0	331.8
2014FY	304.3	320.0