



**Basic Facts About Nippon Steel
& Sumitomo Metal**

2014

Nippon Steel & Sumitomo Metal Corporation

Basic Facts About Nippon Steel & Sumitomo Metal 2014

NIPPON STEEL & SUMITOMO METAL CORPORATION

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- Figures are for NSSMC (nonconsolidated), unless otherwise stated.
- The figures indicating sales and other financial data, numbers of shares outstanding, and orders received are stated by discarding fractional amounts less than the nearest number, while all other figures are stated by rounding to the nearest number. Accordingly, total or subtotal amounts may not always equal the sum of the relevant figures.
- Each data is as of March 31, 2014, unless otherwise specified.
- Tonnage figures are in metric tons, unless otherwise specified.
- : Nil; ···: Unavailable or Undecided
- This publication includes forecasts and projections that are based on the assumptions and beliefs of NSSMC's management in light of the information available to it as of the date on which the information is first distributed, and actual results may differ from such forecasts and projections.

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■ Group's Guiding Principles · Employee Action Guidelines

Corporate Philosophy

Our Values

Nippon Steel & Sumitomo Metal Corporation Group will pursue world-leading technologies and manufacturing capabilities, and contribute to society by providing excellent products and services.

Management Principles

1. We continue to emphasize the importance of integrity and reliability in our actions.
2. We provide products and services that benefit society, and grow in partnership with our customers.
3. We pursue world-leading technologies and manufacturing capabilities.
4. We continually anticipate and address future changes, innovate from within, and pursue unending progress.
5. We develop and bring out the best in our people to make our Group rich with energy and enthusiasm.

Employee Action Guidelines

What we strive for:

Creativity, Innovation and Growth

We constantly seek self-improvement, pursue ambitious goals with enthusiasm, and continuously challenge ourselves to do better.

What we value most:

Self-empowerment, Workplace and Essentiality

We observe rules, keep our promises, and pierce to the heart of matters by actively investigating the facts.

What we encourage:

Dialogue, Collaboration and Sharing of Knowledge

We build mutual trust through dialogue and collaboration, and seek to pass on our spirit and skills to the next generation.

We vow to be guided by these principles, and act fairly and equitably throughout the world.

Overview

① Outline

Company Name	NIPPON STEEL & SUMITOMO METAL CORPORATION
Head Office	2-6-1 Marunouchi, Chiyoda-ku, Tokyo 100-8071, Japan
Incorporated	October 1, 2012 (Business integration)
Fiscal Year End	March 31
Stock Listings	Tokyo, Nagoya, Fukuoka, Sapporo

Symbol Mark and Logotype



**NIPPON STEEL &
SUMITOMO METAL**

The triangle in the logo represents a blast furnace and the people who create steel. It reflects the fact that steel, indispensable for civilization, brightens the world. The center point can be viewed as a peak, which represents the best steelmaker. It can be also viewed as the destination of a road, which represents the unlimited future of steel as a material. The blue color represents leading technology and reliability.

② Scope of Business

Steelmaking and Steel Fabrication

• Steel Materials

Steel sections: Steel billets and slabs; rails, sheet piles, H-beams, other shapes; bars, bars-in-coils, wire rods, special wire rods

Flat-rolled products: Heavy plates, medium plates, hot-rolled sheets, cold-rolled sheets; tinplate, tin-free steel, hot-dipped galvanized sheets, other metallic coated sheets, precoated sheets; cold-rolled electrical steel sheets

Pipe and tubes: Seamless, butt-welded, electric-resistance welded, electric-arc welded, cold-drawn, and coated pipe and tubes

Railway, automotive and machinery parts: Railway parts, die forgings, forged aluminum wheels, retarder, circular products, steel forgings

Specialty steel: Stainless steel, machine structural carbon steel, structural alloy steel, spring steel, bearing steel, heat-resistant steel, free-cutting steel, piano wire rods, high-strength steel

Secondary steel products: Steel segments, steel diaphragm wall method, METRODECK™, PANZERMAST, vibration-damping sheets and plates, structural steel sheet members, columns, welding materials, drums, bolts/nuts/washers, wire products, OCTG accessories, building and civil engineering materials

• Pig Iron, Steel Ingots, Others

Steelmaking pig iron, foundry pig iron, steel ingots; iron and steel slag products, cement, foundry coke

- **Businesses related to Steelmaking and Steel Fabrication**

Design, maintenance, and installation of machines, electrical equipment, and measurement apparatuses; marine transport, port/harbor transport, land transport, loading/unloading, warehousing, packaging; material testing/analysis, measurement of working environments, surveys on technical information, operation and management of various facilities, security services, services related to documentation of raw materials import, iron- and steelmaking plant construction engineering, operating assistance, steelmaking know-how provision, rolls

- **Other**

Rolled titanium products, aluminum products, power supply, electronic modules, lease and sale of real estate, services and others

Engineering and Construction

- Iron- and steelmaking plants, industrial machinery and equipment, industrial furnaces, resources recycling and environment restoration solutions, environmental plants, waterworks
 - Energy facilities and plants, chemical plants, storage tanks, on-land and offshore pipeline laying works
 - Various energy-related solutions
 - Offshore structure fabrication and construction, civil engineering work, bridge fabrication and erection, pipe piling work
 - Building construction, steel-structure construction, trusses, standardized buildings products, base-isolation and vibration-control devices
-

Chemicals

- Pitch coke, pitch, naphthalene, phthalic anhydride, carbon black, styrene monomer, bisphenol A, styrene resin, epoxy resin
 - Adhesive-free copper-clad laminated sheet for flexible printed circuit boards, liquid crystal display (LCD) materials, organic EL materials, surface hardness transparent plastic substrates, UV and thermosetting resin materials
-

New Materials

- Rolled metallic foils, semiconductor bonding wire and microballs, carbon-fiber composite products, metal catalyst carriers for cleaning automotive emissions
-

System Solutions

- Computer systems engineering and consulting services
-

③ Management Structure

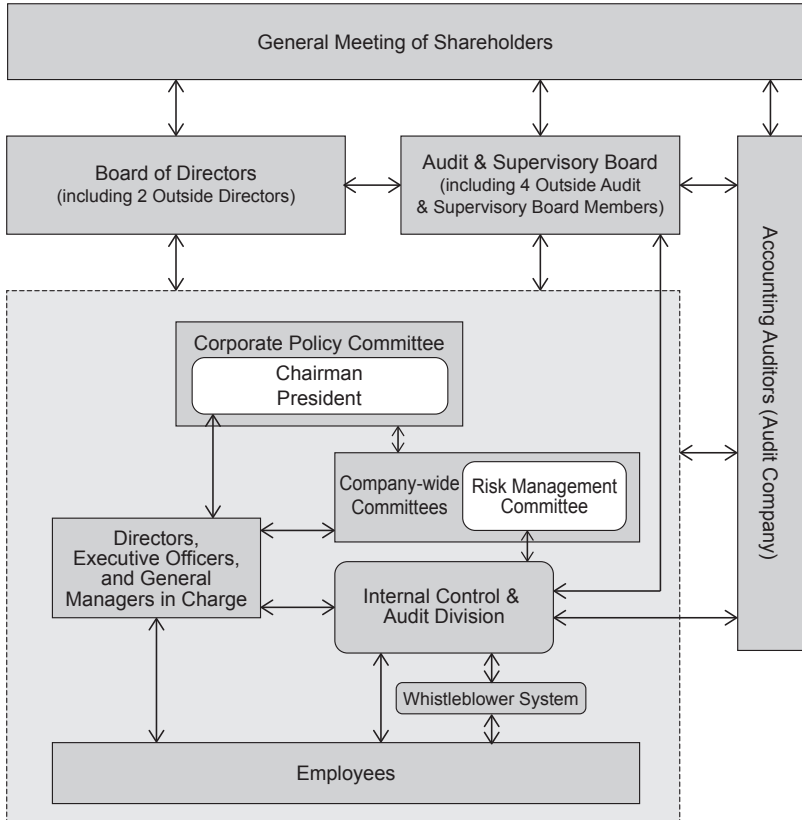
NSSMC is a business holding company, which comprises five businesses.

NIPPON STEEL & SUMITOMO METAL CORPORATION GROUP

<p>Steelmaking and Steel Fabrication Business</p> <p>Engineering and Construction Business Nippon Steel & Sumikin Engineering Co., Ltd.</p> <p>Chemicals Business Nippon Steel & Sumikin Chemical Co., Ltd.</p> <p>New Materials Business Nippon Steel & Sumikin Materials Co., Ltd.</p> <p>System Solutions Business NS Solutions Corporation</p>	PLATE	NSSMC contributes to enhancing the safety of structures and the development of society by delivering high-performance steel plates for large industrial and social structures such as ships, bridges, and high-rise buildings; marine structures for oil and gas extraction; and high performance steel plates used for tanks and other energy-related products.	
	FLAT PRODUCTS	NSSMC supports various industries and people's lives by delivering steel sheet used to make automobiles, electrical appliances, housing, beverage cans, transformers, and other goods. Having production and processing bases worldwide, this unit provides high quality, high-performance products and services in Japan and overseas.	
	BAR & WIRE ROD	NSSMC delivers high-quality high-performance bars and rods to a wide range of industries including the automotive, construction, and industrial machinery industries. In the automotive business, this unit focuses on high end products used in important automotive components such as engines, drive trains, and suspensions.	
	CONSTRUCTION PRODUCTS	NSSMC delivers H-beams, steel sheet piles, steel pipe piles, rails, and other steel materials used in the civil engineering and construction sectors in Japan and overseas. By responding to diverse needs, this unit contributes to the development of infrastructure that supports people's lives.	
	PIPE & TUBE	NSSMC is a world-leader in high-end seamless pipes used in oil and gas development and other energy areas. Large-diameter tubes for pipelines and steel tubes for automobiles, and construction and industrial machinery are also areas of strength.	
	RAILWAY, AUTOMOTIVE & MACHINERY PARTS	NSSMC is the only manufacturer of railway steel wheels and axles in Japan. This unit's major products are railway rolling stock components and forged crankshafts for automobiles. The unit has two manufacturing bases for railway wheels and axles, and four bases for crankshafts in the world.	
	TITANIUM & SPECIALTY STAINLESS STEEL	Utilizing titanium's lighter, high-strength, and corrosion-resistant properties, NSSMC is a world-leader in titanium products for construction, aviation, general industrial, and consumer-related applications. The unit also provides products with excellent heat resistance, corrosion resistance, and formability made of specialty stainless steel that is used in the automotive, IT, environmental, and energy sectors.	
	STAINLESS STEEL	Nippon Steel & Sumikin Stainless Steel Corporation (NSSC) provides steel users with a wide range of high-quality stainless steel products that includes steel plates, sheets, bars, and wire rods by leveraging its most advanced technologies in the world. This subsidiary has developed the world's first Sn-added low-interstitial ferritic steel grades, named the "FW (forward) series," and a new type of duplex stainless steel.	
	<p>Technical Research & Development Bureau</p> <p>The NSSMC Group has research laboratories in Futtsu, Amagasaki and Hasaki. These laboratories lead the world in manufacturing technology development that includes new product development and process improvement, mainly in high-growth sectors, as well as basic research to support these sectors.</p>		

④ Corporate Governance

Corporate Governance Structure and Internal Control System



NSSMC is establishing a corporate governance structure and internal control system and mechanisms for cooperation among Audit and Supervisory Board Members, the Internal Control and Audit Division, and Accounting Auditors. By doing this, it seeks to ensure management's efficiency, soundness, and transparency, and enhance its corporate governance with the ultimate aim of achieving sustainable improvement in corporate value and being trusted by society.

NSSMC's Articles of Incorporation stipulate that, as a corporate governance structure, the company shall have a Board of Directors and not more than 20 Directors as well as the Audit and Supervisory Board and not more than 7 Audit and Supervisory Board Members, and accounting auditors. Based on that article, 14 Directors (including 2 Outside Directors), 7 Audit and Supervisory Board Members (including 4 Outside Audit and Supervisory Board Members), and one accounting auditor are elected at present.

NSSMC's Board of Directors, which is comprised of Directors with thorough understanding and experience in its businesses and Outside Directors having independent positions, adequately and swiftly makes decisions regarding the company's important business activities and oversees the execution of duties by Directors. The Audit and Supervisory Board Members, who hold legally strong auditing authority, are required to maintain integrity, objectivity, and independence when overseeing the execution of duties by Directors and enhance the oversight function of the management. NSSMC believes that this structure ensures efficiency and fairness in management and is effective for the company to achieve sound and sustainable growth. Therefore, NSSMC has adopted the company system form of organization with an audit and supervisory board. In addition, to clarify responsibilities

for the results of each business unit and division, the company has introduced an executive officer system under which executive officers strive to ensure the proper execution of business activities.

Based on internal rules, executive decisions on key issues that may affect the activities of NSSMC and the NSSMC Group are determined by the Board of Directors, which convenes once or twice a month, after such matters have been discussed by the Corporate Policy Committee, a group that includes participation by the Chairman, the President, Vice Presidents, and other members, and that normally meets once a week.

In addition, NSSMC has set up 17 Companywide committees, each with its own objective, where details on designated themes are hashed out before the Corporate Policy Committee and the Board of Directors embark on decision-oriented discussions.

At present, NSSMC's Board of Directors comprises 12 Directors in charge of execution of duties and 2 Outside Directors.

Outside Directors, who have vast experience and deep insights in corporate management, international relationship and other fields, are expected to contribute to decision making from diverse perspectives on NSSMC and enhancing the overseeing function of management, by proactively providing their opinions and exercising voting power from their independent status at the Board of Directors and other meetings.

The present Audit and Supervisory Board comprises 3 fulltime Audit and Supervisory Board Members and 4 Outside Audit and Supervisory Board Members.

The Outside Audit and Supervisory Board Members, who have vast experience and deep insights in fields such as legal affairs, accounting, financials, and corporate management, proactively provide their opinions at the Board of Directors, the Audit and Supervisory Board, and other meetings and perform auditing activities including research on corporate operations and status of assets. They thus contribute to NSSMC's sound and fair management.

The company has notified Japanese bourses on which its stock is listed of the designation of Outside Directors and Outside Audit and Supervisory Board Members as independent directors and auditors, pursuant to the Securities Listing Regulations of these bourses. All these bourses have accepted the company's notifications of all independent directors and auditors.

The execution of business strategies mandated by the Board of Directors and other executive structures is promptly addressed by the Directors responsible for these businesses, other executive officers, and the general managers of relevant units/divisions, under the direction of the Representative Director and Chairman, as well as the Representative Director and President. These actions are accomplished by stipulating in writing the ordering authority, oversight responsibility, and procedures required to implement strategies.

NSSMC has resolved its Basic Policy concerning internal control system at its Board of Directors meeting and stipulates its Basic Rules for Internal Control for establishing a system for internal controls and risk management.

- NSSMC establishes an annual plan on internal controls and risk management and acts accordingly.
- It regularly confirms the status of internal controls and the risk management system through the Risk Management Committee, chaired by the executive vice president in charge of internal control & audit.
- Each division of the company designates a person in charge of risk management, while each group company designates a person responsible for risk management. This is to encourage each division and company to take initiatives and share information about risk management among the company and group companies through regular meetings and other means.
- NSSMC regularly checks the group-wide status of internal controls by establishing measures to check and supervise matters related to internal controls and risk management.
- NSSMC has set up a whistleblower system, namely, the Compliance Consulting Room within the company and the Compliance Hotline run by the company's attorney as a conduit for communication, to handle risk-related concerns raised by group employees, staff of purchase agreement companies, and other group employees regarding the execution of operations. This helps prevent accidents and the violation of laws and regulations preemptively and also improves operations.

⑤ Chronology

Nippon Steel & Sumitomo Metal Corporation

- 2014 Yawata Works and Kokura Works were integrated to become Yawata Works.
Wakayama Works and Sakai Works were integrated to become Wakayama Works.
Kimitsu Works and Tokyo Works were integrated to become Kimitsu Works.
- 2013 The Mid-Term Management Plan was formulated.
- 2012 Incorporated on October 1st, integrating Nippon Steel Corporation and Sumitomo Metal Industries.

Nippon Steel Corporation

- 2011 Agreed to commence consideration of business integration with Sumitomo Metal Industries, Ltd.
- 2006 Engineering and construction business was spun off to Nippon Steel Engineering Co., Ltd.
New materials business was spun off to Nippon Steel Materials Co., Ltd.
- 2003 Stainless business was spun off to Nippon Steel & Sumikin Stainless Steel Corporation.
- 2002 Announced alliances with Sumitomo Metal Industries, Ltd. and Kobe Steel, Ltd.
All operations of Nippon Steel's Urban Development Division were integrated into Nippon Steel City Produce, Inc.
- 2001 Operations of Nippon Steel's Electronics & Information Systems Division and its subsidiary Nippon Steel Information & Communication Systems Inc. were integrated to organize NS Solutions Corporation.
- 2000 A divisionally integrated operation system within the Nippon Steel Group based on product item or business area was introduced in the steelmaking and steel fabrication sector.
- 1997 Silicon Wafer Division was organized (abolished in April 2004).
- 1993 Semiconductor Division was organized (abolished in April 1999).
- 1991 Technical Development Bureau was organized by integrating Central R&D Bureau and Plant Engineering & Technology Bureau, and R&E Center began operation.
- 1989 Urban Development Division was organized.
- 1987 Electronics & Information Systems Division, New Materials Division and Service Business Division (integrated to Urban Development Division in June 1992) were organized.
- 1986 Electronics Division was organized.
- 1984 New Materials Projects Bureau was organized.
Nippon Steel Chemical Co., Ltd. was inaugurated through the merger of Nippon Steel Chemical Co., Ltd. and Nittetsu Chemical Industrial Co., Ltd.
- 1974 Engineering Division Group was organized.
- 1971 Nippon Steel absorbed Fuji Sanki Pipe & Tube Co., Ltd.
Oita Works began operation.
- 1970 Yawata Iron & Steel and Fuji Iron & Steel merged to form Nippon Steel Corporation.
- 1968 Yawata Iron & Steel absorbed Yawata Steel Tube Co., Ltd.
- 1967 Tokai Steel became Nagoya Works of Fuji Steel.
- 1965 Kimitsu Works of Yawata Iron & Steel began operation.
- 1961 Sakai Works of Yawata Iron & Steel began operation.
- 1958 Tokai Iron & Steel Co., Ltd. was established.
Yawata Iron & Steel inaugurated the Tobata Area of Yawata Works.
- 1955 Hikari Works of Yawata Iron & Steel began operation.
- 1950 Yawata Iron & Steel Co., Ltd. and Fuji Iron & Steel Co., Ltd. were established (Company's founding).

Sumitomo Metal Industries, Ltd.

- 2012 Merged with Sumitomo Metals (Kokura), Ltd. and Sumitomo Metals (Naoetsu), Ltd.
- 2011 Agreed to commence consideration of business integration with Nippon Steel Corporation.
- 2008 The titanium business was split and was absorbed by Sumitomo Metals (Naoetsu), Ltd.
- 2003 The stainless business was split off and became Nippon Steel & Sumikin Stainless Steel Corporation.
Wakayama Works' upstream operation was split off and became Sumikin Iron & Steel Corporation (present Nippon Steel & Sumikin Koutetsu Wakayama Corporation.)
- 2002 Announced alliances with Nippon Steel Corporation and Kobe Steel, Ltd.
Silicon wafer business was transferred to Silicon United Manufacturing Corporation (present SUMCO Corporation).
- 2000 Sumitomo Metals spun off its Kokura Works and Naoetsu Works and made them into Sumitomo Metals (Kokura), Ltd. and Sumitomo Metals (Naoetsu), Ltd. respectively.
- 1998 Merged with Sumitomo Sitix Corporation.
- 1994 Kashima Stainless Steel Works was integrated in Kashima Works.
- 1992 Merged with Nippon Stainless Co., Ltd. (Naoetsu Works and Kashima Stainless Steel Works were established.)
- 1990 Electronics Division was established.
- 1988 Kainan Steel Tube Works was integrated in Wakayama Works.
- 1980 Merged with Kainan Steel Tube Co., Ltd. (to form Kainan Steel Tube Works).
- 1977 Engineering Division was established, marking entry into engineering business.
- 1974 Hasaki Research Center, present Hasaki R&D Center, was established.
- 1968 Kashima Works was established.
- 1966 Kainan Steel Tube Co., Ltd. was established.
- 1963 Sumitomo Special Metals Co., Ltd. (former Magnetic Steel and Electronic Parts Manufacturing Departments) was established.
- 1961 Sumitomo Precision Products Co., Ltd. (former Aircraft Instruments Department) was established.
- 1959 Sumitomo Light Metal Industries, Ltd. (former Copper Rolling and Aluminum Rolling Department) was established.
Central Research Laboratories, present Amagasaki R&D Center, was established.
- 1953 Merged with Kokura Steel Manufacturing Co. and established Kokura Works, an integrated steelmaker.
- 1952 Shin-Fuso Metal Industries, Ltd. was renamed Sumitomo Metal Industries, Ltd.
- 1950 Narumi China Corporation (former China Manufacturing Department) was established.
- 1949 Shin-Fuso Metal Industries, Ltd. was established (Company's founding).

Executive Management and Fellows

Executive Management

(As of June 25, 2014)

Name (Date of birth)	Responsibilities	Joined the company Assumed the position	Education
Representative Director and Chairman			
Shoji Muneoka (May 3, 1946)		Apr. 1970 Oct. 2012	Mar. 1970 Tokyo U. (Agriculture)
Representative Director and Vice Chairman			
Hiroshi Tomono (July 13, 1945)		Apr. 1971 Apr. 2014	Mar. 1971 Kyoto U. (Graduate School of Engineering) Sep. 1979 Swiss Federal Institute of Technology Ph.D. in Engineering
Representative Director and President			
Kosei Shindo (Sep. 14, 1949)		Apr. 1973 Apr. 2014	Mar. 1973 Hitotsubashi U. (Economics) June 1982 Harvard Business School MBA
Representative Directors and Executive Vice Presidents			
Shinya Higuchi (Nov. 12, 1953)	Marketing Administration & Planning; Global Marketing Administration & Planning; Transportation & Logistics; Project Development; Machinery & Materials Procurement; Steel Products Units; Shanghai-Baoshan Cold-rolled & Coated Sheet Products Project; India Continuous Annealing & Processing Line Project; Domestic Office and Branches; Cooperating with EVP K. Ota on Usiminas Project; Cooperating with EVP S. Sakuma on Overseas Offices	Apr. 1976 Oct. 2012	Mar. 1976 Tokyo U. (Law) June 1986 Harvard Business School MBA
Katsuhiko Ota (June 30, 1953)	Corporate Planning; Overseas Business Development; Group Companies Planning; Accounting & Finance; Raw Materials; Usiminas Project	Apr. 1977 Apr. 2013	Mar. 1977 Keio U. (Law)
Akihiro Miyasaka (Feb. 22, 1954)	Head of Research and Development	Apr. 1976 Jun. 2013	Mar. 1976 Tokyo U. (Engineering) Mar. 1996 Tokyo U. Doctor (Engineering)

Note: "Time of joining the company" means the time of entering either the former Nippon Steel Corporation or Sumitomo Metal Industries, Ltd.

Name (Date of birth)	Responsibilities	Joined the company Assumed the position	Education
Kinya Yanagawa (Oct. 3, 1952)	Intellectual Property; Safety; Technical Administration & Planning; Quality Management; Plant Engineering and Facility Management; Ironmaking Technology; Steelmaking Technology; Slag & Cement; Cooperating with EVP S. Sakuma on Environment; Cooperating with EVP K. Ota on Usiminas Project	Apr. 1978 Apr. 2014	Mar. 1978 Tohoku U. (Graduate School of Engineering)
Soichiro Sakuma (Feb. 15, 1956)	General Administration & Legal; Internal Control & Audit; Business Process Innovation; Human Resources; Environment; Overseas Offices; Cooperating with EVP K. Ota on Usiminas Project	Apr. 1978 Apr. 2014	Mar. 1978 Tokyo U. (Law)
Managing Directors, Members of the Board			
Yasumitsu Saeki (May 8, 1955)	Head of Unit, Flat Products Unit; Project Leader, Shanghai-Baoshan Cold-rolled & Coated Sheet Products Project; Project Leader, India Continuous Annealing & Processing Line Project; Marketing Administration & Planning; Global Marketing Administration & Planning; Transportation & Logistics	Apr. 1979 Oct. 2012	Mar. 1979 Keio U. (Economics)
Shinji Morinobu (Sep. 8, 1953)	Head of Unit, Railway, Automotive & Machinery Parts Unit	Apr. 1977 Jun. 2013	Mar. 1977 Kyoto U. (Economics)
Shinji Fujino (July 29, 1955)	Intellectual Property; Safety; Technical Administration & Planning; Quality Management; Plant Engineering and Facility Management; Ironmaking Technology; Steelmaking Technology; Slag & Cement; Rendering Assistance to EVP S. Higuchi on Steel Products Units	Apr. 1981 Jun. 2014	Mar. 1981 Tohoku U. (Graduate School of Metallurgical Engineering)
Ritsuya Iwai (Sep. 16, 1956)	Head of Unit, Pipe & Tube Unit	Apr. 1981 Jun. 2014	Mar. 1981 Kyoto U. (Graduate School of Engineering)

Name (Date of birth)	Responsibilities	Joined the company Assumed the position	Education
Directors, Members of the Board			
Mutsutake Otsuka (Jan. 5, 1943)		- June 2014	Mar. 1965 Tokyo U. (Law)
Ichiro Fujisaki (July 10, 1947)		- June 2014	Mar. 1969 Keio U. (Economics) Before graduating due to passing Foreign service examination
Managing Executive Officers			
Shinya Okuda (July 26, 1952)	Head of Office, Osaka Office	July 2008 Oct. 2012	Mar. 1976 Tokyo U. (Economics)
Atsuhiko Yoshie (May 1, 1955)	Head of Laboratories, Steel Research Laboratories, R&D Laboratories	Apr. 1980 Oct. 2012	Mar. 1980 Tokyo U. (Graduate School of Naval Architecture) Nov. 1994 Kyushu U. Doctor (Engineering)
Masato Yamada (May 14, 1955)	Deputy Project Leader, Shanghai- Baoshan Cold-rolled & Coated Sheet Products Project; Deputy Project Leader, India Continuous Annealing and Processing Line Project; Cooperating with Head of Unit, Flat Products Unit on Flat Products Technology	Apr. 1980 Oct. 2012	Mar. 1980 Tokyo U. (Graduate School of Nuclear Engineering)
Eiji Hashimoto (Dec. 7, 1955)	Rendering Assistance to EVP K. Ota on Business Development in the Americas; Rendering Assistance to EVP K. Ota on Usiminas Project; Cooperating with Head of Unit, Pipe & Tube Unit on Overseas Projects concerning Pipe & Tube	Apr. 1979 Apr. 2013	Mar. 1979 Hitotsubashi U. (Commerce) June 1988 Harvard Kennedy School of Government Master of Public Policy
Yoshitsugu Sakamoto (Mar. 18, 1956)	Head of Works, Nagoya Works	Apr. 1981 Apr. 2013	Mar. 1981 Keio U. (Graduate School of Mechanical Engineering)
Tatsuro Shirasu (Mar. 26, 1956)	Head of Office, Beijing Office	Apr. 1979 Apr. 2013	Mar. 1979 Tokyo U. (Law)
Shinji Shibao (Jan. 22, 1957)	Head of Works, Oita Works	Apr. 1980 Apr. 2013	Mar. 1980 Kyushu U. (Engineering)
Shinji Tanimoto (May 24, 1957)	Head of Works, Yawata Works	Apr. 1982 Apr. 2013	Mar. 1982 Sophia U. (Graduate School of Mechanical Engineering)
Kenji Takahashi (July 1, 1955)	Head of Works, Kashima Works	Apr. 1981 Apr. 2013	Mar. 1981 Tokyo U. (Graduate School of Engineering)

Name (Date of birth)	Responsibilities	Joined the company Assumed the position	Education
Shinichi Fujiwara (Oct. 10, 1954)	Overseas Business Development; Overseas Offices	Apr. 1978 Apr. 2013	Mar. 1978 Tokyo U. (Law) May 1987 Harvard Kennedy School of Government Master of Public Policy
Machi Nakata (May 19, 1956)	Head of Works, Osaka Steel Works, Railway, Automotive & Machinery Parts Unit	Apr. 1981 Apr. 2014	Mar. 1981 Kyoto U. (Graduate School of Applied Physics)
Tsuneo Miyamoto (Nov. 20, 1955)	Rendering Assistance to EVP S. Higuchi on Overseas Projects concerning Flat Products	Apr. 1980 Apr. 2014	Mar. 1980 Keio U. (Economics)
Toshiharu Sakae (Jan. 25, 1956)	Raw Materials; Machinery & Materials Procurement	Apr. 1980 Apr. 2014	Mar. 1980 Tokyo U. (Law) Dec. 1988 University of Illinois Master of Science in Business Administration
Yutaka Takeuchi (Dec. 10, 1956)	Corporate Planning; Group Companies Planning	Apr. 1980 Apr. 2014	Mar. 1980 Tokyo U. (Economics)
Toru Kaneko (Dec. 23, 1956)	Cooperating with Head of Unit, Flat Products Unit on Overseas Projects concerning Flat Products	Apr. 1982 Apr. 2014	Mar. 1982 Tokyo U. (Graduate School of Mechanical Engineering)
Akihiko Inoue (Aug. 21, 1957)	Head of Works, Kimitsu Works	Apr. 1982 Apr. 2014	Mar. 1982 Tokyo U. (Graduate School of Industrial Mechanical Engineering) June 1990 Massachusetts Institute of Technology Master of Science
Hirotsune Satoh (Apr. 30, 1956)	Head of Division, Human Resources Division; Business Process Innovation; Cooperating with Managing Director S. Fujino on Safety	Apr. 1981 Apr. 2014	Mar. 1981 Keio U. (Economics)
Executive Officers			
Katsuhiko Miyamoto (Oct. 22, 1956)	Head of Division, Accounting & Finance Division; Cooperating with Head of Division, General Administration Division on Public Relations	Apr. 1981 Oct. 2012	Mar. 1981 Hitotsubashi U. (Law) June 1988 London Business School Sloan Fellowship programme

Name (Date of birth)	Responsibilities	Joined the company Assumed the position	Education
Masato Matsuno (May 29, 1957)	Head of Division, General Administration Division; Rendering Assistance to EVP S. Sakuma on Legal and Internal Control & Audit; Rendering Assistance to Managing Executive officer H. Satoh on Business Process Innovation	Apr. 1981 Oct. 2012	Mar. 1981 Tokyo U. (Economics)
Shin Nishiura (June 26, 1958)	Head of Division, Corporate Planning Division	Apr. 1981 Oct. 2012	Mar. 1981 Hitotsubashi U. (Law)
Yoichi Furuta (Dec. 28, 1958)	Head of Division, Overseas Business Development Division	Apr. 1981 Oct. 2012	Mar. 1981 Tokyo U. (Law) June 1990 Harvard Business School MBA
Hiroyuki Nitta (Jan. 20, 1959)	Head of Division, Business Process Innovation Division	Apr. 1983 Oct. 2012	Mar. 1983 Kyoto U. (Graduate School of Electrical Engineering) May 1990 Rensselaer Polytechnic Institute Master of Engineering
Kazuyuki Orita (Feb. 12, 1959)	Head of Center, Plant Engineering and Facility Management Center	Apr. 1983 Oct. 2012	Mar. 1983 Kyoto U. (Graduate School of Applied Mathematics and Physics) June 1991 California Institute of Technology Master of Science
Tomoaki Nakagawa (July 22, 1958)	Head of Unit, Bar & Wire Rod Unit	Apr. 1981 Oct. 2012	Mar. 1981 Hokkaido U. (Economics)
Kazuhiro Egawa (Feb. 24, 1959)	Cooperating with Head of Division, Overseas Business Development Division on Overseas Business Development	Apr. 1981 Apr. 2013	Mar. 1981 Hitotsubashi U. (Economics)
Naoki Konno (Apr. 30, 1958)	Head of Division, Technical Administration & Planning Division ; Rendering Assistance to Managing Executive officer H. Satoh on Business Process Innovation	Apr. 1982 Apr. 2013	Mar. 1982 Tohoku U. (Physics)
Toru Takegoshi (May 16, 1958)	Head of Division, Group Companies Planning Division; Cooperating with Head of Division, Human Resources Division on Human Resources	Apr. 1982 Apr. 2013	Mar. 1982 Keio U. (Law)
Atsushi Iijima (June 12, 1958)	Head of Unit, Plate Unit	Apr. 1982 Apr. 2013	Mar. 1982 Tokyo U. (Economics)
Shinichi Nakamura (Feb. 15, 1959)	Head of Unit, Construction Products Unit	Apr. 1982 Apr. 2013	Mar. 1982 Tokyo U. (Law)

Name (Date of birth)	Responsibilities	Joined the company Assumed the position	Education
Masaki Iwasaki (May 10, 1959)	Head of Works, Hirohata Works	Apr. 1984 Apr. 2013	Mar. 1984 Kyoto U. (Graduate School of Metals Science & Technology)
Toshihiko Kunishi (July 24, 1959)	Vice Head of Unit, Pipe & Tube Unit	Apr. 1982 Apr. 2013	Mar. 1982 Waseda U. (Law)
Yutaka Andoh (Sep. 30, 1958)	Head of Works, Muroran Works, Bar & Wire Rod Unit	Apr. 1981 Apr. 2014	Mar. 1981 Tokyo U. (Engineering)
Kazuo Tanimizu (Dec. 19, 1958)	Head of Division, Raw Materials Division-II	Apr. 1981 Apr. 2014	Mar. 1981 Waseda U. (Political Science and Economics)
Takahiro Mori (Oct. 3, 1957)	Vice Head of Unit, Flat Products Unit	Apr. 1983 Apr. 2014	Mar. 1983 Tokyo U. (Law) May 1992 University of Pennsylvania (Wharton) MBA
Yoshiyuki Komuro (June 8, 1959)	Head of Division, Flat Products Technology Division, Flat Products Unit	Apr. 1983 Apr. 2014	Mar. 1983 Tokyo Institute of Technology (Engineering) May 1991 Brown University Master of Science
Hiroshi Ishii (Feb. 4, 1960)	Head of Division, Bar & Wire Rod Technology Division, Bar & Wire Rod Unit	Apr. 1983 Apr. 2014	Mar. 1983 Waseda U. (Engineering) May 1993 Carnegie Mellon University Master of Engineering
Kazuhiro Nakashima (Oct. 24, 1960)	Head of Works, Wakayama Works	Apr. 1983 Apr. 2014	Mar. 1983 Osaka U. (Engineering)
Naoki Satoh (Mar. 23, 1961)	Head of Division, Safety Division	Apr. 1983 Apr. 2014	Mar. 1983 Kyushu Institute of Technology (Engineering)
Akio Migita (Oct. 19, 1961)	Head of Division, Flat Products Marketing Division, Flat Products Unit	Apr. 1984 Apr. 2014	Mar. 1984 Tokyo U. (Law)
Senior Audit & Supervisory Board Member			
Toshihide Tanabe (July 9, 1950)		Apr. 1975 June 2012	Mar. 1975 Kyushu U. (Law)
Audit & Supervisory Board Members			
Hiroto Suetsugu (Dec. 30, 1953)		Apr. 1977 June 2012	Mar. 1977 Kyoto U. (Law)
Hirohiko Minato (Mar. 9, 1956)		Apr. 1978 Oct. 2012	Mar. 1978 Keio U. (Law)
Hirotake Abe (Nov. 13, 1944)		- Oct. 2012	Mar. 1968 Chuo U. (Commerce)

Name (Date of birth)	Responsibilities	Joined the company Assumed the position	Education
Katsunori Nagayasu (Apr. 6, 1947)		- June 2013	Apr. 1970 Tokyo U. (Law) June 1990 Massachusetts Institute of Technology Sloan School of Management Master of Science
Hiroshi Obayashi (June 17, 1947)		- June 2014	Mar. 1970 Hitotsubashi U. (Law)
Jiro Makino (Oct. 22, 1949)		- June 2014	Mar. 1973 Tokyo U. (Economics)

Executive Management System

In order to facilitate decision-making by management with greater speed and mobility in responding to changes in business environments, NSSMC has adopted the Executive Management System. Executive officers are “important employees” (under the Company Law of Japan) who execute their respectively assigned important business responsibilities.

Fellows*

(As of April 1, 2014)

Name (Date of birth)	Responsibilities	Joined the company Assumed the position	Education
Kouji Takatani (July 30, 1952)	Mathematical Modeling of Iron and Steel Making Processes	Apr. 1978 Oct. 2012	Mar. 1978 Kyoto U. (Graduate School of Chemical Engineering) Feb. 1991 Kyoto U. Doctor (Engineering)
Yoshiyuki Ueshima (Mar. 11, 1955)	Steelmaking process	Apr. 1982 Oct. 2012	Mar. 1982 Kyoto U. (Graduate School of Metallurgy (Doctor)) Mar. 1984 Kyoto U. Doctor (Engineering)
Miyuki Yamamoto (Jan. 7, 1957)	Fatigue and fracture of steel products	Apr. 1981 Oct. 2012	Mar. 1981 Kyoto U. (Graduate School of Aeronautical Engineering) Nov. 1997 Kyoto U. Doctor (Engineering)
Manabu Takahashi (Nov. 18, 1956)	Sheet products and their application technologies	Apr. 1982 Oct. 2012	Mar. 1982 Kyushu U. (Graduate School of Physics) Mar. 1993 University of Cambridge Ph. D. in Science
Masaaki Igarashi (Jan. 29, 1957)	Head of Advanced Technology Research Laboratories, R&D Laboratories; Metallurgy and physical property of steel products and alloys	Apr. 1981 Oct. 2012	Mar. 1981 Osaka U. (Graduate School of Nuclear Engineering) Nov. 1991 Kyoto U. Doctor (Engineering)
Kazuo Okamura (May. 31, 1959)	Computational elastoplasticity	Apr. 1984 Oct. 2014	Mar. 1984 Kobe U. (Graduate School of Systems Engineering) Jan. 2001 Kyoto U. Doctor (Energy Science)
Ryohichi Kanno (Mar. 6, 1960)	Steel structures	Apr. 1984 Oct. 2014	Mar. 1984 Tokyo Institute of Technology (Graduate School of Civil Engineering) Aug. 1993 Cornell University Ph. D. in Engineering

* The Fellow Selection Committee selects fellows from researchers with outstanding achievements and according to professional specialization. Fellows are treated as executive officers.

Major Posts Outside the Company

Post and name	Major outside posts	Hobbies
Representative Director and Chairman Shoji Muneoka	Chairman, The Japan Iron and Steel Federation (May 27, 2008-May 28, 2010) Vice Chairman, Keidanren (May 28, 2009-Jun. 4, 2013) Chairman, All Japan Judo Federation (Aug. 21, 2013-)	• Listening to classical music, golf
Representative Director and Vice Chairman Hiroshi Tomono	Chairman, The Japan Iron and Steel Federation (May 29, 2012-May 30, 2014) Vice Chairman, Keidanren (Jun. 4, 2013-) Vice Chairman, Kankeiren (May 23, 2011-May 27, 2013)	• Mountain climbing, skiing
Representative Director and President Kosei Shindo	Vice Chairman, The Japan Iron and Steel Federation (May 30, 2014-)	• Sport watching, golf

Notes: The Japan Iron and Steel Federation changed its status from an "Incorporated Association" to a "General Incorporated Association" in April 2011.
Keidanren (Japan Business Federation) changed its status from an "Incorporated Association" to a "General Incorporated Association" in March 2012.
Kankeiren (Kansai Economic Federation) changed its status from an "Incorporated Association" to a "Public Interest Incorporated Association" in April 2011.

Past Chairmen and Presidents

Nippon Steel Corporation

■ Yawata Iron & Steel Co., Ltd.

Chairman	Tenure	President
—	Apr. 1, 1950-Apr. 9, 1952	Takashi Miki
	May 10, 1952-Jan. 6, 1956	Gisuke Watanabe
	Jan. 13, 1956-May 28, 1962	Arakazu Ojima
Arakazu Ojima	May 28, 1962-May 29, 1967	Yoshihiro Inayama
—	May 29, 1967-Mar. 30, 1970	

■ Fuji Iron & Steel Co., Ltd.

Chairman	Tenure	President
—	Apr. 1, 1950-Mar. 30, 1970	Shigeo Nagano

■ Nippon Steel Corporation

Chairman	Tenure	President
Shigeo Nagano	Mar. 31, 1970-May 30, 1973	Yoshihiro Inayama
	May 30, 1973-Jun. 29, 1976	Tomisaburo Hirai
Yoshihiro Inayama	Jun. 29, 1976-Jan. 18, 1977	Teruyoshi Tasaka
	Jan. 20, 1977-Jun. 29, 1981	Eishiro Saito
Eishiro Saito	Jun. 29, 1981-Jun. 26, 1987	Yutaka Takeda
Yutaka Takeda	Jun. 26, 1987-Jun. 29, 1989	Hiroshi Saito
Akira Miki	Jun. 29, 1989-Jun. 29, 1993	
Hiroshi Saito	Jun. 29, 1993-Mar. 31, 1998	Takashi Imai
Takashi Imai	Apr. 1, 1998-Mar. 31, 2003	Akira Chihaya
Akira Chihaya	Apr. 1, 2003-Jan. 22, 2007	Akio Mimura
—	Jan. 23, 2007-Mar. 31, 2008	
Akio Mimura	Apr. 1, 2008-Sep. 30, 2012	Shoji Muneoka

Sumitomo Metal Industries

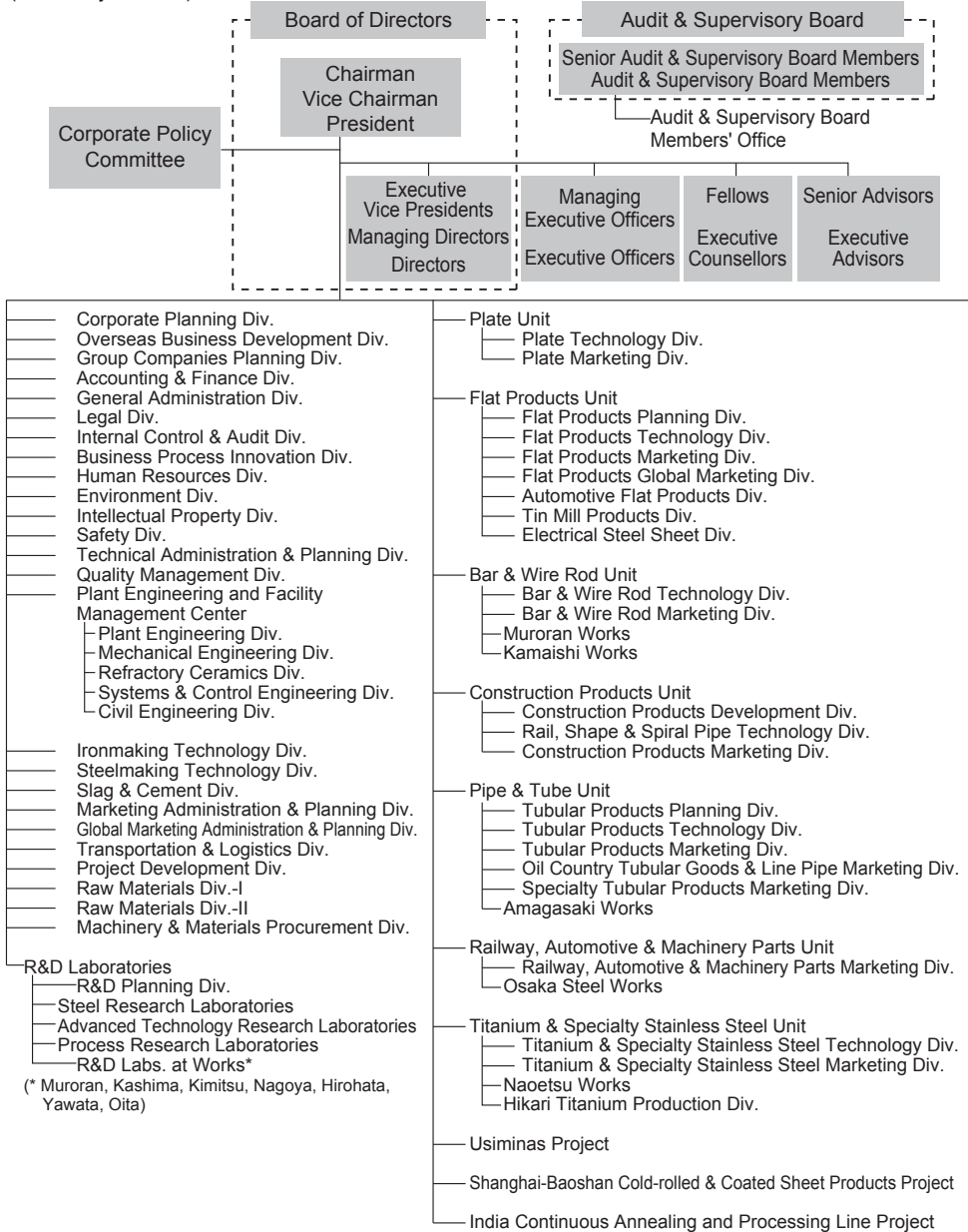
Chairman	Tenure	President
Hisakazu Hirota	Jul. 1, 1949-Nov. 28, 1962	Hisakazu Hirota
	Nov. 28, 1962-May 29, 1973	Hosai Hyuga
—	May 29, 1973-Nov. 28, 1974	
Hosai Hyuga	Nov. 28, 1974-Jun. 28, 1978	Noboru Inui
	Jun. 28, 1978-Jun. 27, 1986	Yoshifumi Kumagai
Yoshifumi Kumagai	Jun. 27, 1986-Jun. 29, 1988	Yasuo Shingu
—	Jun. 29, 1988-Jun. 26, 1992	
Yasuo Shingu	Jun. 26, 1992-Jun. 27, 1996	Tameaki Nakamura
	Jun. 27, 1996-Jun. 26, 1998	Matao Kojima
Reijiro Mori	Oct. 26, 1998-Jun. 29, 2000	
Matao Kojima	Jun. 29, 2000-Jun. 28, 2001	Hiroshi Shimozuma
—	Jun. 28, 2001-Jun. 29, 2005	
Hiroshi Shimozuma	Jun. 29, 2005-Jun. 26, 2012	Hiroshi Tomono
—	Jun. 26, 2012-Sep. 30, 2012	

Nippon Steel & Sumitomo Metal Corporation

Chairman	Tenure	President
Shoji Muneoka	Oct. 1, 2012-Mar. 31, 2014	Hiroshi Tomono
	Apr. 1, 2014-	Kosei Shindo

Organization

(As of July 1, 2014)



(* Muroran, Kashima, Kimitsu, Nagoya, Hirohata, Yawata, Oita)

- Kashima Works
- Kimitsu Works
- Nagoya Works
- Wakayama Works
- Hirohata Works
- Yawata Works
- Oita Works

- Osaka Office
- Hokkaido Marketing Branch
- Tohoku Marketing Branch
- Niigata Marketing Branch
- Hokuriku Marketing Branch
- Ibaraki Marketing Branch
- Nagoya Marketing Branch
- Chugoku Marketing Branch
- Shikoku Marketing Branch
- Kyushu Marketing Branch

Overseas Subsidiaries and Offices

NIPPON STEEL & SUMITOMO METAL U.S.A., INC.

(Head Office: New York, Chicago, Houston, Mexico City)

NIPPON STEEL & SUMITOMO METAL Empreendimentos Siderúrgicos Ltda.

(Head Office: São Paulo, Belo Horizonte)

European Office

(Düesseldorf)

NIPPON STEEL & SUMITOMO METAL Australia Pty. Limited

(Head Office: Sydney, Perth)

NIPPON STEEL & SUMITOMO METAL Consulting (Beijing) Co., Ltd.

(Head Office: Beijing, Shanghai, Guangzhou)

NIPPON STEEL & SUMITOMO METAL Southeast Asia Pte. Ltd.

(Head Office: Singapore, Jakarta)

NIPPON STEEL & SUMITOMO METAL (Thailand) Co., Ltd.

(Head Office: Bangkok)

NIPPON STEEL & SUMITOMO METAL India Private Limited

(Head Office: New Delhi)

Dubai Office

Business Plan

Mid-Term Management Plan (announced on March 13, 2013)

Aim: To Become the “Best Steelmaker with World-Leading Capabilities”

While the global steel demand is forecast to grow at a modest rate, newly constructed steelworks are scheduled to begin operation in South China and the ASEAN region in the first half of 2015, and Japan’s domestic steel demand is likely to stay at around 60 million tons per year. Competition in the East Asian market, where Nippon Steel & Sumitomo Metal Corporation (NSSMC) mainly operates, is expected to intensify.

To respond to such business environment and to become the “Best Steelmaker with World-Leading Capabilities” at an early stage, a company with higher standards in all areas including scale, cost, technology and customer service, the NSSMC Group has developed the Mid-Term Management Plan. The plan sets forth the NSSMC Group’s management policy from fiscal year 2013 for a period of approximately three years.

The plan is aimed at building an organization with world-leading competitive strength by 2015, when newly emerging steel mills in East Asia are expected to go into full-scale operation, through the early realization of maximum synergies made available uniquely to NSSMC by the business integration of the former Nippon Steel Corporation and the former Sumitomo Metal Industries, Ltd. (the “Business Integration”) in terms of technology and cost and on a global basis. The NSSMC Group will aim to win the intensifying competition and achieve sustained growth in profits.

Creating the Best Steelmaker with World-Leading Capabilities

- ▲ NSSMC Group will pursue world-leading technologies and manufacturing capabilities, and contribute to society by providing excellent products and services.



Outline of the Mid-Term Management Plan

NSSMC is determined to mobilize the resources of the Group to aggressively implement initiatives to become the “Best Steelmaker with World-Leading Capabilities” at an early stage.

1. Five key initiatives for the Steel Business

(1) Enhancing NSSMC's technological superiority

Through integration of manufacturing technology, product technology, and R&D capabilities by way of the Business Integration, NSSMC will further enhance its industry-leading technologies with the world's largest team of 800 skilled researchers in the steel industry. The company will strive to lead the world through its actions, including (i) achieving significant advances in productivity through innovation in production processes, (ii) developing high-functioning products in growing sectors such as the automotive, resource and energy, and overseas infrastructure-related sectors, and (iii) delivering comprehensive solutions to customers.

Moreover, NSSMC will respond to the evolving needs of customers and the society through proactive efforts in research on next-generation materials for hydrogen and other clean energy sectors as well as in the research on elemental and basic technologies using advanced analysis and mathematical techniques.

Utilization of such technological leadership will be the key driver supporting all the initiatives in the plan, including cost improvement, the business strategy of each product unit, the global strategy, and the unity of the Group's strengths.

(2) Building world-leading cost competitiveness to win out in global competition

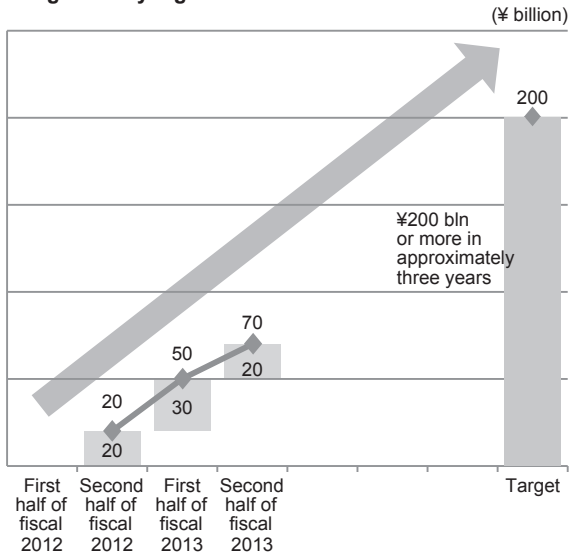
NSSMC will aim to realize annual synergies of ¥200 billion or more in approximately three years. Following the Business Integration in October 2012, the company has initiated concrete measures toward that end, with positive results. It plans to implement further measures at an early stage to realize maximum effect and at the same time strive to recognize further incremental efficiencies. It will also continue to make efforts at cost reduction, with a view to building world-leading cost competitiveness to win out in global competition.

Realize synergies of ¥200bln or more a year in approximately 3 years

<p>Cost reduction by consolidating technology and R&D</p>	<ul style="list-style-type: none"> • Use of low-grade raw materials • Promotion of high efficiency in processes • Improvement of rolling efficiency • High-functioning products • Enhancing development of manufacturing process technologies • Increase in labor productivity 	<p>Approx. ¥60bln</p>
<p>Establishment of the optimal production network</p>	<ul style="list-style-type: none"> • Optimization of fixed costs through cessation of operation of facilities • Highly-efficient low-cost operation • Optimal allocation of tasks among production lines and increase in high-functioning products • Coordination among steelworks • Avoidance of redundant investment 	<p>Approx. ¥60bln</p>
<p>Reduction in procurement costs</p>	<ul style="list-style-type: none"> • Raw materials: Improving efficiency in transportation • Equipment & materials: Centralized procurement, bidding, volume discounts, etc. 	<p>Approx. ¥30bln</p>
<p>Improvement in efficiency of the head office</p>	<ul style="list-style-type: none"> • Integration and improvement in efficiency of head office and branches in Japan and overseas • Reduction in general administrative expenses and system development cost 	<p>Approx. ¥30bln</p>
<p>Integration and reorganization of and alliances among group companies</p>	<ul style="list-style-type: none"> • Integration and reorganization of group companies • Expanding alliances within the group (transportation, processing, equipment, analysis, etc.) 	<p>Approx. ¥20bln</p>
<p>Total ¥200bln or more</p>		

Report on progress

Integration synergies



(3) Optimizing the production network by rationalization of iron-making, steelmaking, and rolling facilities

With a view to drastically strengthening cost competitiveness on a global basis by establishing the NSSMC optimal production network through efficient combination of the manufacturing capacities and advanced operational technology capabilities of the former companies, the following will be implemented:

1) Iron- and steelmaking

With due consideration for measures to be taken with respect to the rolling process, NSSMC aims to achieve the following: (i) each steelworks to be fully utilized through each stage of production from pig iron production, steel-making and hot-rolling; (ii) high productivity at lower fixed costs through maximum efforts including pursuit of higher pig iron ratios; and (iii) low cost operation by use of lower-grade raw materials and other means to reduce variable costs.

(A) Kimitsu Works

(a) Shift to two-blast-furnace operation (No. 3 blast furnace to cease operation) (around the end of fiscal 2015)

(b) Streamlining of No.1 steelmaking plant

a) No. 5 continuous caster to cease operation (around the first half of fiscal 2014)

b) Shift to one-basic-oxygen-furnace operation (one basic-oxygen-furnace to cease operation) (around the first quarter of fiscal 2016)

(B) Wakayama Works

Postponement of operation of the new No. 2 blast furnace (two-blast-furnace operation with No. 1 and No. 5 blast furnaces to continue)

2) Rolling-related equipment (cessation of operation and shift-down)

NSSMC aims to secure its total capacity and at the same time enhance its total competitiveness in terms of cost, quality, timely delivery and other factors by taking the following measures: i) enhancement of efficiency of production lines with competitiveness by combining technologies of the former companies and establishment of the optimal production network of domestic production bases in each region, ii) expansion of overseas production lines by advancing its global strategy, and iii) cessation of operation of production lines which are relatively less competitive.

Rolling-related equipment to cease operation or shift down

Type of product	Steelworks	Line	Approximate schedule
Flat Products	Kashima	No. 2 continuous pickling line No. 1 cold strip mill No. 1 continuous annealing line Batch annealing line No. 1 continuous galvanizing line No. 2 electrolytic galvanizing line	End of the 4th quarter of fiscal 2014
	Wakayama	No. 3 pickling line No. 1 cold strip mill Continuous hot-dip galvanizing line Annealing continuous line (electrical steel sheets) (Production of high-carbon steel sheets to continue)	End of the 1st quarter of fiscal 2014
	Nagoya	No. 4 continuous hot-dip galvanizing line Electro-galvanizing line	End of the 1st quarter of fiscal 2013 End of the 4th quarter of fiscal 2014
	Kimitsu	No. 1 continuous annealing and processing line	End of the 4th quarter of fiscal 2014
Plates	Kashima	Rolling – Shift-down	2nd quarter of fiscal 2013
	Kimitsu	Rolling – Shift-down	2nd quarter of fiscal 2013
Pipes and tubes	Kimitsu	Butt welded pipe line	End of the 4th quarter of fiscal 2013

(4) Promoting global strategy

NSSMC will pursue the best combination of domestic and overseas resources for production and supply for each product type, leveraging its cost competitiveness and product competitiveness.

1) In response to increasing worldwide demand for steel, the company will focus on expanding and enhancing its supply chain, including overseas manufacturing and processing bases, in order to establish a global network to supply a wide range of products, including flat products, pipes and tubes, construction products, bars and wire rods, and railway, automotive and machinery parts, in particular with respect to the following three strategic sectors:

- i) High-grade steel sector for the automotive industry
- ii) Resources and energy sector
- iii) Infrastructure-related sectors including railway, construction and civil engineering

(Note) Major projects recently announced

	Region or country	Sector (products)	Production capacity (thousand tons per year)	Start-up / planned start-up
AM/NS Calvert (JV with ArcelorMittal)	U.S.A.	Automotive (steel sheet)	5,300	Feb. 2014
TENIGAL (JV with Ternium)	Mexico	Automotive (steel sheet)	400	Aug. 2013
NSGT	Thailand	Automotive (steel sheet)	360	Oct. 2013
JCAPCPL (JV with TATA)	India	Automotive (steel sheet)	600	May 2014

	Region or country	Sector (products)	Production capacity (thousand tons per year)	Start-up / planned start-up
BNA (JV with Baosteel) * Capacity increase	China	Automotive (steel sheet)	420	Fiscal 2015 (plan)
NSCh (Currently, NBC China)	China	Automotive (bars and wire rods)	42	Jun. 2015 (plan)
NS Pipe Mexico	Mexico	Automotive (pipe & tube)	20	May 2013
ICI * Capacity increase	U.S.A.	Automotive (crankshafts)	1.3 million units/year	Fiscal 2015 (plan)
WINSteel (JV with Wuhan)	China	Container (tinplate)	800	Sep. 2013
VSb (JV with Vallourec)	Brazil	Energy (pipe & tube)	600	Undergoing start-up operation
Southern Tube	U.S.A.	Energy (pipe & tube processing)	70	Fiscal 2015(plan)
NSBS (JV with BlueScope)	ASEAN, U.S.A.	Infrastructure (steel sheet)	1,400	Mar. 2013
CSVC (JV with CSC)	Vietnam	Infrastructure (steel sheet)	1,200	Apr. 2013
Standard Steel *Quality improvement investment	U.S.A.	Infrastructure (railway steel wheels and axles)	300 thousand wheels/year	(Acquired in Aug. 2011) Sep. 2014 (plan)

- 2) By executing the above initiatives, NSSMC intends to sustain or expand its market shares by meeting demand for high-grade steel and at the same time capturing growing local demand. In order to capture local demand, the company will take measures including the utilization of the distribution network of the coated products joint venture with BlueScope Steel in Southeast Asia and the U.S.A.
- 3) NSSMC will study measures for establishment of a supply base of steelmaking and hot-rolling steel products in the ASEAN region, with the aim of capturing local demand for middle-grade products and preparing preemptively against the formation of a regional trade bloc.
- 4) NSSMC will continue to maintain its alliances with overseas major steelmakers including ArcelorMittal and POSCO and seek to maximize the benefits from such alliances.
- 5) NSSMC will establish organizational and business management adequate for the globalization of its business, including management of overseas business companies (i.e., regional management, pursuit of thorough low-cost management, etc.), development and allocation of human resources, and system development.

(5) Strengthening the group companies of the Steelmaking Business

From a viewpoint of realizing synergies from the Business Integration at an early stage, forming a group of companies with a competitive edge, and streamlining the management resources on a consolidated basis, the group companies with redundant functions or those whose competitiveness would be increased by integration will be consolidated or reorganized. The business integration of group companies in the trading and transportation businesses has already been announced. Integration will be considered in other businesses as well.

In addition, NSSMC will promote reinforcement and upgrading of the group management by taking measures such as optimization of various functions (i.e., rolling, processing, transportation, etc.) within the Group.

2. Policies for the non-steel business segments and maximization of combined group strength

Each business segment will strive to improve its competitiveness and aim to achieve industry-leading profitability in its operations.

Further, efforts will be made to maximize the synergies of the NSSMC Group by enhancing world-leading products and technologies of the Steelmaking Business and the other four business segments and by strengthening R&D alliances and capability for delivering comprehensive solutions to the customers.

(1) Engineering Business

- 1) NSSMC will aim to maintain and increase its customer orders through augmented responses to overseas projects and growth sectors, including expanding the energy facilities and environmental solutions businesses (i.e., overseas on-site energy supply business, construction of offshore wind-power generation installations) and enhancing vibration-damping and base-isolation devices.
- 2) NSSMC will move forward with strengthening of its capabilities and improving the structure of its business through measures including the reinforcement of technological capability and cost competitiveness and a thorough selective and carefully targeted approach to the marine engineering and construction business.

(2) Chemicals Business

- 1) NSSMC will strive to establish a world-class steelmaking chemicals business by strengthening its manufacturing capabilities and profitability, with a particular focus on high-end carbon materials (e.g., needle coke for graphite electrodes, special carbon materials).
- 2) In the area of functional materials such as printed wiring board (PWB) materials (epoxy resin), circuit substrate materials (ESPANEX™), optical and display materials (SILPLUS™ and others), and organic device materials (organic EL materials, LumiAce™), NSSMC will thoroughly evaluate the competitiveness of its products and market trends in determining its business policy in order to strengthen profitability by focusing on promising businesses.

(3) New Material Business

Mainly in the electronic materials area (including surface lining EX wire), industrial material area (including carbon fiber) and environmental area (metal carriers used in emission gas purification), NSSMC will promote growth strategy by reinforcing overseas production bases (in Indonesia, India, and Thailand), utilizing domestic resources for productivity improvement and product development, and developing and launching new products including developing applications of materials such as silicon carbide wafers.

(4) System Solution Business

NSSMC will aim to achieve industry-leading profitability and sustained business growth by expanding its cloud computing services by use of its advanced data center, and its comprehensive IT outsourcing services, providing global supply chain management system for manufacturing industries and enhancing its capability to service financial institutions, Internet-related companies and other customers for their overseas business development.

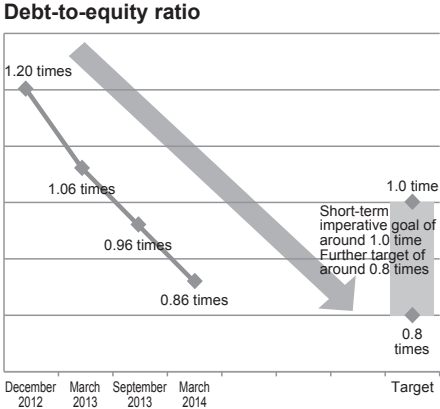
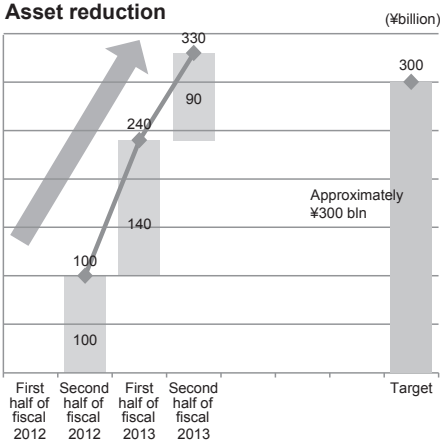
3. Balancing financial strengths and growth investments

By building a stable revenue base through implementation of the measures described above and proceeding with the ongoing asset reduction (targeting approximately ¥300 billion within about three years from the second half of fiscal year 2012), NSSMC plans to continue investments (capital expenditures, investments in companies, R&D, etc.) to promote growth strategies and at the same time improve its financial strength.

NSSMC will keep capital expenditures below depreciation expense (approximately 80% of the depreciation amount), inclusive of a framework for strategic investments estimated to be approximately ¥100 billion on an annual basis. However, implementation with respect to particular investments will be evaluated on a case-by-case basis with due consideration for relevant factors including return on investment.

The company plans to achieve a debt-to-equity ratio of around 1.0 at an early stage and further target the level sufficient for an international “A” rating status (around 0.8).

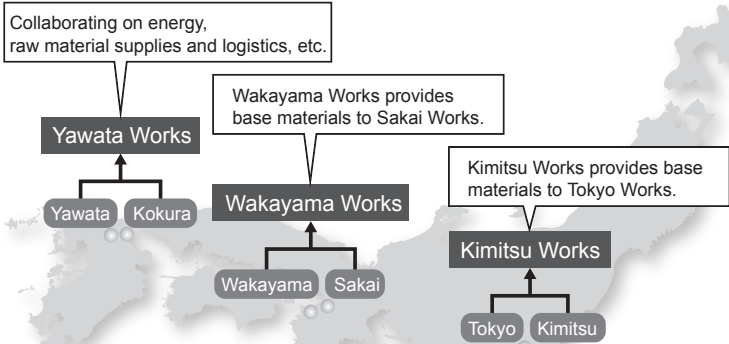
Report on progress



4. Promoting organizational and business management

With the aim of becoming a corporate group that continually innovates from within, NSSMC will improve organizational and business management in order to be able to respond to the changing business environment more quickly than before. This is to be done through such measures as establishing an efficient business management structure where it will operate primarily through product based units, and enhancing coordination among steelworks (Yawata-Kokura, Nagoya-Hirohata, Wakayama-Sakai/Hirohata, etc.)

Integration of steelworks (April 1, 2014)



5. Continuing to be a company with integrity and reliability

(1) NSSMC will continue to practice its Corporate Philosophy* and strive to further contribute to society.

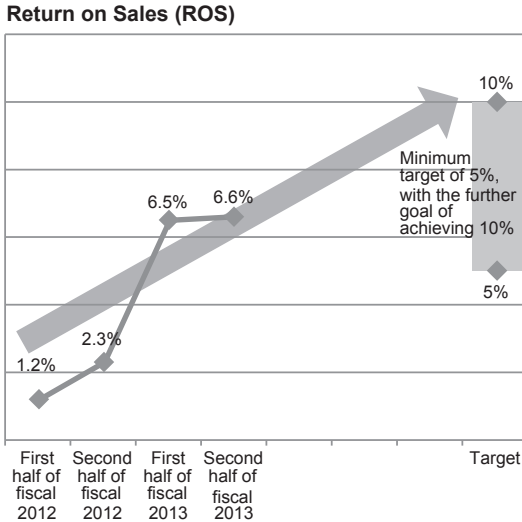
(2) It will continually strive to be a company with integrity and reliability through compliance with laws, regulations and rules and implementation of appropriate risk management in safety, environment and disaster prevention.

* Our Values: "Nippon Steel & Sumitomo Metal Corporation Group will pursue world-leading technologies and manufacturing capabilities, and contribute to society by providing excellent products and services."

6. Paths toward new growth

Through implementation of the above measures, NSSMC will aim to strengthen its competitive position and secure increased profits from its overseas businesses. In so doing, it aims to achieve in the medium- to long-term an increase in cash flows and growth in profitability, with the targeted return on sales (ROS) of approximately 5% at minimum and the further goal of establishing an organization with capability to achieve an ROS of 10%.

Report on progress



* First half of fiscal 2012 : Combined bases of the two former companies

History of Management Plans and Organizational Reshuffling

1970	<ul style="list-style-type: none"> • Nippon Steel Corporation was established. 	
1974	<ul style="list-style-type: none"> • Engineering Divisions Group was organized. 	
1977	<ul style="list-style-type: none"> • The Project Planning & Development Bureau was organized. 	
1978	First Modernization Plan →	<p>To rationalize annual crude steel production by reducing output from 47 million tons to 36 million tons by 1980.</p> <p>Major equipment closure: One large section mill each at Kamaishi and Yawata Works, one plate mill at Hirohata Works</p>
1979	<ul style="list-style-type: none"> • Entire organization was reformed into basic five units: head office, steelworks, company-wide unit, engineering business and development business. 	
1981	<ul style="list-style-type: none"> • The technical department was reorganized to establish Technical Development Bureau and Central R&D Bureau. 	
1982	Second Modernization Plan → <ul style="list-style-type: none"> • The personnel system was reorganized as a three-tier position system. 	<p>To urgently bring the annual crude steel production scale down to 28 million tons</p> <p>Major equipment closure: One blast furnace each at Muroran, Hirohata and Sakai Works</p>
1984	Third Modernization Plan → <ul style="list-style-type: none"> • Nippon Steel Chemical Co., Ltd. was established by the merger of Nippon Steel Chemical Co., Ltd. and Nittetsu Chemical Industrial Co., Ltd. 	<p>To realize the production scale appropriate for the medium-term annual crude steel production of 27 to 28 million tons</p> <p>Major equipment closure: One large section mill each at Muroran and Hirohata Works, one blast furnace at Kamaishi Works, one hot-rolling mill at Sakai Works</p>
	<ul style="list-style-type: none"> • The articles of incorporation were changed to become a comprehensive materials maker with the establishment of the New Materials Projects Bureau and the Titanium Division. 	
1985	<ul style="list-style-type: none"> • The Engineering Divisions Group was shifted to the divisional operating system. • The New Business Planning & Development Division was newly organized. 	
1986	<ul style="list-style-type: none"> • The Electronics Division was organized. 	
1987	First Medium-Term Business Plan (Fourth Modernization Plan) → <ul style="list-style-type: none"> • The articles of incorporation were changed to provide for multiple-business management with the establishment of the Electronics & Information Systems Division, New Materials Division, Service Business Division and Biotechnology Business Division. 	<p>Plan duration: Four years, FY1987 to FY1990</p> <p>To realize the production system that can secure profits even if annual crude steel production in FY1990 dropped to 24 million tons</p> <p>Major equipment closure: One blast furnace each at Yawata, Kamaishi, Hirohata, Muroran and Sakai Works</p> <p>To propose the medium- and long-term visions for multiple-business management (by reform of operating structures)</p>
1988	<ul style="list-style-type: none"> • The Electronics & Information Systems Division was spun-off to establish Nippon Steel Information & Communication Systems Inc. 	
1989	<ul style="list-style-type: none"> • The Urban Development Division was organized. 	
1990	<ul style="list-style-type: none"> • The Space World, a theme park about space, opened. 	

1991	<p>Second Medium-Term Business Plan →</p> <ul style="list-style-type: none"> • The Technical Development Bureau was organized and the R&E Center was completed as an organization to integrate research, development and engineering. • The Nippon Steel Fellow System was introduced. 	<p>Plan duration: Three years, FY1991 to FY1993</p> <p>Basic policies</p> <ul style="list-style-type: none"> • Strengthening of the competitiveness of the steel business • Promotion of electronics and information systems, urban development and building construction as a major force to expand new businesses <p>Realization of the world's most competitive steel business</p> <ul style="list-style-type: none"> • Development of new products • Innovation in production and logistics systems • New equipment investment of more than ¥600 billion in three years • Improvement of labor productivity by 15%
1993	<ul style="list-style-type: none"> • Nippon Steel Semiconductor Corporation was established and the LSI Division was organized. 	
1994	<p>Third Medium-Term Business Plan →</p> <ul style="list-style-type: none"> • The Corporate Policy Committee was organized. 	<p>Plan duration: Three years, FY1994 to FY1996</p> <ol style="list-style-type: none"> 1. Restructuring of international competitiveness of the steel business <ul style="list-style-type: none"> • Restructuring of cost performance superior to that of the strongest competitor (Cost reduction by ¥300 billion) • Structuring of the 20,000 employee organization 2. Restructuring of management software <ul style="list-style-type: none"> • Slimming-down of head office functions (leaner head office) • Integration of sales and technical divisions and product-wise divisional operations 3. Strengthening and promotion of multiple-business management and group strategies 4. Incessant efforts for market development
1995	<ul style="list-style-type: none"> • The articles of incorporation were changed to add electricity supply to the business line. 	
1997	<p>Medium-Term Business Plan →</p> <ul style="list-style-type: none"> • The personnel system was revised (reduction of positions and introduction of a group system). • The Stainless Steel Division was organized. • Business divisions of the Engineering Divisions Group were reorganized. 	<p>Plan duration: Three years, FY1997 to FY1999</p> <ol style="list-style-type: none"> 1. Structuring of multiple-business management 2. Innovation of management software 3. Strengthening of consolidated management 4. Creation of new demands and development of new markets <p>Management targets</p> <ul style="list-style-type: none"> • Securing of appropriate ordinary profits (ordinary profits of more than ¥100 billion/year on a stable basis) • Strengthening of financial structure • Consolidated sales of ¥3,050 billion for FY1999
1998	<ul style="list-style-type: none"> • The Engineering Divisions Group was positioned as an autonomous company in management and operation. 	

2000	Medium-Term Consolidated Business Plan →	<p>Plan duration: Three years, FY2000 to FY2002</p> <ol style="list-style-type: none"> 1. Strong consolidated business and the robust Nippon Steel Group 2. Strengthening of consolidated management for improved consolidated business results <p>Consolidated target for FY2002</p> <ul style="list-style-type: none"> • Ordinary profit ¥180 billion or more • Free cash flow ¥500 billion for 3 years • ROS 7.5%, ROA 5.5%
		<ul style="list-style-type: none"> • Organizational and operating systems of the steel business were examined with the objective to promote divisionally integrated operations within the group based on product item or business area. • The articles of incorporation were changed to add gas supply and waste treatment/recycling to the business lines.
2001		<ul style="list-style-type: none"> • Operations of Nippon Steel's Electronics and Information Systems Division and its subsidiary Nippon Steel Information & Communication Systems Inc. were integrated to organize NS Solutions Corporation.
2002		<ul style="list-style-type: none"> • All operations of Nippon Steel's Urban Development Division were integrated into Nippon Steel City Produce, Inc. (company name changed from Nippon Steel Life Planning Co., Ltd. in April 2001). • The articles of incorporation were changed to add manufacture and sale of machinery and equipment, such as environmental plants, water supply and sewage-related facilities, and supply of heat and other energy to the business lines.
2003	Medium-Term Consolidated Business Plan →	<p>Plan duration: Three years, FY2003 to FY2005</p> <ol style="list-style-type: none"> 1. Substantial improvements of its financial structure 2. Completion of selection and concentration of its business segments, and enhancement of overall efficiency 3. Investment decision aimed at improving both quality and capacity in high value-added market segments that will bring future profit growth in its steel business <p>Consolidated target for FY2005</p> <ul style="list-style-type: none"> • Ordinary profit Approx. ¥250 billion • ROS Approx. 9% • ROA Approx. 9% • Interest bearing debt Approx. ¥1,600 billion • Shareholders' equity Approx. ¥1,000 billion
		<ul style="list-style-type: none"> • The articles of incorporation were changed to add manufacture and sale of electronic components to the business lines. • Nippon Steel & Sumikin Stainless Steel Corporation was established.
2004		<ul style="list-style-type: none"> • Business divisions of the Engineering Divisions Group were reorganized.

2006	Medium-Term Consolidated Business Plan →	<p>Plan duration: Three years, FY2006 to FY2008</p> <ol style="list-style-type: none"> 1. Completion of the group's 40 million ton crude steel production base 2. Implementation of "Global Player Strategy" 3. Enhancement of the alliance network with domestic and overseas steel manufacturers 4. Construction of a strong group management system uniting the six business segments' strengths 5. Strengthening of financial position (Acquisition of international credit rating A1) <p>Target for FY2008 (Consolidated)</p> <ul style="list-style-type: none"> • Net sales Approx. ¥4,200 billion • Ordinary profit ¥500 billion or more • Net income ¥300 billion or more (EPS ¥44 or more per share) • ROA Approx. 12% • Interest bearing debt ¥1,000 billion or less • Debt-Equity ratio 0.5 or less • Capex, investing & financing Approx. ¥850 billion per three years
	<ul style="list-style-type: none"> • Amendments to the Articles of Incorporation. Amendments in relation to the new Company Law. • Amendments to the provisions related to the Board of Directors and the Corporate Auditors. • Introduction of the Executive Management System. • Nippon Steel Engineering Co., Ltd. and Nippon Steel Materials Co., Ltd. were established. 	
2010	Medium-Term Management Plan →	<p>Plan duration: Three years, FY2009 to FY2011</p> <ol style="list-style-type: none"> 1. "Reinforcing our corporate strengths and establishing a secure revenue base" and "building a stronger global production and supply base" in the Steel Industry 2. Maximizing the synergy of the group 3. Policies relating to global warming 4. Policies to be a "trusted and reliable company" 5. Laying grounds for a New Growth Path <ul style="list-style-type: none"> • Further strengthen its competitive edge • Build a global tri-polar (Domestic, Asia, American and Pan-Atlantic) production and processing base network. (Envisaging a global capacity of 50 to 60 million tons) • Realize a "Global Corporate Group"
2011	• Oita Works and the Hikari Pipe & Tube Division were integrated and reorganized	
2013	• Mid-Term Management Plan was formulated (For details, see page 21)	
2014	<p>Yawata Works and Kokura Works were integrated to become Yawata Works. Wakayama Works and Sakai Works were integrated to become Wakayama Works. Kimitsu Works and Tokyo Works were integrated to become Kimitsu Works.</p>	

History of Management Plans and Organizational Reshuffling (former Sumitomo Metals)

1986	Revised Medium-Term Business Plan	<p>→</p> <ol style="list-style-type: none"> 1. Slimline production implemented to enable output of 90 million tons of raw steel nationally Consolidation of facilities in order to raise the efficiency of the manufacturing systems Main facilities placed on inactive status: Wakayama/Steel Slabs; Amagasaki/Steel Tubes 2. Expansion of businesses specific to increasing competitiveness <ol style="list-style-type: none"> (1) Reinforcing the Steel Sheet Division (increasing competitiveness through high quality and high value-added products) (2) Bolstering non-ferrite business (new businesses: electronics, new advanced materials, chemical products, engineering and titanium)
1988	Medium-Term Business Plan FY 1988 - FY 1990	<p>→</p> <ol style="list-style-type: none"> 1. Expansion of Diversified Business Divisions (Steel Engineering, Electronics & Information Services, New Advanced Materials & Chemical Products, 'Soft' Services, etc.) 2. Reinforce the competitiveness of the Steel Division <ol style="list-style-type: none"> (1) Cost reductions (Reductions in fixed costs, such as investment in facilities and rationalization of human resources; streamlining of the functions of the Head Office, etc.) (2) Move to increase sales of high-grade and high value-added products; improve user services in terms of quality and delivery schedule
<p>• Kainan Steel Tube Works integrated into Wakayama Works</p>		
1990	Vision 2000	<p>→</p> <ol style="list-style-type: none"> 1. Actual policy implementation: "Management that Puts People First" Bolstering welfare facilities, etc.; improving and strengthening system that involve people; contributing to society; responding to the needs of internationalization 2. Actual policy implementation; "Business Built on Layers of Technology" By trying to develop original technologies, products, fields and businesses, etc., Sumitomo Metals is working towards its aim of creating a company dedicated about strategic technology. Strategic integration of materials technology; bolstering the development and promotion of technology; better work environment and facilities to deliver improved developmental potential.

Three-Year Action Plan →

1. Improve competitiveness of the steel business divisions
 - (1) Radical improvement in productivity
Targets for improving productivity: at least 20% in 3 years; Establish a system for all 10,000 technical employees in the Steel Business divisions
 - (2) Reinforce manufacturing systems
Bolster the manufacturing systems for steel sheets at Kashima Works, improve the competitiveness of Wakayama Works (improvements to the efficiency of the upstream processes)
2. Promotion of a diversified business

• Electronics Business Division was established.

1992 • Merged with Nippon Stainless Steel Co., Ltd. (Naetsu Works established; Kashima Stainless Steel Works established)

1993 **New Three-Year Action Plan** →

1. Renovate the Wakayama Works; a new seamless mill, reinforcement of upstream processes focused on steel production
2. Establish a corporate system that will secure profit levels that will allow the company to pay a dividend in 1995
 - (1) Steelmaking business
Increase productivity
rationalization to a structure of 11,800 engineers/technicians
Indirect divisions: 20% (800 employees) rationalization
 - (2) Diversification of business
Resource investments: increase personnel by 700, ¥50 billion invested in businesses
Sales targets: Construction, branding, systems, titanium, electronics - ¥400 billion

1994 **Restructuring Plan** →
(up to FY 1995)

1. Restructuring of management software:
Establish a small Head Office
Establish a Management Reform Strategy Committee
2. Improve the Steel Business
General Costs: Reduction of 15% (¥150 billion per year)
Technicians/engineers: 11,000
Admin staff; clerical/technical staff: 4,100
15,000 employees in the Steel Business
3. Diversification of business:
Sales targets: Construction, branding, systems, titanium, electronics - ¥340 billion

• Kashima Stainless Steel Works was integrated into Kashima Works.

1995 • The Steel business divisions were reorganized by product type.

1996	New Medium-Term Business Plan →	<ol style="list-style-type: none"> 1. Reinforcing the infrastructure of the steel business to improve competitiveness on an international level: <ul style="list-style-type: none"> · Construction of a new steel mill at Wakayama Works · 11,200 employees by the end of FY 1997 2. Promote and expand the diversification of the business to the next level <ul style="list-style-type: none"> · Capital Investment: ¥10 billion per year; an increase of 400 employees · Sales Targets: ¥340 billion (¥300 billion in 1995)
1998	Medium-Term Business Plan "Plan 2000" (FY 1998 - FY 2000) →	<ol style="list-style-type: none"> 1. Strengthen competitiveness of the steel business to the next level 2. Allocation of business assets to aid business expansion and increased revenue for the diversification of important an effective businesses 3. Strengthen the Corporate Group 4. Proactive implementation of policies to improve the global environment
· Merged with Sumitomo Sitix Corporation		
1999	Business Reform Plan →	<ol style="list-style-type: none"> 1. Build a Steel Business that will survive and thrive into the 21st Century <ul style="list-style-type: none"> · Radical reform of the seamless pipe business · Establish a New Wakayama System · Strive to take steel sheet competitiveness to the next level at the production locations at the Kashima Works · In order to improve management efficiency, promote the spinning off of businesses into separate companies 2. Reorganization of affiliated companies as part of moves to improve management efficiencies 3. Diversification of businesses: selection and concentration <ul style="list-style-type: none"> · Development of the Silicon Wafer business · Reorganization of electronics-affiliated businesses 4. Create an employment structure with sufficient resilience for the 21st Century
2000	· Sumitomo Metals spun off its Kokura Works and Naoetsu Works and made them into Sumitomo Metals (Kokura), Ltd. and Sumitomo Metals (Naoetsu), Ltd. respectively.	

2001	Implementation of Revolution & Rebirth Plan →	<p>The materials field, centered on iron, needs to be No.1 in terms of Customer Evaluations as well as highly profitable</p> <ol style="list-style-type: none"> 1. Creation of a corporate system to emerge as a winner in the era of intense competition <ul style="list-style-type: none"> ·From October 2002 onwards, initiate a rapid transition to a pure holding company 2. Strengthening of company structure following the transition to a pure holding company <ul style="list-style-type: none"> < Reforming the functions of the Head Office and bolstering the systems of the Corporate Group > < Increasing the competitiveness of the Steel Business > <ul style="list-style-type: none"> ·Aiming to make the Seamless Pipe Business No.1 in the world < Reduction of Fixed Expenses > <ul style="list-style-type: none"> ·Reduction of the overall cost of labor ·Deliver highly efficient use of capital 3. Complete integration of the Silicon Wafer business to the Silicon United Manufacturing Corporation (present SUMCO Corporation) <ul style="list-style-type: none"> ·Aiming to be the No.1 supplier in the world
2002	Medium-term Business Plan →	<ol style="list-style-type: none"> 1. Steel business divisions - radical structural reform and strengthening of competitiveness <ol style="list-style-type: none"> (1) Mass produced steel sheet products concentrated at Kashima Works; Dedicated production of high grade steel sheet at Wakayama Works (2) Full scale operations for upstream processes at Wakayama Works <ul style="list-style-type: none"> → Completion of structural reforms at Wakayama Works (3) Integration of the stainless steel business through the establishment of a new company with Nippon Steel (4) Mutual collaboration and cooperation between Nippon Steel and neighboring steel works on issues such as procurement of raw materials, other materials and equipment as well as logistics (5) Mutual collaboration and cooperation between Kobe Steel, Ltd. and the Titanium business divisions on issues such as procurement of raw materials, other materials and equipment as well as logistics, etc. <ul style="list-style-type: none"> → Mutual investment by Nippon Steel and the Kobe Steel, Ltd.

2. Strengthen the financial basis of the company (on a consolidated base)
 - (1) Reduce loan balance to less than ¥1 trillion
 - (2) ROA of more than 5%
 - (3) Proportion of shareholder equity to total assets greater than 20%

- The silicon wafer business was transferred to Silicon United Manufacturing Corporation (present SUMCO Corporation).
- Internal Company System was introduced.

2003 • Nippon Steel & Sumikin Stainless Steel Corporation was established.

2006 **Medium-Term Business Plan** →

1. Continuous improvement of corporate value with an emphasis on quality
 2. Acceleration of the differentiation process
Based upon: "Making our strong areas even stronger"; "No.1 in Customer Evaluations"; "Emphasize the Balance between Quality and Size"
 - Focus on energy and automotive fields
 - Product type structure is realigned to emphasize high-end products
 - Deepening the relationship with customers
 - Concentration of resources on lucrative product types
 3. Brush up approach to invisible assets such as Customers, Human Resources and Technologies; strengthen physical and financial assets at the Works, etc.; formulate a fixed business infrastructure
- < Fundamental reinforcement of Works infrastructure to increase competitiveness >
- Kashima: 8 million ton system, continuous full operation, world-class cost and quality competitiveness
 - Wakayama: Continuous full operation - No.1 brand seamless sheet steel and long-term contracts for steel slabs
 - Kokura: Establish Kokura as a leading brand for specialty steel

2008 • Titanium business was split and was absorbed by Sumitomo Metals (Naoetsu), Ltd.

2012 • Merged with Sumitomo Metals (Kokura), Ltd. and Sumitomo Metals (Naoetsu), Ltd.

Business Integration among Group Companies

(From October 1, 2012)

	Integration Date
Nippon Steel Pipeline Co., Ltd. and Sumitomo Metal Pipeline and Piping, Ltd. were integrated to NIPPON STEEL & SUMIKIN Pipeline & Engineering Co., Ltd.	Oct. 1, 2012
Bar & wire processing companies in Thailand were integrated to NIPPON STEEL & SUMIKIN Steel Processing (Thailand) Co., Ltd.	Jan. 2, 2013
High-tension bolt businesses of Nippon Steel & Sumikin Precision Forge, Inc. and NS Bolten Co., Ltd. were integrated to NIPPON STEEL & SUMIKIN Bolten CORPORATION	Jan. 4, 2013
Nippon Steel Logistics Co., Ltd. and Sumitomo Metal Logistics Service Co., Ltd. were integrated and reorganized to NIPPON STEEL & SUMIKIN LOGISTICS CO., LTD.	Apr. 1, 2013
Nippon Steel Techno Research Corporation and Sumitomo Metal Technology, Inc. were integrated to NIPPON STEEL & SUMIKIN TECHNOLOGY CO., LTD.	Apr. 1, 2013
Nittetsu Shinko Shearing Corporation and Shearing Kozyo, Ltd. were integrated to NSS SHEARING CORPORATION	Apr. 1, 2013
Sumikin Bussan Corporation and Nippon Steel Trading Co., Ltd. were integrated to NIPPON STEEL & SUMIKIN BUSSAN CORPORATION	Oct. 1, 2013
Taihei Kogyo Co., Ltd. and Nittetsu Elex Co., Ltd. were integrated to NIPPON STEEL & SUMIKIN TEXENG.CO., LTD.	Oct. 1, 2013
Sumitomo Pipe & Tube Co., Ltd. and Nittetsu Steel Pipe Co., Ltd. were integrated to NIPPON STEEL & SUMIKIN Pipe Co., Ltd.	Oct. 1, 2013
7 operational support service companies were reorganized to 5 companies by location.	Jul. 1, 2014
5 slag sales companies were integrated to NIPPON STEEL & SUMIKIN SLAG PRODUCTS CO., LTD.	Jul. 1, 2014
8 equipment engineering & maintenance companies have agreed to integrate to NIPPON STEEL & SUMIKIN TEXENG. CO., LTD.	Oct. 1, 2014
Integration and reorganization of railway-related business (Nippon Steel & Sumikin Technology Co., Ltd. and Nippon Steel & Sumikin Kansai Industries, Ltd. have agreed to integrate their railway engineering businesses)	Apr. 1, 2015
Integration and reorganization of a processing company for Osaka Steel Works (The machining business and the business of manufacturing of dies for forging of Nippon Steel & Sumikin Kansai Industries, Ltd. and the business of manufacturing business of forged rolls of Kantoc Roll, Ltd. have agreed to integrate.)	Apr. 1, 2015

Global Network

① Alliances with Steelmakers

Alliances with Domestic Steelmakers

Former Nippon Steel, Former Sumitomo Metals, and Kobe Steel (up to the time NSSMC was formed)

- Dec. 2001 Nippon Steel Corporation (NSC) and Kobe Steel began alliance for strengthening each other's competitiveness (complementing of iron- and steelmaking materials and cost reduction)
- Feb. 2002 NSC and Sumitomo Metal Industries (SMI) began alliance for strengthening each other's competitiveness (cooperation in iron- and steelmaking materials and downstream processes, cooperation in the stainless steel business, and cost reduction)
- Jul. 2002 NSC and SMI integrated their welding-materials business (establishment of Nippon Steel & Sumikin Welding Co., Ltd.)
- Nov. 2002 NSC and SMI began cooperation for hot rolled steel sheets, strengthened the alliance, and agreed on mutual capital subscription (of about ¥5 billion each)
NSC and Kobe Steel strengthened cooperation, and agreed on mutual capital subscription (of about ¥3 billion each)
- Sep. 2003 NSC and Kobe Steel integrated their plate fusion-cutting business (establishment of Nittetsu Shinko Shearing)
- Oct. 2003 NSC and SMI integrated their stainless-steel business (establishment of Nippon Steel & Sumikin Stainless Steel Corp.)
- Jan. 2005 NSC, SMI, Sumitomo Pipe & Tube Co., Ltd., and Sumitomo Corporation began alliance in the automotive steel tube business in China (start of commercial production by Guangzhou You-Ri Automotive Parts Co., Ltd.)
- Mar. 2005 NSC, SMI, and Kobe Steel began studying to deepen their cooperation and to mutually acquire each other's shares
- Apr. 2005 NSC and Kobe Steel began supplying hot rolled steel sheets to SMI
- Jun. 2005 NSC and Kobe Steel subscribed part of the capital of East Asia United Steel Corporation (10% and 2%, respectively)
Joint use of the iron- and steelmaking facilities of Wakayama Works of Sumitomo Metals (start of slab supply to Nippon Steel)
- Dec. 2005 NSC, SMI, and Kobe Steel additionally cross-purchased each other's shares on the back of expanded and enhanced cooperation
- | | |
|--------------------------------|-------------|
| Nippon Steel → Sumitomo Metals | 2.55%→5.01% |
| Sumitomo Metals → Nippon Steel | 0.52%→1.81% |
| Nippon Steel → Kobe Steel | 1.80%→2.05% |
| Kobe Steel → Nippon Steel | 0.29%→0.41% |
| Sumitomo Metals → Kobe Steel | 1.80%→2.05% |
| Kobe Steel → Sumitomo Metals | 1.52%→1.71% |
- Mar. 2006 NSC, SMI, and Kobe Steel agreed to deepen their cooperation (joint studies on deepening the cooperation and how to cope with a takeover bid)
- Apr. 2006 NSC and SMI jointly undertook their cast-steel rolling-mill roll business (establishment of Nippon Steel & Sumikin Rolls Corporation)
- Dec. 2006 The Nippon Steel Group and the Sumitomo Metals Group integrated their structural steel sheet business, and their road and civil engineering business (establishment of Nippon Steel & Sumikin Coated Sheet Corporation and Nippon Steel & Sumikin Metal Products Co., Ltd.)

- Oct. 2007 NSC, SMI, and Kobe Steel began study of deepening and expanding their cooperation
- NSC and SMI to more effectively utilize the expanded iron- and steelmaking capacity of SMI's Wakayama works.
 - NSC and SMI to secure high-grade steel sheet supply capacity and to jointly deal with SMI's Naoetsu operation.
 - NSC and Kobe Steel to cooperate in the environmental and recycling areas and to exchange iron-making technology.
- Dec. 2007 NSC, SMI, and Kobe Steel additionally cross-purchased each other's shares on the back of expanded and enhanced cooperation
- | | |
|------------------|------------|
| NSC → SMI | 5.01%→9.4% |
| SMI → NSC | 1.81%→4.2% |
| NSC → Kobe Steel | 2.05%→3.4% |
| Kobe Steel → NSC | 0.41%→0.8% |
| SMI → Kobe Steel | 2.05%→3.4% |
| Kobe Steel → SMI | 1.71%→2.3% |
- Apr. 2008 SMI began consigning production of stainless steel boiler tubes to Kobe Special Tube Co., Ltd.
- Oct. 2008 NSC and Kobe Steel undertook the business of steel dust recycling and production and utilization of directly-reduced iron on a joint basis (establishment of Nittetsu Shinko Metal Refine Co., Ltd.)
- Jul. 2009 The Nippon Steel group and the Sumitomo Metals group integrated their arc-welded stainless steel pipe and tube business (establishment of Sumikin & Nippon Steel Stainless Steel Pipe Co., Ltd.)
- Oct. 2012 NSC and SMI integrated their business and formed NSSMC

Nisshin Steel

- May 2000 Mutual supply of stainless steel hot rolled materials (chromium: Nippon Steel to Nisshin, nickel: Nisshin to Nippon Steel)
NSSMC's ownership: 8.3%

Sanyo Special Steel

- Feb. 2006 Alliance for strengthening each other's competitiveness (mutual commissioning of production, cost reduction, and joint R&D)
Sanyo Special Steel became an equity-method affiliate of Nippon Steel
NSSMC's ownership: 14.6%

Mitsubishi Steel Mfg.

- Apr. 1994 Mutual toll production with Mitsubishi Steel Muroran Inc.
- Jul. 2005 Purchase of a shut-down electric furnace of Mitsubishi Steel and re-start of its operation at Nippon Steel's Muroran Works
NSSMC's ownership: 1.4%

Chubu Steel Plate

- Feb. 2007 Alliance for strengthening each other's competitiveness (mutual effective utilization of production facilities, cooperation in cost reduction, etc.)
NSSMC's ownership: 5.0%

Aichi Steel

Nov. 2000 Cooperation in automotive special steel bar & wire rods (strengthening competitiveness on production and cost, and joint R&D)
NSSMC's ownership: 7.7%

Godo Steel

Jun. 2007 Alliance for strengthening each other's competitiveness (commissioning of production, effective utilization of infrastructure of Godo Steel)
Godo Steel became an equity-method affiliate of Nippon Steel
NSSMC's ownership: 15.0%

Oji Steel

Nov. 2007 Oji Steel became an equity-method affiliate of Nippon Steel
Jan. 2008 Oji Steel became a consolidated subsidiary of Nippon Steel
NSSMC's ownership: 51.5%

Topy Industries

Sep. 2008 Alliance for strengthening each other's competitiveness
Oct. 2008 Topy Industries became an equity-method affiliate of Nippon Steel
NSSMC's ownership: 20.1%

Alliances with Overseas Steelmakers

ArcelorMittal

Mar. 1990	Start of operation of I/N Tek, a joint venture with Inland Steel* for toll processing of cold rolled steel sheets (Nippon Steel 40%, Inland Steel 60%)
Oct. 1991	Start of operation of I/N Kote, a joint venture with Inland Steel for the manufacture and sale of coated steel sheets (Nippon Steel 50%, Inland Steel 50%)
Jan. 2001	Global strategic alliance agreement with Usinor* (furthering business cooperation in the automotive sheet steel area, license agreements for the existing technologies, joint R&D, etc.)
Apr. 2002	Technical cooperation arrangements made for automotive steel sheet with Arcelor and Tata Steel
Oct. 2003	Deepened the alliance with the Ispat group in North America (improvement of the high-grade steel sheet supply system for Japanese automotive makers in North America)
Jul. 2007	Memorandum of understanding concerning a joint venture in North America and a strategic alliance agreement
Apr. 2008	Agreement on running a joint venture in North America and revision of the strategic alliance agreement (installation of a new hot-dip galvanizing line for automotive sheets at I/N Kote)
Dec. 2008	Agreement on deferral of installation of a new hot-dip galvanizing line at I/N Kote
Feb. 2014	Joint acquisition of AM/NS Calvert LLC (ex. ThyssenKrupp Steel USA, LLC)

* Inland Steel became Ispat Inland in July 1998, and then Mittal Steel USA in May 2005. Usinor became Arcelor in February 2002. TOB for Arcelor by Mittal Steel was completed in July 2006. Integration of Arcelor and Mittal Steel was completed in July 2007.

POSCO

Dec. 1998	Mutual acquisition of stocks at the money values equal to those of the purchase of government-released securities attendant on the privatization of POSCO (Nippon Steel → POSCO: 0.65%) (POSCO → Nippon Steel: 0.24%)
Aug. 2000	Strategic Alliance Agreement and mutual capital subscriptions (Nippon Steel → POSCO: about 3%) (POSCO → Nippon Steel: a little over 2%)
Oct. 2006	Enhancement of strategic alliance and additional cross-purchase of shares (Mutual supply of semi-finished products and joint work on dry-type dust recycling) (Nippon Steel → POSCO: additional stock acquisition of about 2%) (POSCO → Nippon Steel: stock acquisition in approximate equal monetary value)
Jan. 2008	Establishment of POSCO-NIPPON STEEL RHF Joint Venture, Co., Ltd. (PNR), a joint venture concerning direct-reduction iron supply and dry-dust recycling (Nippon Steel 30%, POSCO 70%)
Apr. 2009	Participation in a Vietnamese cold rolling mill, POSCO-Vietnam Co., Ltd., with a 15% shareholding
Oct. 2010	Joint participation in Mozambique Revuboe coal mine for co-development
Mar. 2011	Joint participation in Brazilian Niobium company, CBMM, as a Japanese and Korean consortium

Vallourec Group

- 1976 Signed a license agreement on VAM[®], for premium joints to connect seamless pipes (In 1985, an R&D agreement was made)
- 1984 Started a joint venture to manufacture and service premium joint threading in the U.S.A. Subsequently similar ventures were started in Indonesia, Singapore, Vietnam, and China
- Jul. 2007 Established Vallourec & Sumitomo Tubos do Brasil Ltda. (VSB), a joint venture with Vallourec to manufacture seamless pipe in Brazil
- Feb. 2009 Agreed on mutual equity investments (Completed acquisition of equities in the first half of fiscal 2009)
- Sep. 2011 VSB started commercial operation

China Steel Corporation

- Apr. 2002 Agreed on stable supply of slab
- May 2003 Signed a joint venture agreement for upstream operation at Wakayama Steel
- Jul. 2003 Established East Asia United Steel Corporation
- Nov. 2003 Established Sumikin Iron & Steel Corporation (Completed the joint venture framework for upstream operations)
- Spring of 2005 Expanded supply of slab to 1.8 million tons per year
- May 2007 The cumulative shipment of slab reached 5 million tons
- Aug. 2007 China Steel Group made capital investment in Thai Sumilox Co., Ltd.
- Mar. 2008 Made capital investment in CSGT Metals Vietnam Joint Stock Company (CSMV)
- Aug. 2008 Concluded agreement to establish China Steel Sumikin Vietnam Joint Stock Company (CSVC), a steel sheet joint venture in Vietnam
- May 2009 Established CSVC, a steel sheet joint venture company in Vietnam
- Nov. 2013 CSVC started commercial operation

Maximizing the Effects of the Alliances in Japan and Abroad

NSSMC's ownership		Kobe Steel	Nisshin Steel	USIMINAS (Brazil)	POSCO (S. Korea)	ArcelorMittal (Europe)	Vallourec (Europe)	CSC (Taiwan)
		5.9%	8.3%	29.2%	5.0%		1.6%	
Alliance			Dec. 2006: Equity method affiliate 2012: New shareholders agreement (Participation of Ternium Group)		2000 Strategic alliance agreement	2001 Global strategic alliance agreement	2009 Agreement on mutual equity investments	
Cooperation in the supply of semi-products	Mutual supply of slabs & hot-rolled sheets	2000 Mutual supply of stainless hot-rolled sheets, etc.		2007 Mutual supply of semi-products during blast-furnace refining				Supply of slabs to CSC
Mutual cooperation in products					Joint research and cross-licensing, etc. of automotive sheet steel technologies		R & D agreement Trademark license agreement on VAN® for premium joints	
Cost reduction in procurement & distribution of raw materials				2010: Investment in Mozambique Revaboe coal mine 2011: Investment in Brazilian Niobium company, CBMM				
Joint studies on iron- & steel-making processes	Exchanges in the department of iron-making technology			Support in production structure optimization		Joint studies & technical exchanges		
Joint operation of joint ventures	2005 East Asia United Steel		1999 UNIGAL	1995 Siam United Steel 2009 POSCO- Vietnam	1987: JIN Tek 1989: JIN Kote 2014: AMNS Cahert		1984: Joint ventures for processing of and services for premium joints (VAM USA, VAM (Changzhou), etc) 2007: VSB	2003: East Asia United Steel 2007: Thai Sumilox 2008: CSNV 2009: CSVC
Integration of subsidiaries & affiliates	Integration of shearing business							
Cooperation in environmental protection and recycling	2008 RHF JV (on the premises of Hirohata)	2010 Dust recycling (Kure → Hirohata JV)		2009 Start of operation of RHF JV (on the premises of Pohang & Gwangyang)		Joint studies & information exchanges		

② Major Overseas Steelmaking Operations

Usinas Siderúrgicas de Minas Gerais S/A (USIMINAS)

• Business	Integrated steel manufacture
• Location	Belo Horizonte, Minas Gerais State, Brazil
• Capital	BRL 12,150 million
• NSSMC's equity share	29.2% (Ordinary shares, including indirect participation) [As of Jul. 2014]
• President	Julian Alberto Eguren (since Jan. 2012)
• Employees	21,000 (Consolidated) [As of Dec. 31, 2013]
• Crude steel production	6.86 (Ipatinga Works 3.89 / Cubatão Works 2.97) million tons/y [CY 2013]
• Steelworks	<p>Ipatinga Works (Ipatinga, Minas Gerais State)</p> <p>Blast furnaces (No.1 <885m³> / No.2 <885m³> / No.3 <3,162m³>)</p> <p>Plate mill (1.00 million tons/y)</p> <p>Hot-strip mill (3.45 million tons/y)</p> <p>Cold-rolling mill (2.20 million tons/y)</p> <p>[Hot-dip galvanizing line (1.03 million tons/y) by UNIGAL]</p> <p>Cubatão Works (Cubatão, São Paulo State)</p> <p>Blast furnaces (No.1 <1,829m³> / No.2 <3,365m³>)</p> <p>Plate mill (1.00 million tons/y)</p> <p>Hot-strip mill (2.20 million tons/y)</p> <p>Cold-rolling mill (1.20 million tons/y)</p>
• Others	<p>Acquisition of iron-ore mines of J. Mendes in Serra Azul region (Minas Gerais State) in Feb. 2008</p> <p>Establishment of Mineracao Usiminas SA for mining business in Aug. 2010 (Currently : USIMINAS 70%, Sumitomo Corporation Group 30%)</p> <p>Iron-ore production capacity was increased to 12 million tons/y in 2013</p>

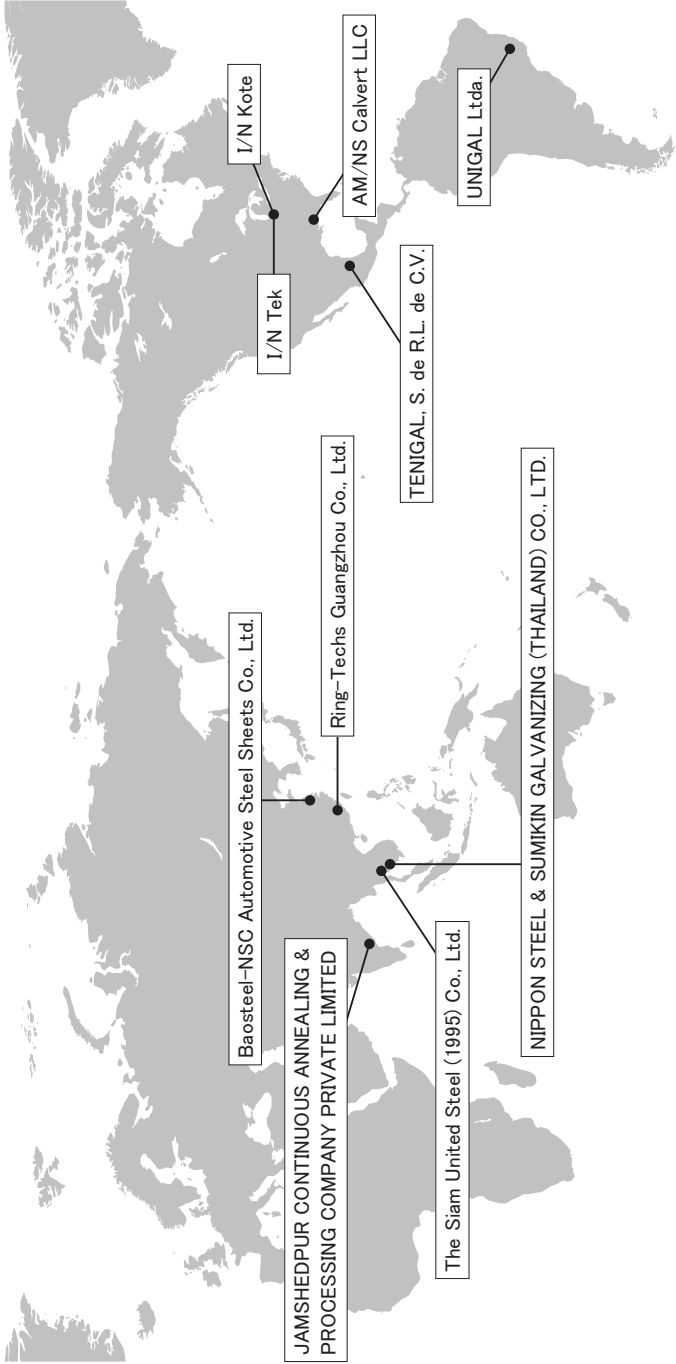
Cooperation with USIMINAS

Dec. 1957	Establishment of an investment company, Nippon Usiminas Co., Ltd., with Nippon Steel as the largest stockholder (In 1967, the Japanese government made a capital subscription)
Jan. 1958	Establishment of USIMINAS (the Brazilian side 60%, Nippon Usiminas 40%)
Oct. 1962	Blowing-in of the No. 1 blast furnace of Ipatinga Works
After 1966	Nippon Steel's technical assistance started (currently, the seventh program).
Jun. 1999	Establishment of a joint venture between Nippon Steel and USIMINAS for hot-dip galvanized automotive steel sheet manufacture, UNIGAL (in operation since Oct. 2000)
Dec. 2006	Nippon Usiminas became a subsidiary of Nippon Steel, making USIMINAS Nippon Steel's equity-method affiliate (equity ratio: 23.4%, including indirect participation).
Jan. 2012	Execution of share purchase agreement (equity ratio: 29.2%, including indirect participation) and new shareholders agreement of USIMINAS

Outline of the capacity expansion plan

- Expansion of production capacity for high grade steel (steelmaking, plate mill, etc.) at Ipatinga Works
- Installation of a new hot-strip mill at Cubatão Works (Operation in Oct. 2012)
- Construction of the No. 2 hot-dip galvanizing line at UNIGAL (Operation in May 2011)
- Optimization plan for Ipatinga and Cubatão Works

Automotive Steel Sheet Manufacturing & Sales Bases



Automotive Steel Sheet Manufacturing & Sales Bases

I/N Tek

•Business	Commissioned rolling of cold-rolled steel sheets
•Location	New Carlisle, Indiana, U.S.A.
•Start-up	Mar. 1990 (established in Jul. 1987)
•Capital	US\$ 195 million
•President	Thomas Cayia
•Vice president	S. Itonaga (dispatched from NSSMC)
•Employees	270
•NSSMC's equity share	40.0%
•Major facilities	1 CDCM (continuous descaling and cold-rolling mill) — (1.7 million short tons/y), 1 C.A.P.L.(continuous annealing and processing line) — (1.2 million short tons/y)
•Sales destination	Coil centers, automobile makers, electric appliance makers, steel furniture makers and construction material makers, including Japanese companies via ArcelorMittal and/or NS Sales (NSSMC's subsidiary)

I/N Kote

•Business	Manufacture and sale of coated steel sheets
•Location	New Carlisle, Indiana, U.S.A.
•Start-up	Oct. 1991 (established in Sep. 1989)
•Capital	US\$ 120 million
•President	Thomas Cayia
•Vice president	S. Itonaga (dispatched from NSSMC)
•Employees	254
•NSSMC's equity share	50.0%
•Major facilities	1 continuous galvanizing line (500,000 short tons/y) 1 electrogalvanizing line (450,000 short tons/y)
•Sales destination	Japanese and U.S. automobile makers, parts makers, etc.

AM/NS Calvert LLC

•Business	Manufacture and sale of hot-rolled, cold-rolled, and coated steel sheets
•Location	Calvert, Alabama, U.S.A.
•Start-up	Feb. 2014 (Acquisition)
•Capital	US\$ 516 million
•CEO	Chris Richards
•COO	J. Hashimoto (dispatched from NSSMC)
•Employees	1,630
•NSSMC's equity share	50.0%
•Major facilities	1 hot strip mill (5.3 million tons/y) 1 continuous pickling line (1.1 million tons/y) 1 pickling line & tandem cold rolling mill (2.5 million tons/y) 1 continuous annealing line (0.6 million tons/y) 3 continuous galvanizing lines (1.4 million tons/y)

TENIGAL, S. de R.L. de C.V.

•Business	Manufacture and sale of automotive hot-dip galvanized and galvanized steel sheets
•Location	In the vicinity of Monterrey City, Mexico
•Start-up	Aug. 2013 (scheduled) (established in Dec. 2010)
•Capital	US\$ 175 million
•CEO	Cesar Jimenez
•Director and a Member of the Board	M. Shimada (dispatched from NSSMC)
•Employees	138
•NSSMC's equity share	49.0%
•Major facility	1 hot-dip galvanizing line (400,000 tons/y)

UNIGAL Ltda.

•Business	Manufacture of hot-dip galvanized steel sheets
•Location	Ipatinga, Minas Gerais State, Brazil
•Start-up	Oct. 2000 (established in Jun. 1999)
•Capital	BRL 585 million
•President	Marcelo Dantas
•Vice president	H. Kawano (dispatched from NSSMC)
•Employees	300
•NSSMC's equity share	30.0%
•Major facilities	2 continuous galvanizing lines (480,000 tons/y and 550,000 tons/y)

Baosteel-NSC Automotive Steel Sheets Co., Ltd. (BNA)

•Business	Manufacture and sale of cold rolled and hot-dip galvanized steel sheets
•Location	Shanghai, China
•Start-up	Mar. 2005 (established in Jul. 2004)
•Capital	RMB 3 billion
•President	Chen Yunpeng
•Vice president	N. Somiya (dispatched from NSSMC)
•Employees	650
•NSSMC's equity share	50.0%
•Major facilities	1 CDCM (continuous descaling and cold-rolling mill) — (2.4 million tons/y) 1 C.A.P.L.(continuous annealing and processing line) — (950,000 tons/y) Continuous galvanizing lines No.1 450,000 tons/y No.2 350,000 tons/y No.3 450,000 tons/y No.4 420,000 tons/y (start-up in FY 2015)

Ring-Techs Guangzhou Co.,Ltd.

•Business	Manufacture and sale of automotive wheels
•Location	Guangzhou, China
•Start-up	Mar. 2006 (established in Aug. 2004)
•Capital	¥1.4 billion
•President	A. Oobayashi
•Employees	172
•NSSMC's equity share	(Ring-Techs 80%)
•Production capacity	2.5 million units/y
•Major facilities	1 disk production line 1 rim assembly production line 1 painting line

The Siam United Steel (1995) Co., Ltd. (SUS)

•Business	Manufacture and sale of cold-rolled steel sheets
•Location	Eastern Industrial Estate, Rayong Province, Thailand
•Start-up	Nov. 1998 (established in Jul. 1995)
•Capital	THB 9,000 million
•President	H. Satoh (dispatched from NSSMC)
•Employees	862
•NSSMC's equity share	54.7%
•Production capacity	1 million tons/y
•Major facilities	1 CDCM (continuous descaling and cold-rolling mill) 1 C.A.P.L. (continuous annealing and processing line)

NIPPON STEEL & SUMIKIN GALVANIZING (THAILAND) Co., Ltd. (NSGT)

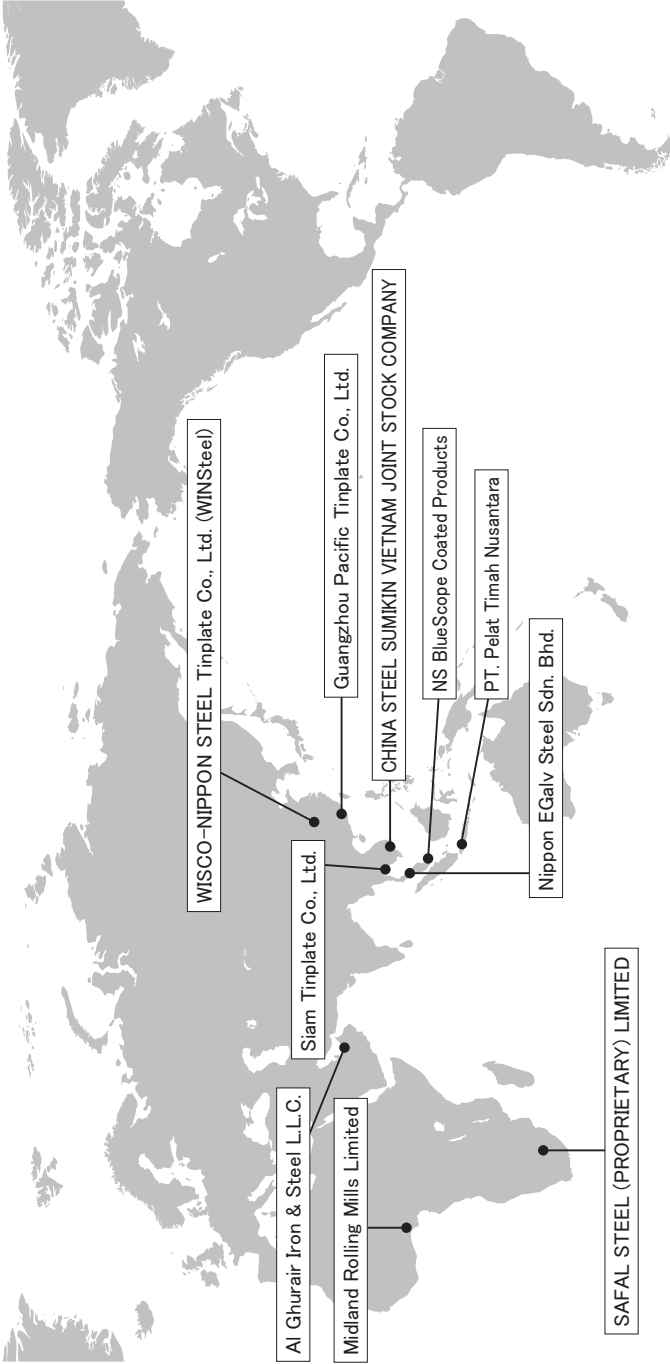
•Business	Manufacture and sale of automotive hot-dip galvanized and galvanized steel sheets
•Location	Hemaraj Eastern Industrial Estate, Rayong Province, Thailand
•Start-up	Oct. 2013 (established in Jun. 2011)
•Capital	THB 3,590 million
•President	A. Ota (dispatched from NSSMC)
•Employees	Approx. 200
•NSSMC's equity share	100.0%
•Major facility	1 continuous galvanizing line (360,000 tons/y)

JAMSHEDPUR CONTINUOUS ANNEALING & PROCESSING COMPANY PRIVATE LIMITED (JCAPCPL)

•Business	Manufacture and sale of automotive cold-rolled steel sheets
•Location	Jamshedpur, Jharkhand, India
•Start-up	May 2014 (established in Aug. 2012)
•Capital	INR 8.7 billion
•Managing Director	CV Sastry
•Vice President	H. Tsuchiya (dispatched from NSSMC)
•Employees	Approx. 300
•NSSMC's equity share	49.0%
•Major facility	1 C.A.P.L. (continuous annealing and processing line) — (600,000 tons/y)

Note: Figures in parentheses in the "Equity participation by NSSMC" are NSSMC's indirect ownership through share ownership of consolidated subsidiaries.

Non-Automotive Steel Sheet Manufacturing & Sales Bases



Non-Automotive Steel Sheet Manufacturing & Sales Bases

Guangzhou Pacific Tinplate Co., Ltd. (PATIN)

•Business	Manufacture and sale of tinplate
•Location	Guangzhou City, Guangdong Province, China
•Start-up	Feb. 1997 (established in Dec. 1994)
•Capital	US\$ 36 million
•President	K. Chikamatsu (dispatched from NSSMC)
•Employees	265
•NSSMC's equity share	25.0%
•Production capacity	200,000 tons/y
•Major facilities	1 tinning line 3 shearing lines

WISCO-NIPPON STEEL Tinplate Co., Ltd. (WINSteel)

•Business	Manufacture and sale of tinplate and tin mill black plate
•Location	Wuhan City, Hubei Province, China
•Start-up	Dec. 2013 (established in Oct. 2011)
•Capital	RMB 1,850 million
•President	T. Itagaki (dispatched from NSSMC)
•Employees	Approx. 510
•NSSMC's equity share	50.0%
•Major facilities	1 CDCM (continuous descaling and cold-rolling mill) 2 C.A.P.L. (continuous annealing and processing lines)— (800,000 tons/y) 2 electrolytic tinning lines (400,000 tons/y)

Siam Tinplate Co., Ltd. (STP)

•Business	Manufacture and sale of tinplate and tin-free steel
•Location	Map Ta Phut Industrial Estate, Rayong Province, Thailand
•Start-up	Feb. 1992 (established in Aug. 1988)
•Capital	THB 800 million
•President	M. Kobayashi
•Vice president	S. Suenaga (dispatched from NSSMC)
•Employees	520
•NSSMC's equity share	15.6%
•Major facilities	1 tinning/tin-free steel line (150,000 tons/y) 1 tin-free steel line (120,000 tons/y) 4 shearing lines

CHINA STEEL SUMIKIN VIETNAM JOINT STOCK COMPANY (CSVC)

•Business	Manufacture and sales of pickled and oiled, cold rolled, electrolcal, and hot-dip galvanized steel sheet
•Location	My Xuan, Ba Ria-Vung Tau Province, Vietnam
•Start-up	Apr. 2013 (established in May 2009)
•Capital	US\$ 574 million
•President	Wong, Chao-Tung
•Employees	851
•NSSMC's equity share	30.0%
•Production capacity	1.2 million tons/y
•Major facilities	1 PLTCM (pickling and tandem cold mill) 1 CAL (continuous annealing line) 1 annealing and coating line 1 continuous galvanizing line

Nippon EGalv Steel Sdn. Bhd. (N-EGALV)

•Business	Manufacture and sale of electro-galvanized steel sheets
•Location	Prai Industrial Estate IV, Penang, Malaysia
•Start-up	Feb. 2009 (established in Jan. 2006)
•Capital	MYR 34.4 million
•President	I. Hidaka (dispatched from NSSMC)
•Employees	119
•NSSMC's equity share	50.1%
•Major facility	1 electrogalvanizing line (120,000 tons/y)

NS BlueScope Coated Products (NSBS)

•Business	Manufacture and sale of hot-dip galvanized steel sheet, painted steel sheet, and roll-formed building products
•Location	ASEAN and USA
•Start-up	Mar. 2013 (capital participation by NSSMC)
•CEO	Sanjay Dayal
•Employees	Approx. 3,000
•NSSMC's equity share	50.0%
•Major facilities	cold-rolling (800,000 tons/y) hot-dip galvanizing (1,400,000 tons/y) painting (500,000 tons/y) steel manufacturing & roll-forming bases (32 bases)

PT. Pelat Timah Nusantara (Latinusa)

•Business	Manufacture and sale of tinplate
•Location	Cilegon, Indonesia
•Establishment	1982
•Capital	IDR 252.3 billion
•Vice President	M. Enjuji (dispatched from NSSMC)
•Employees	431
•NSSMC's equity share	35.0%
•Production capacity	160,000 tons/y
•Major facilities	1 tinning line 1 shearing line

Al Ghurair Iron & Steel L.L.C. (AGIS)

•Business	Manufacture and sale of hot-dip galvanized steel sheets
•Location	The Industrial City of Abu Dhabi, the United Arab Emirates
•Start-up	2009 (established in May 2005)
•Capital	AED 134 million
•President	Abu Bucker Husain
•Employees	413
•NSSMC's equity share	20.0%
•Major facilities	1 pickling line (460,000 tons/y) 1 cold-rolling line (360,000 tons/y) 1 continuous galvanizing line (250,000 tons/y) +1 (200,000 tons/y) (expansion plan)

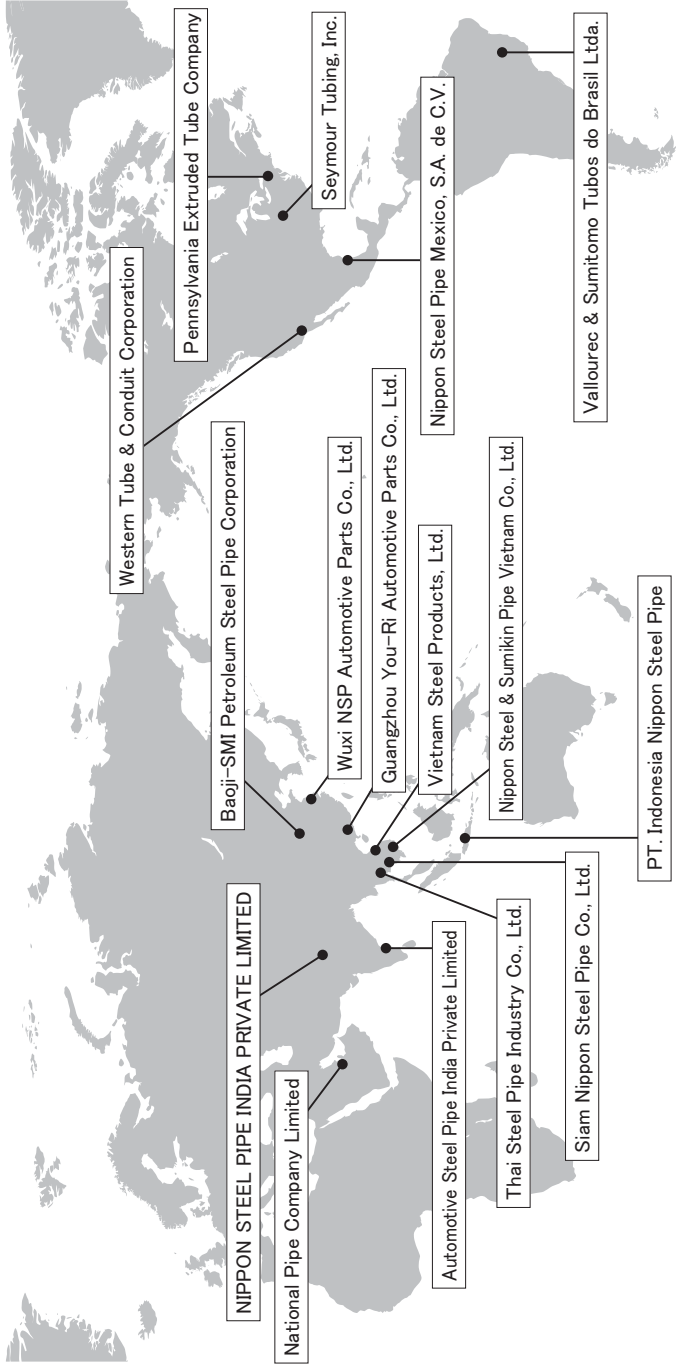
Midland Rolling Mills Limited (MRM)

•Business	Manufacture and sale of cold rolled steel sheets and coils
•Location	Abeokuta, Ogun State, Nigeria
•Start-up	Apr. 2011 (established in Nov. 2006)
•Capital	NGN 1.7 billion
•President	M. P. Singh
•Employees	170
•NSSMC's equity share	10.0%
•Major facilities	1 pickling line (300,000 tons/y) 1 cold rolling line (150,000 tons/y)

SAFAL STEEL (PROPRIETARY) LIMITED

•Business	Manufacture and sale of galvanized and color coated steel sheets
•Location	Durban, Kwazulu Natal, South Africa
•Start-up	Apr. 2010
•Capital	ZAR 120 million
•President	Raghu Ram
•Employees	345
•NSSMC's equity share	7.0%
•Major facilities	1 pickling line (300,000 tons/y) 1 cold-rolling line (150,000 tons/y) 1 continuous galvanizing line (150,000 tons/y) 1 cold coating line (100,000 tons/y)

Pipe & Tube and Building Materials: Manufacturing & Sales Bases



Pipe & Tube and Building Materials: Manufacturing & Sales Bases

■ Energy

Vallourec & Sumitomo Tubos do Brasil Ltda. (VSB)

• Business	Production of seamless pipe at integrated steel works
• Location	Jeceaba, Minas Gerais State, Brazil
• Start-up	Dec. 2010 (produced its first steel pipe)
• Capital	BRL 5,376 million
• President	Paulo Valadares
• Employees	2,378
• NSSMC's equity share	40.4%
• Production capacity	600,000 tons/y of seamless pipe
• Major facilities	Upstream facilities for iron & steel making processes Seamless pipe mill and finishing facilities

Pennsylvania Extruded Tube Company (PEXCO)

• Business	Manufacture of stainless seamless steel hot finished pipe
• Location	Clarks Summit City, Pennsylvania, U.S.A.
• Start-up	October 1993 (established in May 1992)
• Capital	US\$ 27.508 million
• President	Jennifer Staples
• Employees	95
• NSSMC's equity share	30.0%
• Production capacity	12,000 st/y
• Major facility	1 extrusion press machine (1,820 tons)

Baoji-SMI Petroleum Steel Pipe Corporation

• Business	Manufacture and sale of ERW steel pipe for oil field and pipeline project
• Location	Baoji City, Shaanxi Province, China
• Start-up	Apr. 2001 (established in Dec. 2000)
• Capital	US\$ 40.3 million
• President	Y. Naito (dispatched from NSSMC)
• Employees	291
• NSSMC's equity share	25.0%
• Production capacity	200,000 tons/y (ERW line)
• Major facilities	1 16" ERW steelpipe manufacturing line 1 OCTG steelpipe threading line

National Pipe Company Limited (NPC)

• Business	Production and sale of spirally welded and straight seam welded steel pipes
• Location	Al-Khobar City, Eastern Province, Saudi Arabia
• Start-up	Dec. 1980
• Capital	SAR 200 million
• President	M. Nagase (dispatched from NSSMC)
• Employees	461
• NSSMC's equity share	51.0%
• Production capacity	430,000 tons/y
• Major facilities	2 helical mills (20"-84") (250,000 tons/y) 1 three roll bender (24"-60") (180,000 tons/y)

■ Mechanical

Seymour Tubing Inc. (STI)

•Business	Manufacture and sales of ERW & ERW cold drawn mechanical tube
•Location	Seymour, Indiana, U.S.A.
•Start-up	Feb. 1990 (established in Mar. 1989)
•Capital	US\$ 10 million
•President	T. Nishikado (dispatched from Nippon Steel & Sumikin Pipe Co.)
•Employees	430
•NSSMC's equity share	(Nippon Steel & Sumikin Pipe Co. 80%)
•Production capacity	66,000 tons/y
•Major facilities	4 electric resistance welded pipe lines 5 cold draw benches heat-treating furnaces

Nippon Steel Pipe Mexico, S.A. de C.V. (NPM)

•Business	Manufacture and sale of machine structural steel pipe
•Location	Inland Port Industrial Park, Silao, Guanajuato, Mexico
•Start-up	May 2013 (established in Jun. 2012)
•Capital	US\$ 23.6 million
•President	K. Kawamura (dispatched from Nippon Steel & Sumikin Pipe Co.)
•Employees	95
•NSSMC's equity share	(Nippon Steel & Sumikin Pipe Co. 55%)
•Production capacity	24,000 tons/y
•Major facilities	1 electric resistance-welded pipe line 1 cold-drawing machine 1 heat-treating furnace

Guangzhou You-Ri Automotive Parts Co., Ltd. (GYA)

•Business	Manufacture and sale of automotive steel pipe and automotive parts
•Location	Guangzhou City, China
•Start-up	Jul. 2004 (established in Nov. 2003)
•Capital	US\$ 6.47 million
•President	H. Hayano (dispatched from Nippon Steel & Sumikin Pipe Co.)
•Employees	135
•NSSMC's equity share	(Nippon Steel & Sumikin Pipe Co. 66%)
•Production capacity	36,000 tons/y
•Major facilities	2 electric resistance-welded pipe lines 7 cutting machines

Wuxi NSP Automotive Parts Co., Ltd.

•Business	Manufacture and sale of automotive steel pipe and automotive parts
•Location	Wuxi City, Chiangsu Province, China
•Establishment	Aug. 2004
•Capital	RMB 89.9 million
•Chairman	H. Majima (dispatched from Nippon Steel & Sumikin Pipe Co.)
•Employees	264
•NSSMC's equity share	(Nippon Steel & Sumikin Pipe Co. 71%)
•Production capacity	24,000 tons/y
•Major facilities	2 electric resistance-welded pipe lines 2 cold-drawing machines 2 heat-treating furnaces

Note: Figures in parentheses for "NSSMC's equity share" are NSSMC's indirect ownership through share ownership of consolidated subsidiaries.

Thai Steel Pipe Industry Co., Ltd. (TSP)

•Business	Manufacture and sales of mechanical steel pipe
•Location	Amatanakorn Industrial Park, Chonburi Province, Thailand
•Start-up	Jan. 1965 (established in Nov. 1963)
•Capital	THB 365.8 million
•President	T. Hara (dispatched from Nippon Steel & Sumikin Pipe Co.)
•Employees	524
•NSSMC's equity share	(Nippon Steel & Sumikin Pipe Co. 55%)
•Production capacity	84,000 tons/y
•Major facilities	3 electric resistance-welded pipe machines 2 heat-treating furnaces 4 cold-drawing machines

Siam Nippon Steel Pipe Co., Ltd. (SNP)

•Business	Manufacture and sale of machine structural steel pipe
•Location	Siam Eastern Industrial Park, Rayong Province, Thailand
•Start-up	Jan. 1996 (established in Mar. 1995)
•Capital	THB 783 million
•President	T. Takamoto (dispatched from Nippon Steel & Sumikin Pipe Co.)
•Employees	1,054
•NSSMC's equity share	(Nippon Steel & Sumikin Pipe Co. 60.5%)
•Production capacity	71,000 tons/y
•Major facilities	3 electric resistance-welded pipe lines 5 cold-drawing machines 4 heat-treating furnaces

Vietnam Steel Products, Ltd. (VSP)

•Business	Manufacture and sale of machine structural steel pipe
•Location	Noi bai Industrial Zone. Quang Tien, Soc Son, Hanoi, Vietnam
•Start-up	Nov. 1997 (established in Jun. 1997)
•Capital	VND 72,898 million
•President	T. Akamune (dispatched from Nippon Steel & Sumikin Pipe Co.)
•Employees	216
•NSSMC's equity share	(Nippon Steel & Sumikin Pipe Co. 60%)
•Production capacity	48,000 tons/y
•Major facilities	2 electric resistance-welded pipe lines

PT. Indonesia Nippon Steel Pipe (INP)

•Business	Manufacture and sale of automotive machine structural steel pipe
•Location	Bukit Indah Industrial Park, Citampek, Karawang Province, West Java, Indonesia
•Start-up	Jan. 2007 (established in Dec. 2005)
•Capital	US\$11.6 million
•President	K. Hada (dispatched from Nippon Steel & Sumikin Pipe Co.)
•Employees	668
•NSSMC's equity share	(Nippon Steel & Sumikin Pipe Co. 96.3%)
•Production capacity	42,000 tons/y
•Major facilities	2 electric resistance-welded pipe lines 3 cold-drawing machines 2 heat-treating furnaces

Note: Figures in parentheses for "NSSMC's equity share" are NSSMC's indirect ownership through share ownership of consolidated subsidiaries.

NIPPON STEEL PIPE INDIA PRIVATE LIMITED (NPI)

•Business	Manufacture and sale of automotive machine structural steel pipe
•Location	Neemrana Industrial Park, Rajasthan, India
•Start-up	Jan. 2012 (established in Sep. 2010)
	Jan. 2013 Integrated production system from the pipe-making process
•Capital	INR 1.23 billion
•President	M. Suzuki (dispatched from Nippon Steel & Sumikin Pipe Co.)
•Employees	142
•NSSMC's equity share	(Nippon Steel & Sumikin Pipe Co. 98.7%)
•Production capacity	24,000 tons/y
•Major facilities	1 electric-resistance-welded pipe line
	1 cold drawing
	1 heat-treating furnace

Automotive Steel Pipe India Private Limited (ASPI)

•Business	Manufacture and sale of mechanical tube for automotive & motorcycle parts
•Location	Sriperumbudur, Tamil Nadu, India (the suburbs of Chennai)
•Start-up	Jun. 2013 (established in Jul. 2011)
•Capital	INR 1 billion
•President	N. Hiro (dispatched from Nippon Steel & Sumikin Pipe Co.)
•Employees	250
•NSSMC's equity share	(Nippon Steel & Sumikin Pipe Co. 45%)
•Production capacity	50,000 tons/y
•Major facilities	2 electric resistance welded tube lines
	2 cold draw benches
	1 heat-treating furnace

■ Others**Western Tube & Conduit Corporation (WTC)**

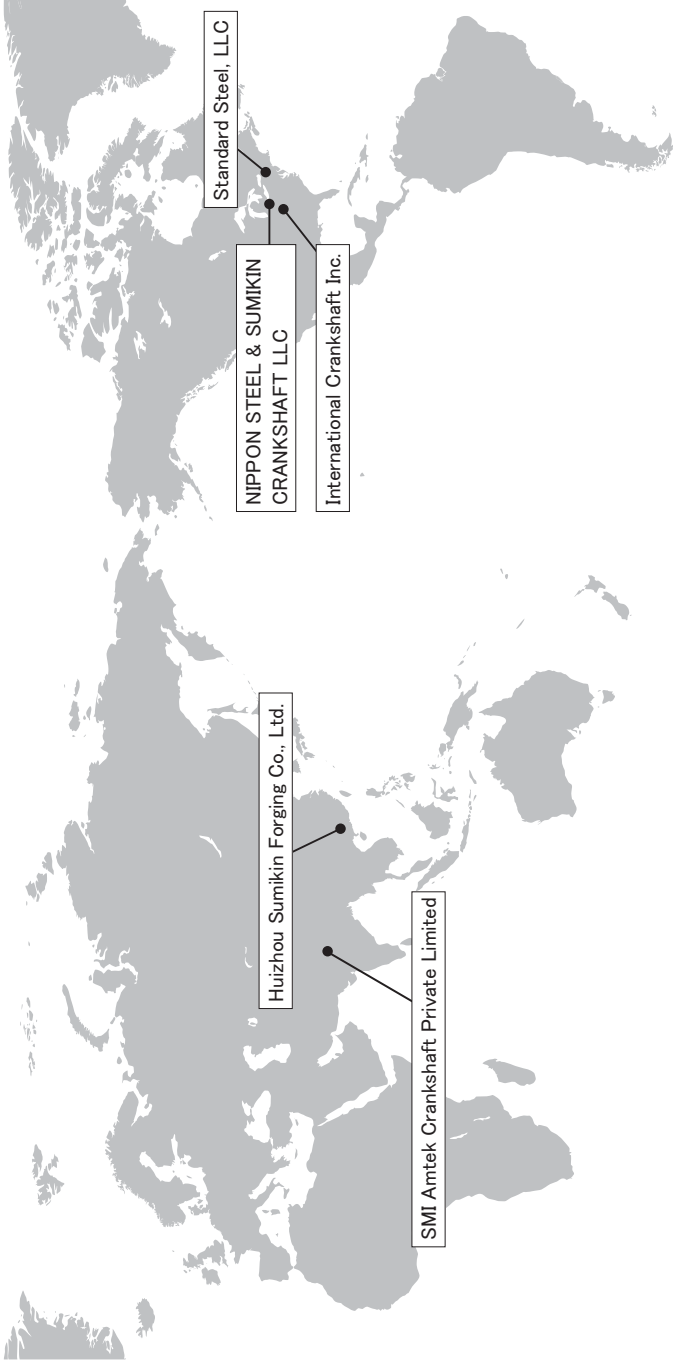
•Business	Manufacture and sale of electric resistance welded steel pipe
•Location	Long Beach, California, U.S.A.
•Start-up	Apr. 1966 (established in Dec. 1964)
•Capital	US\$ 17 million
•President	I. Yasumura (dispatched from NSSMC)
•Employees	241
•NSSMC's equity share	96.7%
•Production capacity	238,000 tons/y
•Major facilities	6 electric resistance welded steel pipe lines (incl. 3 inline galvanizing lines)
	1 hot dip galvanizing line
	3 threading machines
	7 cutting machines
	1 slitler

Nippon Steel & Sumikin Pipe Vietnam Co., Ltd. (NPV)

•Business	Manufacture and sale of steel pipe piles & steel pipe sheet piles
•Location	Phu My II Industrial Zone, Ba Ria-Vung Tau Province, Vietnam
•Start-up	May 2011 (established in Jun. 2010)
•Capital	US\$ 35 million
•President	K. Kanezaki (dispatched from NSSMC)
•Employees	137
•NSSMC's equity share	73.6%
•Major facilities	1 spiral pipe line (60,000 tons/y)

Note: Figures in parentheses for "NSSMC's equity share" are NSSMC's indirect ownership through share ownership of consolidated subsidiaries.

Railway, Automotive & Machinery Part Manufacturing & Sales Bases



Railway, Automotive & Machinery Parts Manufacturing & Sales Bases

International Crankshaft Inc. (ICI)

•Business	Manufacture and sale of small-size forged crankshafts
•Location	Georgetown, Kentucky, U.S.A.
•Start-up	Apr. 1992 (established in Feb. 1990)
•Capital	US\$ 22 thousand
•President	N. Masuda (dispatched from NSSMC)
•Employees	258
•NSSMC's equity share	80.0%
•Production capacity	2.65 million crankshafts/y Plan: increase to 4 million crankshafts/y in fiscal 2015
•Major facilities	2 6,000-ton die forging press lines 1 7,000-ton die forging press line

NIPPON STEEL & SUMIKIN CRANKSHAFT LLC

•Business	Manufacture and sale of machining crankshafts
•Location	Fostoria, Ohio, U.S.A.
•Start-up	Oct. 2008
•Capital	US\$ 25.5 million
•President	N. Tanimoto (dispatched from NSSMC)
•Employees	110
•NSSMC's equity share	60.0%
•Major facilities	5 Crankshaft machining lines (MQL drills, CBN grinders, induction hardening machines, polishers, CMM / Adcole)

Standard Steel, LLC

•Business	Manufacture and sale of forged wheels and axles
•Location	Burnham, Pennsylvania, U.S.A.
•Establishment	1795
•Capital	US\$ 47 million
•President	Y. Akimoto (dispatched from NSSMC)
•Employees	700
•NSSMC's equity share	80.0%
•Production capacity	300,000 wheels/y
•Major facilities	1 10,000-ton forging press line

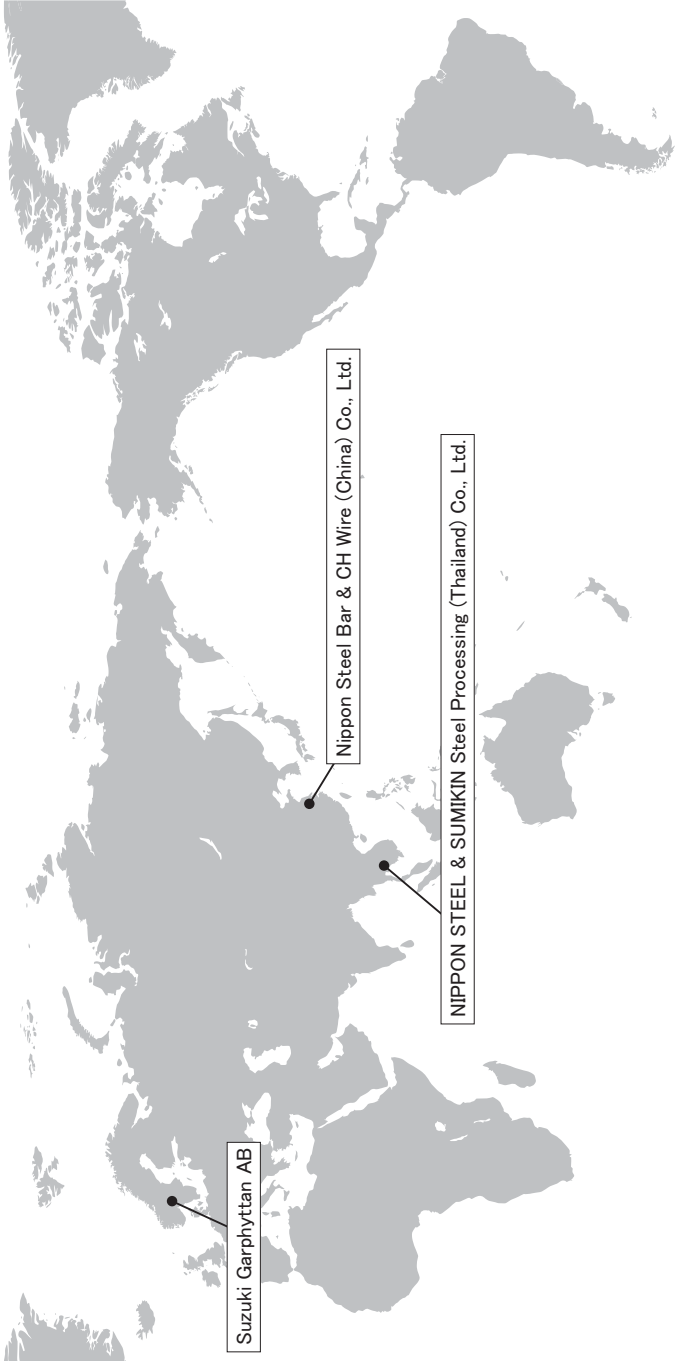
Huizhou Sumikin Forging Co., Ltd.

•Business	Manufacture and sale of small-size forged crankshafts
•Location	Huizhou City, Guangdong Province, China
•Start-up	Nov. 2004 (established in Jul. 2003)
•Capital	RMB 239 million
•President	Y. Hida (dispatched from NSSMC)
•Employees	244
•NSSMC's equity share	51.0%
•Production capacity	2.1 million crankshafts/y
•Major facilities	1 6,000-ton die forging press line 1 5,000-ton die forging press line

SMI Amtek Crankshaft Private Limited

•Business	Manufacture and sale of small-size forged crankshafts
•Location	Dharuhera, Haryana, India
•Start-up	April 2010
•Capital	INR 1,540 million
•President	T. Matsui (dispatched from NSSMC)
•Employees	128
•NSSMC's equity share	40.0%
•Production capacity	2.2 million crankshafts/y
•Major facilities	1 4,000-ton die forging press line 1 5,000-ton die forging press line

Bar & Wire Rod Processing & Service Bases



Bar & Wire Rod Processing & Service Bases

Nippon Steel Bar & CH Wire (China) Co., Ltd. (NBC China)	
•Business	Manufacture and sale of steel wire for cold heading
•Location	Weiting Town, Suzhou Industrial Park, China
•Start-up	Sep. 2007 (established in Sep. 2006)
•Capital	US\$ 1.5 million
•Chairman	A. Kita (dispatched from NSSMC)
•Employees	21
•NSSMC's equity share	28.0%
•Production capacity	7,000 tons/y (Plan: increase to 42,000 tons/y)
•Major facilities	2 wire drawing machines Future plan: 3 wire drawing machines 1 pickling and film-application line 2 heat-treating furnaces Plan: operate as NSCh (Suzhou) from Jun. 2015
NIPPON STEEL & SUMIKIN Steel Processing (Thailand) Co., Ltd. (NSSPT)	
•Business	Manufacture and sale of steel wire for cold heading and cold drawn bar
•Location	Eastern Seaboard Industrial Estate, Rayong Province, Thailand
•Start-up	Jan. 2013 (established in Jan. 2013)
•Capital	THB 570 million
•President	S. Inaba (dispatched from NSSMC)
•Employees	261
•NSSMC's equity share	58.9%
•Production capacity	100,000 tons/y
•Major facilities	3 pickling and surface treatment lines 13 wire drawing machines 6 heat-treating furnaces
Suzuki Garphyttan AB	
•Business	Manufacture and sale of valve spring wire and stainless wire
•Location	Garphyttan, Orebro, Sweden
•Establishment	1906
•Capital	SEK 15 million
•President	Jan Pieters
•Employees	340
•NSSMC's equity share	(Suzuki Metal Industry 100.0%)
•Major facility	1 wire drawing line (40,000 tons/y)

Note: Figures in parentheses for "NSSMC's equity share" are NSSMC's indirect ownership through share ownership of consolidated subsidiaries.

Environmental Considerations

Global warming is an important issue throughout the world. The Nippon Steel & Sumitomo Metal Group has strived to realize the world's highest level of energy saving and offer environmentally friendly products. In a long term perspective, the group is making efforts to realize a sustainable society. To this end, it intends to tackle the three "ecos" and develop innovative technology. The NSSMC Group would like to continue to be a leading environmentally advanced company.

* The group intends to tackle the three "ecos" by drawing on the overall strength of its five business segments (steelmaking, engineering, chemistry, new materials, and system solutions).

Eco-processes: Reduction of the burden on the environment at all stages of business activities of the group

At all stages of business activities including the production process and transportation of products, the NSSMC Group is aiming not only to observe the environmental laws and regulations, but also to realize further environmental conservation, improvement in resource and energy efficiency, and also reduction of waste and recycling in and out of the group. In addition, it intends to collaborate and cooperate with consumers and other industries, and promote activities aimed at reducing the burden on the environment.

Eco-products™: Offering environmentally friendly products

The NSSMC Group is aiming to develop and offer high performance steel products that contribute to the reduction of CO₂ when incorporated in the final product such as automobile or home appliance and used by the customer.

Eco-solutions: Proposals for environmental conservation from a global viewpoint

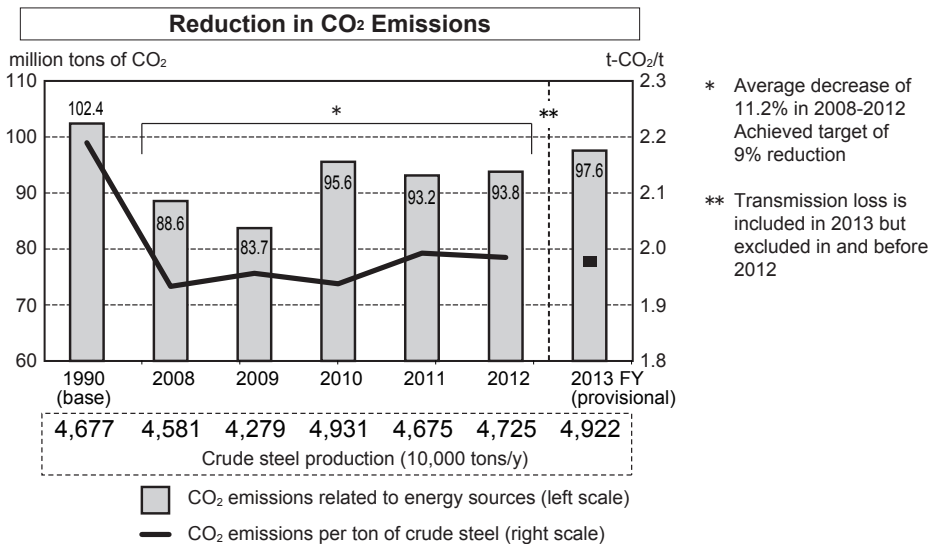
The NSSMC Group intends to offer its technology built up over many years, which is useful for environmental conservation, saving of resources and saving of energy, as well as its environmental management system, to customers in Japan and overseas. In this way, the group is aiming to contribute to the reduction of the burden on the environment, build up a social infrastructure for disaster prevention that takes account of nature and scenery, and solve overseas environmental issues through transfer of technology.

Development of innovative technology

To enable the group to provide society its innovative technology and products that contribute to environmental conservation and saving of resources and energy, the NSSMC Group intends to develop leading technology aimed at overcoming future resource and environmental issues, from a medium- to long-term viewpoint.

Tackling the issue of CO₂ reduction

From the time of the first oil shock in early 1970's to around 1990, the NSSMC Group intensively promoted measures such as the adoption of continuous processes and recovery of waste heat, and attained a significant energy saving of more than 20%. Then, the Japanese steel industry including the group addressed a voluntary action plan, and during the period from fiscal 2008 and fiscal 2012 the NSSMC Group achieved its target of a 10% reduction in energy consumption (9% reduction in CO₂ emissions) compared to fiscal 1990. At present, as a representative corporation in the Japanese steel industry, NSSMC is drawing up a low-carbon society implementation plan, aiming at achieving a 5-million ton reduction of CO₂ compared to the CO₂ emission quantity assumed to be emitted on the basis of a constant production volume of crude steel in fiscal year 2020, by making full use of the most up-to-date technology.



Notes: Values in the above graph are the total for five corporations consisting of NSSMC, related electric furnace companies, and others.

ECO-PRODUCTS™ (Environmentally-friendly steel products)

	Promotion of measures against global warming (Energy conservation and CO ₂ reduction)	Promotion of environmental risk management (Environmental conservation and control over chemical substances)	Active participation in the creation of a recycling-based society (Longer life and recyclability of products)
Electrical power and energy	<ul style="list-style-type: none"> ■ Higher power generation efficiency <ul style="list-style-type: none"> ● High-temperature boiler steel pipes ● Stainless steel boiler tubes for ultra supercritical coal-fired power generation ● Stainless steel sheet for polymer electrolyte fuel cell separator ■ Higher transformer efficiency <ul style="list-style-type: none"> ● Grain-oriented electrical steel sheets (ORIENTCORE HI-B™) ■ Higher efficiency for energy transportation <ul style="list-style-type: none"> ● High-strength transportation line pipes ■ Promotion of energy conversion <ul style="list-style-type: none"> ● Super high-strength oil country tubular goods (OCTG) for sour service ● High alloy OCTG ● Steam generator (SG) heat transfer tubes for pressurized water reactor (PWR) nuclear power plants ● "Super 13Cr steel pipe" for pipelines 	<ul style="list-style-type: none"> ■ Increased use for LNG <ul style="list-style-type: none"> ● Highly corrosion-resistant thick plates for smoke stacks ● 6-7% Ni steel for LNG storage tank ■ Materials free of substances causing environmental impact <ul style="list-style-type: none"> ● "CLEANWELL™ DRY" oil well pipe joints 	<ul style="list-style-type: none"> ■ Measures to aid power generation from waste <ul style="list-style-type: none"> ● S-TEN™1 ● Highly corrosion-resistant steel pipes for boilers ■ Waste reduction through extended product lifespan <ul style="list-style-type: none"> ● Highly corrosion-resistant thick stainless steel plates for chemical tankers and food storage tanks
Automobiles	<ul style="list-style-type: none"> ■ Weight reduction and improved safety <ul style="list-style-type: none"> ● High-strength steel sheets (hot rolled, cold rolled, coated /dual phase, TRIP, high-hole expanding, hotstamping material, etc.) ● High-tensile strength steel tubes, three dimensional hot bending and quenching (3DQ) tubes ● High-strength steel sheets, pipes, and bar and wire materials ● Extra-heavy wall, small diameter ERW tubes ● High-efficiency crash box ● High heat-resistance stainless steel "NAR-AH-4" for exhaust components and "dual-wall exhaust manifold" ● "NAR-301L HS1" stainless steel plate for cylinder head gaskets ■ Higher efficiency for motors in hybrid cars <ul style="list-style-type: none"> ● Highly efficient non-oriented electrical steel sheets ■ Simpler manufacturing and forming processes for users <ul style="list-style-type: none"> ● High formable anti-rust steel sheets (L-treatment) ● Steel pipes for hydro-form processing ● Non-heat treated nitrocarburized high-strength crankshaft steel ● High-strength steel for forged connecting rods 	<ul style="list-style-type: none"> ■ Materials free of substances causing environmental impact <ul style="list-style-type: none"> ● Lead-free free-cutting steel for crank shafts (steel bar) ● Lead-free galvanized steel sheets for fuel tanks (ECOKOTE™-S) ● Chromate-free galvanized steel plates for automobiles ■ Improved purification performance for exhaust gas <ul style="list-style-type: none"> ● Heat-resistant stainless steel for exhaust emission parts ● High-pressure fuel injection pipe for diesel engines ■ Products that address noise and vibration <ul style="list-style-type: none"> ● Laminated damping steel sheets 	<ul style="list-style-type: none"> ■ Waste reduction through extended product lifespan <ul style="list-style-type: none"> ● Galvanized steel sheets with high corrosion-resistance ● SUPERNICKEL steel sheets for hybrid car batteries

	Promotion of measures against global warming (Energy conservation and CO ₂ reduction)	Promotion of environmental risk management (Environmental conservation and control over chemical substances)	Active participation in the creation of a recycling-based society (Longer life and recyclability of products)
Home appliances and electrical devices	<ul style="list-style-type: none"> ■ Improved motor efficiency <ul style="list-style-type: none"> ● Highly efficient non-oriented electrical steel sheets ■ Simpler manufacturing process for users <ul style="list-style-type: none"> ● Pre-coated steel sheets ● Steel sheets treated with lubricant film ● Thin highly workable stainless steel sheets ● Precoated antistatic steel sheets ■ Higher heat dissipation efficiency <ul style="list-style-type: none"> ● Steel sheets with higher endothermic properties ● Heat-releasing pre-painted steel sheets 	<ul style="list-style-type: none"> ■ Materials free of substances causing environmental impact <ul style="list-style-type: none"> ● Lead-free galvanized steel sheets (ECOKOTE™, ECOTRIO™) ● Chromate-free electro-galvanized steel sheets for home appliances (ZINKOTE™21, ZINKOTE™COLOR) ● Chromate-free precoated steel sheets for home appliances (Non-Chro VIEWKOTE™) ● Low-carbon lead-free free-cutting steel ■ Reduced noise and magnetic shields <ul style="list-style-type: none"> ● Directional electrical steel sheets ● Stainless steel damping sheets ● Nb-Ti 	<ul style="list-style-type: none"> ■ Waste reduction through extended product lifespan <ul style="list-style-type: none"> ● Transparent coated stainless steel sheets ● Galvanized steel sheets with high corrosion resistance ● Titanium sheets
Containers	<ul style="list-style-type: none"> ■ Weight reduction of materials used in cans <ul style="list-style-type: none"> ● Extremely thin tin and laminated steel sheets 	<ul style="list-style-type: none"> ■ Materials free of substances causing environmental impact <ul style="list-style-type: none"> ● Laminated steel sheets 	<ul style="list-style-type: none"> ■ Increased recycling rate <ul style="list-style-type: none"> ● Materials for steel cans (tin and laminated steel sheets)
Construction and civil engineering, etc.	<ul style="list-style-type: none"> ■ Improved construction efficiency <ul style="list-style-type: none"> ● Mechanical joint for steel pipe pile (Iafrican™ joint, Hi-SHJ™) ● Hat-type sheet pile ● HTUFF™ (Super High HAZ (heat-affected-zone) toughness technology with fine microstructure imparted by fine particles) steel ● Fixed external dimension H-section steel ● Fire-resistant steel "NSFR™" ● Super high tension bolt SHTB™ ■ Energy conservation <ul style="list-style-type: none"> ● "SMart BEAM™" lightweight welded H-beam ● Steel house (NS Super Frame™ method of construction) ● High-speed railway wheels, axles, and bogie trucks ● Pure titanium sheet for aircraft, titanium alloy rods for aircraft engines 	<ul style="list-style-type: none"> ■ Environmental conservation (Reductions in surplus soil, noise and vibration) <ul style="list-style-type: none"> ● NS ECO-PILE™, steel-pipe piles for gyro-press method™ ● GANTETSU™ pile, steel-pipe piles for TN Method ● Steel-pipe piles for TN-X Method ● Water-permeable steel sheet pile ● Steel pipe pile of low noise, low vibration and highly supporting power "RS Plus™" ● Non-frame method ■ Improved marine safety <ul style="list-style-type: none"> ● High-Strength steel for ship EH47 ● NS-Ship-Safety 235 ■ Reduced use of rare metals <ul style="list-style-type: none"> ● Stainless steel that contains a very small amount of tin (NSSC FW1, FW2) 	<ul style="list-style-type: none"> ■ Longer life and improved endurance and reliability <ul style="list-style-type: none"> ● High performance steel for bridge (SBHS) ● Steel for high-strength structures, high-tensile steel wires ● Abrasion resistant steel plate (ABREX™) ● Rails for heavy-load railway ● Bogies equipped with steering devices for metro ● Titanium roof ■ Improved corrosion-resistance capabilities <ul style="list-style-type: none"> ● Ni-based weather-resistant steel ● COR-TEN™ ● Highly corrosion-resistant galvanized steel sheets (Super Dyma™, etc.) ● Highly corrosion-resistant steel plates for crude oil tankers (NSGP™-1, 2) ● Low alloy steel with superior anti-rusting resistance (ARU-TEN™) ● MARILOY™ ● Alloyed titanium (Super-TIX™) ● Corrosion Resistance steel for Painting cycle Extension (CORSPACE™)

ECO-PROCESS

(Environmentally-designed manufacturing processes)

■ Recycling and Reuse of Resource: about 99% (of total by-products generated in steelworks is recycled)

Recycling steel slag and dust

Nearly all the steel slag, that makes up the majority of steel by-products is used as raw materials for cement, ground improvement material, road bed material, and so forth. This also helps natural resource conservation and energy conservation. Dust generated in the process of iron manufacture is processed by the "RHF" (rotary hearth furnace) equipment and to recover usable resources, thus establishing zero emission system for steel dust.

Recycling of resources from plastics of containers and packaging waste

Nippon Steel & Sumitomo Metal (NSSMC) recovers 100% of resources (coke, oil, gas) from the container and packaging plastics collected by individual local governments from ordinary homes. At present, NSSMC has established the world's largest, waste-plastics reception network by which its six steelworks in nationwide locations are servicing the entire country. NSSMC recycles about 30% (200,000 tons) of the container and packaging plastic collected from municipalities throughout Japan, and has processed a total of 2.1 million tons (between 2000 and 2013). This is equivalent to a total CO₂ reduction of approximately 6.6 million tons. In addition, the company also recycles fiber products including discarded uniforms and food trays in cooperation with tray producing companies into petrochemical products, using our above-mentioned technology.

Recycling of resources from waste tire

Hirohata Works recycles waste tires gathered from all over the country. In resource recovery, waste tires are used as raw materials and fuel by the Scrap Melting Process (SMP) for iron manufacture. Also, the world's first technology of thermal cracking by the gasification recycling equipment for 100% resource recovery has been successfully established. These equipments can recycle 120,000 tons or about 10% of Japan's total quantity of waste tires. This is equivalent to about 300,000 tons a year in its effect in CO₂ reduction.

■ Energy Recycling: about 92% (of the total power generation in steelworks is generated from recovered waste heat and by-product gas)

Electric power generation through recovered waste heat and by-product gases

NSSMC recovers high-temperature waste heat and by-product gas generated in blast furnaces, coke ovens, converters, and so on, and efficiently uses them as electric power. The company uses the facilities located in the steelworking facilities to generate 84% of the total electric power that it needs, and purchases the remaining 16% from outside. A total of 92% of the total electric generation used by the steelworking facilities is generated from recovered waste heat and by-product gases.

CDQ (Coke Dry Quenching): Nippon Steel & Sumikin Engineering Co., Ltd.

By introducing CDQ (a power generation system using recovered waste heat), a major-scale CO₂ reduction has been realized.

■ Water Circulation: about 90% achieved

About 90% of the water used for cooling and cleaning products and manufacturing equipment is being re-circulated.

ECO-SOLUTION **(Proposals of solutions to energy-saving and environmental problems)**

Bio-oil & bio-mass from residual wood from the thinning of mountain forest bio-mass from coffee grounds

Wood from the thinning of mountain forests is made into chips, mixed with solvents, and subjected to microwave irradiation. The wood is thus decomposed into bio-oil, for possible use as a substitute fuel for petroleum and a raw material for chemical products. Verification tests are under way. (Nippon Steel & Sumikin Chemical Co., Ltd.)

Kamaishi Works is using such wood chips and non-commercial-grade timber for a coal-fired thermal power station. Mixing woody bio-mass with coal for combustion can serve the purpose of using less coal, which is a fossil fuel Japan imports, and thus reduce CO₂ emissions, while also helping to forest management. Kashima Works is making the similar effort by using coffee grounds.

Marine forest creation

Desertification of seashores has emerged recently as a new environmental problem. Decreasing seaweeds growth is an alarming sign of worsening environments for fish and other living things in coastal areas and telltale signs of immediate impact on coastal fisheries. One element of the causes is said to be a shortage of iron. To revitalize fields of seaweeds and marine plants, NSSMC has developed an iron-supply unit by mixing steel slag, a by-product of its iron manufacture, with leaf mold.

Hometown forest creation

In 1971, Nippon Steel launched "Hometown-Greening" programs at all of its steelworks scattered throughout the country. After studies on natural vegetation and indigenous trees in the surrounding areas, seeding, and planting seedlings, the steelworks' programs have produced forests covering an area of about 900 hectares with 30-meter-high trees, providing habitats for various wild animals.

Global Sectoral Approach

The world steel industry is now promoting a global sectoral approach through which to spread the existing technologies and accelerate technological innovations for CO₂ reduction.

Japan-China cooperation in environmental and conservation matters

The steel industries of Japan and China, since 2005, have been holding the "Advanced Technology Exchange Meeting for Environmental Protection and Energy Conservation" as a rule each year. Exchanges between specialists of both countries have been contributing to the improved technological strengths of Chinese steelmakers.

Action through GSEP (Global Superior Energy Performance Partnership)

The Steel Working Group (chair country: Japan) of the GSEP was started in fiscal 2011 as a public-private partnership organization for multi-national countries. In March 2012, the first meeting was held in Tokyo, and the group is striving to spread energy saving and environment technologies so that regional partnerships with more countries including the EU may be achieved. In fiscal 2013, the Steel WG workshop was held in Tokyo in February 2014 with the participation of Japan, US, China, India and South Korea, and active discussion on energy management was performed.

Action through World Steel Association

The World Steel Association has employed the universal method that calculates and reports the CO₂ emission from steel mills. The Japanese steel industry has mainly taken the action to standardize this calculation method into the ISO. In March 2013, it was published as ISO14404 "Calculation method of carbon dioxide emission intensity from iron and steel production". This has allowed steel mills, which are not the members of the World Steel Association, to calculate the consumption rate of CO₂ with the universal method. It was the first step to greatly drive forward the global spectral approach set out by the steel industry.

R&D of a Revolutionary Iron-making Method

■SCOPE21

This next-generation coke manufacturing technology, SCOPE21, designed for dramatic energy-saving, CO₂ emission reduction, and expansion of the use of low-grade metallurgical coal, was introduced at Oita Works in 2008 for the first time in the world. A second installation of the equipment was made at Nagoya Works in 2013.

■COURSE50

The present iron-making process uses coal as a reducing agent for iron ores and, for this reason, unavoidably results in CO₂ emission. NSSMC and three other Japanese integrated steel producers, together with Nippon Steel & Sumikin Engineering Co., Ltd., are undertaking the "Environmentally Harmonized Steelmaking Process Technology Development Project" (COURSE50).

COURSE50 envisages the development of the iron-making technology of hydrogen reduction in the blast-furnace gas, utilizing hydrogen contained in the coke-oven gas, and the technology of separation and recovery of CO₂ from the blast-furnace gas. The eventual aim is to reduce CO₂ emissions by about 30% from the level now possible, by completing R&D by 2030 and industrialization and spread by around 2050.

Personnel and Labor Relations

Employees

● Number of employees

As of March 31	2008	2009	2010	2011	2012	2013	2014
Employees by division							
Nippon Steel & Sumitomo Metal Corporation (Nippon Steel Corporation)*1	15,083	15,503	15,845	16,150	16,158	24,510	24,152
Those seconded to subsidiaries and other organizations (excluded from above numbers)	2,626	2,143	1,945	1,711	1,168	1,215	1,138
Sumitomo Metal Industries, Ltd.	6,950	7,084	7,079	7,104	8,413	—	—
Those seconded to subsidiaries and other organizations (excluded from above numbers)	131	125	133	125	156	—	—
• Head office (Nippon Steel & Sumitomo Metal (Nippon Steel))	1,101	1,129	1,154	1,192	1,473	2,173	2,122
• Head office (Sumitomo Metals)*2	1,432	1,432	1,374	1,368	1,407	—	—
• Steelworks							
Kashima	2,830	2,918	2,914	2,934	2,925	2,781	2,711
Kimitsu	3,285	3,363	3,416	3,474	3,510	3,521	3,504
Nagoya	2,847	2,922	2,971	3,044	2,994	3,006	2,982
Wakayama*3	1,135	1,159	1,160	1,144	1,166	1,197	1,132
Hirohata	1,160	1,191	1,244	1,293	1,286	1,255	1,239
Yawata	2,701	2,810	2,856	2,850	2,861	2,778	2,739
Oita	1,573	1,629	1,696	1,767	1,998	1,987	1,960
Hikari*4	224	244	245	243	—	—	—
Muroran	570	583	579	604	584	584	593
Kamaishi	212	216	223	224	223	226	231
Kokura*5	1,219	1,236	1,192	1,136	1,041	1,059	1,066
Sakai	320	327	354	346	332	324	328
Tokyo	101	117	119	119	116	113	107
Amagasaki	658	682	702	690	662	638	638
Osaka	895	893	929	968	982	1,062	1,058
Naoetsu*5	277	294	269	259	230	198	184
• Technical Development Bureau						1,180	1,165
(Futtsu)*6	745	746	758	765	549	(616)	(645)
(Amagasaki)	—	—	—	—	—	(416)	(385)
(Hazaki)	—	—	—	—	—	(148)	(135)
• Domestic sales offices	215	209	219	218	222	414	379
• Overseas offices*7	29	17	11	11	10	14	14

*1 Those seconded to Nippon Steel & Sumitomo Metal from other companies are included from 2013 onward.

*2 Those working at laboratories (Amagasaki, Hazaki) and domestic sales offices of Sumitomo Metals are included in Head office.

*3 Those working at Nippon Steel & Sumikin Koutetsu Wakayama Corporation are not included.

*4 Hikari Works was integrated into Oita Works in April 2011.

*5 In January 2012, Sumitomo Metals (Naoetsu), Ltd. and Sumitomo Metals (Kokura), Ltd. were merged to Sumitomo Metals. (Not included in Sumitomo Metals before the merger.)

*6 Those shifted from T.D.B. to Plant Engineering and Facility Management Center in Head office, when reorganized in November 2011.

*7 Those working at following companies are included in those seconded to subsidiaries and other organizations.

NIPPON STEEL & SUMITOMO METAL U.S.A., INC.
 NIPPON STEEL & SUMITOMO METAL Empreendimentos Siderúrgicos Ltda.
 NIPPON STEEL & SUMITOMO METAL Australia Pty. Limited
 NIPPON STEEL & SUMITOMO METAL Consulting (Beijing) Co., Ltd.
 NIPPON STEEL & SUMITOMO METAL Southeast Asia Pte. Ltd.
 NIPPON STEEL & SUMITOMO METAL (Thailand) Co., Ltd.
 NIPPON STEEL & SUMITOMO METAL India Private Limited

(Reference, as of March 31, 2014)

Number of Employees	24,152	Average age	39.2	Average years of continuous service	17.7
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* Those seconded to subsidiaries and other organizations and those seconded to Nippon Steel & Sumitomo Metal from other companies are not included in the average age and the average years of continuous services.

● Number of newly employed

Fiscal Year	2013	2014*1
Sales & administration	90	89
Engineers	181	151
Workers*2	523	330
Total	794	570
Female	109	86
Mid-career hires	0	0

*1 As of April 1, 2014

*2 Mostly employees who are engaged in operation and maintenance of steelmaking facilities

● Number of newly employed, 2007-2013

Fiscal Year	2007	2008	2009	2010	2011	2012	2013
Nippon Steel & Sumitomo Metal Corporation (Nippon Steel Corporation)	656	749	876	943	864	637	794
(Female)	(36)	(33)	(72)	(62)	(156)	(128)	(109)
Sumitomo Metal Industries, Ltd.	576	475	621	452	394	322	—
(Female)	(29)	(20)	(37)	(35)	(30)	(29)	—

● Number of employees studying abroad

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014
Employees newly studying abroad	3	3	7	5	5	8	6	9

Note: Aggregated numbers of Nippon Steel and Sumitomo Metals from 2007 to 2012

Wages and Bonuses

● Increase in monthly wages

(¥/month)

Fiscal Year	2009	2010	2011	2012	2013	2014
Wage improvement	0	0	0	0	0	1,000
Regular wage increase	3,700	3,700	3,700	3,700	3,700	3,700
Total wage increase	3,700	3,700	3,700	3,700	3,700	4,700

Note: Multiple-year (2 year) agreement from fiscal 1998

● Starting salaries

(¥/month)

Fiscal Year	2013	2014
University graduates	203,000	203,500
High school graduates	160,000	160,000

●Annual bonus payment

(¥1,000/year)

Fiscal Year	2013	2014
Standard amount	1,200	1,610
Summer	600	805
Winter	600	805

Profit-linked bonus

The bonus is determined by a formula (adopted in 2013) wherein the standard bonus amount in yen is calculated by adding 1,200,000 to the previous fiscal year's non-consolidated ordinary profit multiplied by 10,000/5,495,000,000.

There can be one exception: In case ordinary profit is less than ¥25 billion, in which case there is to be negotiation between the management and the labor union.

Working Hours

(days and hours)

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014
Annual number of holidays								
Regular daytime workers	118	118	118	118	118	118	118	119
Daytime/nighttime shift workers	103	103	103	103	103	103	103	103
Annual fixed working hours								
Regular daytime workers	1,916	1,916	1,916	1,916	1,916	1,916	1,916	1,908
Daytime/nighttime shift workers	1,899	1,899	1,899	1,899	1,899	1,899	1,899	1,899
Average	1,908	1,908	1,908	1,908	1,908	1,908	1,908	1,904

Note: Daily working hours: 7.75 hours for regular daytime workers

7.25 hours for daytime/nighttime shift workers

Welfare Systems for Supporting Family Life

Childcare

●Childcare leave

- Employees with children less than 18 months old who desire to take child-care leave shall be eligible for this leave until the child reaches the age of 18 months (or three years, under special circumstances such as waiting for admission to nursery school).
- Paid up to 50 days by using allotted Welfare Holidays (see below).

●Short-time work days

- Employees with children up to the third grade of elementary school can be exempted by two hours of working time per day.

●Work at home

- Employees bringing up children up to three years old can work at home up to two days in a month.

●Welfare holidays

- Expired paid holidays accumulated as 'Welfare Holidays' (up to 50 days) can be taken as paid leave for bringing up children.

●Childbirth leave for husbands

- Male employees can take two days of paid leave during any ten days before or after the birth of a child.

Nursing Care

● Long-term care leave

- Employees whose family members are in need of nursing care who desire to take family-care leave shall be eligible for this leave for a maximum period of one continuous year from the start, or non-continuously for a total of ninety-three days from the start.

● Short-time working for nursing

- Employees whose family members are in need of nursing care can be exempted from two hours of working time per day.

● Welfare holidays

- Expired paid holidays accumulated as 'Welfare Holidays' (up to 50 days) can be taken as paid leave for nursing care of a family member.

● Career return system

- Employees who leave the company due to childbirth, childcare, nursing care, or relocation of their spouse may re-enter the company within three years, if approved by the company.

Benefit Program

● Company houses and apartments:

About 5,300 units (about 700 for head office area)

● Bachelor houses and apartments:

About 8,000 units (about 700 for head office area)

● Loan system for house purchase:

Loan limit of ¥50 million for employees with more than 10 years of continuous service and of more than 30 years of age

● Child education support system:

Loan limit of ¥5 million

● Family care support system:

Loan limit of ¥5 million

● Refreshment holiday system:

	Travel coupon	Special holidays
Employees with 15 years of continuous service	¥100,000	5 holidays
Employees with 30 years of continuous service	¥500,000	10 holidays

● Work-life support system:

- Day care center subsidy for raising children
- Support for tuition fee of raising children, medical, health, sport, leisure activities, etc.
- Membership discount service for affiliated leisure facilities

Sporting Activities

Judo—Hirohata Works, Head Office

■ Recent major results

- All-Japan Business Team Tournament Victory in 1996, 2nd best in 1997, victory in 1998, 3rd best in 1999, victory in 2000, 3rd best in 2001-2004, 2nd best in 2005-2006, 3rd best in 2009, victory in 2010-2011, 3rd best in 2013, 2nd best in 2014
- All-Japan Team Tournament 2nd best in 1996-1997, 3rd best in 1998-1999

■ Recent major individual results at world tournaments

- Olympics
 - Barcelona (1992) -78 kg H. Yoshida Victory / -95 kg Y. Kai 7th place
 - Atlanta (1996) -86 kg H. Yoshida 5th place
 - Sydney (2000) -90 kg H. Yoshida Entry
 - London (2012) -90 kg M. Nishiyama 3rd place
- World Championship
 - Japan (1995) -86 kg H. Yoshida 2nd best / -95 kg S. Okaizumi 3rd place
 - Birmingham (1999) -90 kg H. Yoshida Victory
 - Munich (2001) -90 kg M. Tobitsuka Entry
 - Tokyo (2010) +100 kg K. Takahashi 5th place
- Kano Jigoro Cup Japan (1996) Open N. Yabu 3rd place
- Grand Slam
 - Tokyo (2009) +100 kg K. Takahashi Victory
 - Rio de Janeiro (2010) +100 kg K. Takahashi Victory
 - Tokyo (2010) -90 kg M. Nishiyama Victory / +100 kg K. Takahashi 2nd best
 - Tokyo (2011) -90 kg M. Nishiyama Victory
 - Tokyo (2012) -90 kg M. Nishiyama 2nd best
 - Kazakhstan (2012) -90 kg M. Nishiyama Victory
 - China (2010) Open K. Takahashi Victory
- Recent major individual results at Japanese tournaments
- All-Japan Championship
 - 1997 T. Ishida 3rd place / K. Masuchi 3rd place
 - 1998 K. Masuchi 3rd place / 2010 K. Takahashi Victory
- All-Japan Championship by Weight
 - 2000 -90 kg H. Yoshida Victory / -90 kg M. Tobitsuka 2nd best
 - 100 kg T. Inoue 3rd place +100 kg K. Masuchi 3rd place
 - 2001 -90 kg M. Tobitsuka Victory
 - 2009 -90 kg M. Nishiyama Victory +100 kg K. Takahashi Victory
 - 2012 -90 kg M. Nishiyama 2nd best
- Kodokan Cup All-Championship by Weight
 - 1997 +100 kg N. Yabu 2nd best -100 kg S. Okaizumi 3rd place
 - 1998 +100 kg N. Yabu 2nd best -90 kg H. Yoshida Victory
 - 1999 +100 kg K. Masuchi 2nd best -100 kg T. Inoue 2nd best
 - 2000 -90 kg M. Tobitsuka Victory / 2001 -100 kg H. Yoshida 2nd best
 - 2005 -81 kg S. Yoshinaga Victory / 2008-2011 -90 kg M. Nishiyama Victory
 - 2010 +100 kg K. Takahashi Victory

Volleyball—Sakai Blazers

(Incorporated in December 2000 as a 100% subsidiary of NSSMC)

■ Recent major results

- Japan League 3 continuous victories from 1988, 2nd best in 1991, 4th place in 1992, 3rd best in 1993, 13 cumulative victories
- V-League Victory in 1996, 1997, 2005, 2011 and 2013
2nd best in 1994, 1995, 2009 and 2010
3rd best in 2001 and 2014

■ Athletes in national team

- Olympics
 - Seoul (1988) 10th place M. Manabe
 - Barcelona (1992) 6th place T. Ueda, Y. Nakagaichi
 - Beijing (2008) T. Ueda (Head Coach), K. Tomonaga, Y. Ishijima
- World Cup
 - Japan (1991) 6th place T. Ueda, Y. Nakagaichi
 - Japan (1995) 5th place M. Manabe, Y. Nakagaichi
- World Championship
 - Greece (1994) Best 12 Y. Nakagaichi
 - Japan (1998) Best 16 M. Manabe, Y. Nakagaichi
- Asian Games
 - China (2010) Victory T. Ueda (Head Coach), Y. Ishijima

Rugby—Kamaishi Seawaves RFC

(Reorganized as a club team centering on Kamaishi Works in April 2001)

■ Recent major results

- All-Japan Company Team Tournament Best 8 in 1992, 7 continuous victories since 1978
- All-Japan Championship 7 continuous victories since 1978

■ National team

- World Cup 3rd (1995) Y. Sakuraba / 4th (1999) Y. Sakuraba

Baseball—Kashima, Kimitsu, Nagoya, Hirohata

■ Recent major results

- Inter-City Baseball Championship Tournament
Victory: 1937, 1954 Yawata 1968, 1971 Hirohata 1982 Wakayama
2nd best: 1934 Yawata 1959 Kamaishi 1963 Muroran 1965, 1966 Wakayama 1974 Yawata 1983 Nagoya 1990 Hirohata

Kashima	2000 Best 4, 2005 Best 8, 2010 Best 4, 2011 Best 4
Kimitsu	1996 Best 8, 2000 Best 4
Nagoya	1995 Best 8
Hirohata	1981 Best 4, 1983 Best 4, 1991 Best 8

- Japan Amateur Baseball Championship
Victory: 2014 Nippon Steel & Sumitomo Metal Kazusa Magic

■ National team

- Olympics Atlanta (1996) N. Matsunaka / Sydney (2000) S. Watanabe, K. Noda

* The baseball teams in Kimitsu and Nagoya have become "Nippon Steel & Sumitomo Metal Kazusa Magic" and "Nippon Steel & Sumitomo Metal Tokai Rex" respectively, in 2003

Cultural Activities

Nippon Steel & Sumitomo Metal Mixed Chorus (originally the Sumitomo Metals Mixed Chorus, renamed in October 2012 post-merger)

Chorus Timeline

1947	Established as the Fuso Metal Mixed Chorus
1952	Renamed as the Sumitomo Metals Mixed Chorus
Oct. 2012	Renamed as the Nippon Steel & Sumitomo Metal Mixed Chorus (NSSMMC)
As of 2013	44 appearances in the Japan Choral Association National Choral Competition; winners of the Gold Medal on 27 consecutive occasions from 1987 to 2013; Gold Medal winners in a total of 31 occasions

Recent Achievements

Gold Award in the National Choral Competition (University / Company / Community Chorus Division) held by the Japan Choral Association (November 2013, Chiba Cultural Center)

Other Activities

- In addition to participation in competitions, the NSSMMC gives regular concerts in Osaka about once every four years and provincial concerts in workplace locations such as Tokyo, Kashima, Wakayama, Kokura, and Kamaishi.
 - The NSSMMC has accepted invitations to perform at special concerts in Okinoshima, Shimane Prefecture and in Koriyama City, Fukushima Prefecture. The Chorus also makes a broad contribution to society through its performances at charity concerts, etc.
 - In 2004, the NSSMMC was invited to perform in Shanghai, China as part of the 30th anniversary celebrations of the friendship city relationship between Osaka City and Shanghai. Accordingly, the NSSMMC gave its first overseas performance at the Japan Harmony Shanghai event.
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Organization of Labor Unions

Japanese Trade Union Confederation
 Established in 1989
 President: N. Koga
 General Secretary: R. Koza
 51 organizations
 -Membership: 6,750,000
 Phone: 81-3-5295-0550
 (as of April 2014)

Japan Council of Metal Workers' Unions (JCM)
 Established in 1964
 President: K. Nishihara
 5 organizations -Membership: 2,000,000
 (as of September 2012)
 Phone: 81-3-3274-2461

Japan Federation of Basic Industry Workers' Unions
 Established in 2003
 President: R. Koza
 Vice President: K. Sawada
 Vice President: S. Kaneko
 Vice President: M. Yoshioka
 General Secretary: S. Kudo
 390 organizations
 -Membership: 252,892
 Phone: 81-3-3555-0401, 0402, 0403, 0404
 (as of October 2013)

Federation of Nippon Steel & Sumitomo Metal Workers' Unions
 (established in 2012)
 President: T. Omori Deputy President: K. Sato
 Vice President: Y. Todaka
 General Secretary: N. Kohno Deputy General Secretary: K. Aogumo

Assistant General Secretaries The Headquarters Members of the Executive Committee
 R. Yamamoto K. Umehara
 K. Ishimoto Y. Yamauchi
 T. Tamai T. Sato
 H. Ishiyama K. Kodera
 S. Hasegawa
 S. Kato
 Membership: 27,556
 Phone: 81-3-6867-6284
 (as of May 2014)

Hikari Workers' Union (established in 1972)
 President: T. Ueda General Secretary: K. Matsushige
 Membership: 220 Phone: 81-833-71-1817

Kamaishi Workers' Union (established in 1946)
 President: K. Miura General Secretary: K. Miura
 Vice President: T. Matsumoto
 Membership: 225 Phone: 81-193-24-3013

Sakai Workers' Union (established in 1961)
 President: T. Ozaki General Secretary: M. Utsunomiya
 Membership: 319 Phone: 81-72-238-1888

Amagasaki Workers' Union (established in 1945)
 President: M. Ono General Secretary: K. Kitayama
 Membership: 679 Phone: 81-6-6411-2512

Naoetsu Workers' Union (established in 1946)
 President: Y. Honma General Secretary: T. Touma
 Membership: 195 Phone: 81-25-543-4632

Nippon Steel & Sumitomo Metal Technical Research & Development Workers' Union (established in 2013)
 President: M. Kawano Vice President: N. Shibata
 Vice President: K. Noda General Secretary: Y. Ito
 Membership: 717 Phone: 81-6-6489-5749

Nippon Steel & Sumikin Stainless Steel Workers' Union (established in 2005)
 President: T. Ichikura General Secretary: E. Fujita
 Vice President: H. Nakamura
 Membership: 1,064 Phone: 81-833-71-5255

Nippon Steel & Sumitomo Metal Materials Workers' Union (established in 2008)
 President: H. Yasuda General Secretary: R. Segawa
 Membership: 94 Phone: 81-3-6859-6020

Kashima Workers' Union (established in 1969)
 President: Y. Akazawa General Secretary: M. Ishibashi
 Vice President: K. Shinotsuka
 Membership: 2,922 Phone: 81-299-84-2951

Kimitsu Workers' Union (established in 1972)
 President: H. Odani General Secretary: K. Honma
 Membership: 3,239 Phone: 81-439-52-8711

Nagoya Workers' Union (established in 1962)
 President: K. Mochida General Secretary: M. Matsumura
 Membership: 2,793 Phone: 81-52-601-1881

Wakayama Workers' Union (established in 1946)
 President: T. Tougo General Secretary: M. Deguchi
 Vice President: Y. Ikeda
 Membership: 2,114 Phone: 81-73-451-3561

Hirohata Workers' Union (established in 1945)
 President: A. Fukunaga General Secretary: T. Kirino
 Membership: 1,609 Phone: 81-79-236-1491

Yawata Workers' Union (established in 1945)
 President: K. Shinagawa General Secretary: H. Egami
 Vice President: T. Masuda
 Membership: 3,041 Phone: 81-93-671-2861

Oita Workers' Union (established in 1971)
 President: K. Kanda General Secretary: A. Uemura
 Vice President: R. Matsuo
 Membership: 1,793 Phone: 81-97-551-1056

Muroan Workers' Union (established in 1945)
 President: K. Oogara General Secretary: T. Arakawa
 Membership: 1,394 Phone: 81-143-44-5349

Kokura Workers' Union (established in 1945)
 President: S. Fukushima General Secretary: T. Yamamoto
 Vice President: H. Nakama
 Membership: 1,107 Phone: 81-93-561-0976

Tokyo Workers' Union (established in 1945)
 President: H. Kobayashi General Secretary: M. Okubo
 Membership: 98 Phone: 81-3-3968-6964

Osaka Workers' Union (established in 1945)
 President: M. Imamiya General Secretary: K. Sugimoto
 Vice President: K. Morimoto
 Membership: 1,097 Phone: 81-6-6466-6181

Head Office Workers' Union (established in 2013)
 President: S. Shibuya General Secretary: M. Kobayashi
 Vice President: K. Yoshida
 Membership: 928 Phone: 81-3-3217-5880

Nippon Steel & Sumitomo Metal Chemical Workers' Union (established in 1972)
 President: K. Tokutomi General Secretary: N. Yamazaki
 Membership: 1,041 Phone: 81-93-871-7851

Nippon Steel & Sumitomo Metal Engineering Workers' Union (established in 2007)
 President: H. Kouki General Secretary: T. Ienaga
 Membership: 867 Phone: 81-3-6665-4603

Financial Summary

Nippon Steel & Sumitomo Metal Group (consolidated)

Fiscal year	2004	2005	2006
Crude steel (million tons)	32.79	33.95	34.52
Net sales	3,389,356	3,906,301	4,302,145
Operating profit (loss)	429,948	576,319	580,097
Ordinary profit (loss)	371,446	547,400	597,640
Net income (loss)	220,601	343,903	351,182
Net assets	1,188,409	1,677,889	2,369,228
Total assets	3,872,110	4,542,766	5,344,924
Net assets per share	¥176.20	¥252.65	¥295.78
Net income (loss) per share	¥32.73	¥51.07	¥54.28
Net income per share after dilution	¥32.71	¥51.04	¥53.18
Shareholders' equity	1,188,409	1,677,889	1,892,883
Ratio of shareholders' equity to total assets (%)	30.7	36.9	35.4
Ratio of net income (loss) to shareholders' equity (%)	20.7	24.0	19.7
Ratio of cash dividends to net income (%)	15.3	17.6	18.4
Net cash provided by operating activities	539,445	392,996	478,460
Net cash used in investing activities	(174,995)	(226,894)	(374,669)
Net cash provided by (used in) financing activities	(321,402)	(136,110)	19,387
Interest-bearing debt	1,282,266	1,223,837	1,213,057
Interest expenses	19,070	13,647	11,293
Capital expenditure	195,228	203,973	273,440
Depreciation	180,571	183,365	192,454
No. of consolidated subsidiaries	258	251	258
No. of equity-method affiliates	71	69	67
Number of employees	46,451	46,143	47,257

Net sales by business segment

Steelmaking and steel fabrication	2,620,732	3,057,510	3,482,377
Engineering and construction	279,866	336,179	367,968
Urban development	89,275	104,045	94,347
Chemicals	—	—	*3 318,755
New materials	—	—	65,601
(Chemicals and nonferrous materials)	*1 331,168	373,072	—
System solutions	146,531	148,339	156,505
(Other businesses)	76,244	69,057	—
Total	3,543,819	4,088,205	4,485,555
Elimination of intersegment transactions	(154,463)	(181,903)	(183,410)
Consolidated total	3,389,356	3,906,301	4,302,145

Ordinary profit (loss) or Operating profit (loss) by business segment (Note 5)

Steelmaking and steel fabrication	376,926	513,977	514,562
Engineering and construction	6,696	9,517	13,031
Urban development	8,503	14,155	14,301
Chemicals	—	—	*2 23,645
New materials	—	—	3,129
(Chemicals and nonferrous materials)	*2 26,374	*2 27,037	—
System solutions	11,384	11,806	13,992
(Other businesses)	384	(1,185)	—
Total	430,269	575,308	582,662
Elimination of intersegment transactions	(321)	1,010	(2,564)
Consolidated total	429,948	576,319	580,097

Dividends per share

	¥5.0	¥9.0	¥10.0
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Notes: The figures between fiscal 2004 ended March 31, 2005 to the fiscal 2011 ended March 31, 2012 are those of Nippon Steel.

The figures of fiscal 2012 ended March 31, 2013 is the aggregate of the first half period of Nippon Steel and the second half period of Nippon Steel & Sumitomo Metal.

(¥ million)

2007	2008	2009	2010	2011	2012	2013
36.23	31.24	29.92	34.92	32.44	39.50	48.16
4,826,974	4,769,821	3,487,714	4,109,774	4,090,936	4,389,922	5,516,180
545,580	342,930	32,005	165,605	79,364	20,110	298,390
564,119	336,140	11,833	226,335	143,006	76,931	361,097
354,989	155,077	(11,529)	93,199	58,471	(124,567)	242,753
2,413,954	2,174,809	2,335,676	2,380,925	2,347,343	2,938,283	3,237,995
5,193,498	4,870,680	5,002,378	5,000,860	4,924,711	7,089,498	7,082,288
¥303.33	¥265.23	¥293.19	¥295.84	¥290.77	¥263.81	¥294.10
¥56.33	¥24.60	(¥1.83)	¥14.81	¥9.29	(¥16.23)	¥26.67
¥53.51	¥23.71	—	¥14.51	—	—	—
1,908,777	1,668,682	1,844,382	1,860,799	1,828,902	2,394,069	2,683,659
36.8	34.3	36.9	37.2	37.1	33.8	37.9
18.7	8.7	(0.7)	5.0	3.2	(5.9)	9.6
19.5	24.4	—	20.2	26.9	—	18.7
525,777	127,540	437,668	369,500	237,414	313,317	574,767
(438,121)	(306,603)	(412,827)	(325,781)	(226,096)	(327,336)	(196,856)
(200,604)	170,209	(79,985)	(47,244)	(31,785)	33,332	(367,115)
1,192,027	1,454,214	1,383,794	1,337,851	1,334,512	2,543,062	2,296,326
12,639	15,839	17,999	15,609	14,533	19,670	20,781
308,993	305,738	329,356	287,236	281,748	355,873	257,019
244,038	273,744	284,092	291,587	280,940	288,770	331,801
254	251	255	270	286	370	377
72	73	73	74	76	107	109
48,757	50,077	52,205	59,183	60,508	83,187	84,361
3,994,526	4,038,685	2,823,193	3,473,495	3,476,855	3,790,450	4,877,909
359,884	386,643	331,905	254,941	248,934	303,002	314,174
93,839	70,152	80,073	86,556	80,419	—	—
*3 289,029	212,172	179,412	193,896	197,669	195,719	230,130
76,157	59,907	58,799	60,888	54,245	42,211	37,241
—	—	—	—	—	—	—
165,360	161,541	152,234	159,708	161,582	171,980	179,856
—	—	—	—	—	—	—
4,978,797	4,929,103	3,625,619	4,229,485	4,219,706	4,503,364	5,639,312
(151,823)	(159,281)	(137,904)	(119,711)	(128,769)	(113,442)	(123,132)
4,826,974	4,769,821	3,487,714	4,109,774	4,090,936	4,389,922	5,516,180
475,951	307,047	(20,589)	181,968	98,846	41,522	321,287
21,496	24,674	31,655	14,883	12,775	18,189	17,702
12,602	3,929	2,937	9,273	9,371	—	—
*2 21,050	894	10,431	13,244	13,598	9,778	10,057
559	(2,397)	444	2,111	607	984	1,391
—	—	—	—	—	—	—
14,756	11,479	10,732	11,332	11,215	11,673	12,760
—	—	—	—	—	—	—
546,416	345,627	35,613	232,814	146,415	82,148	363,199
(835)	(2,696)	(3,607)	(6,478)	(3,408)	(5,217)	(2,101)
545,580	342,930	32,005	226,335	143,006	76,931	361,097
¥11.0	¥6.0	¥1.5	¥3.0	¥2.5	¥1.0	¥5.0

*1 The effect of a change in sales definition of Nippon Steel Chemical (¥49.9 billion) and the effect of a decline in the number of consolidated subsidiaries (¥30.9 billion) are included.

*2 Losses of ¥2.7 billion incurred as a result of Nippon Steel Chemical becoming the wholly owned subsidiary of Nippon Steel are included.

*3 Nippon Steel Chemical transferred coke operations to Nippon Steel in July 1, 2007. Sales of coke operations are ¥60.1 billion in fiscal 2006 and ¥16.3 billion in fiscal 2007.

Notes:

- 1) Amounts of money are rounded down.
Other figures are rounded to the nearest unit.
- 2) Figures for crude steel include, in addition to the Company's, production of its subsidiaries: of Osaka Steel Co., Ltd., Nippon Steel & Sumikin Stainless Steel Corporation, Shin-Hokkai Steel Co., Ltd., Tokai Special Steel Co., Ltd., Oji Steel Co., Ltd., Nippon Steel & Sumikin Koutetsu Wakayama Corporation, and Nippon Steel & Sumikin Shapes Corporation. Production of Oji Steel Co., Ltd. has been included since the second half of fiscal 2007 ended March 31, 2008. Production of Nippon Steel & Sumikin Koutetsu Wakayama Corporation and Nippon Steel & Sumikin Shapes Corporation is included since the second half of fiscal 2012 ended March 31, 2013.
- 3) Since July 1 of fiscal 2006 ended March 31, 2007, "Chemicals" and "New materials", which were included in the chemicals and nonferrous materials segment, have been independent businesses, and "titanium and aluminum operations", which were part of the chemicals and nonferrous materials sector, have been transferred to "Steelmaking and steel fabrication". "Other businesses" (electric power supply, services, and others) has been transferred to "Steelmaking and steel fabrication".

Sumitomo Metals Group (consolidated)

Fiscal year	2004	2005	2006
Crude steel (million tons) *1	12.87	13.31	13.38
Net sales	1,236,920	1,552,765	1,602,720
Operating profit (loss)	182,878	305,804	303,774
Ordinary profit (loss)	173,245	280,733	327,676
Net income (loss)	110,864	221,252	226,725
Net assets*2	483,237	720,866	924,798
Total assets	1,923,142	2,113,391	2,301,556
Net assets per share	¥100.61	¥150.07	¥189.81
Net income (loss) per share	¥23.05	¥46.03	¥47.89
Net income per share after dilution	—	¥46.02	¥47.87
Shareholders' equity	483,237	720,866	880,807
Ratio of shareholders' equity to total assets (%)	25.1	34.1	38.3
Ratio of net income (loss) to shareholders' equity (%)	25.8	36.7	28.3
Net cash provided by operating activities	277,389	311,943	171,833
Net cash used in investing activities	(12,013)	(63,892)	(108,934)
Net cash provided by (used in) financing activities	(297,336)	(258,367)	(83,456)
Interest-bearing debt*3	885,918	679,778	717,984
Capital expenditure (Property, plant and equipment)	60,374	82,679	135,868
Depreciation (Property, plant and equipment)	79,238	75,255	72,291
No. of consolidated subsidiaries	77	72	70
No. of equity-method affiliates	28	27	31
Number of employees	25,201	25,639	24,982
Dividends per share	¥5.0	¥7.0	¥8.0

- 4) Minority interest in consolidated subsidiaries and deferred hedge income (loss) are included in shareholders' equity from fiscal 2006 ended March 31, 2007.
- 5) Beginning with fiscal 2010 ended March 31, 2011, "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17) and the "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20) have been applied. As a result of this, ordinary profit (loss) is presented from fiscal 2010 ended March 31, 2011 and operating profit (loss) is presented up to fiscal 2009 ended March 31, 2010.
- 6) Following the business integration of Nippon Steel City Produce, Inc. and Kowa Real Estate Co., Ltd. on October 1, 2012, the results for the Urban development segment have been excluded from the reporting segments and are presented within the Elimination of intersegment transactions amount.

(¥ million, unless specified)

2007	2008	2009	2010	2011	2012
13.62	12.87	11.65	12.90	12.72	6.44
1,744,572	1,844,422	1,285,845	1,402,454	1,473,367	693,601
274,396	226,052	(928)	56,301	76,801	15,759
298,218	225,736	(36,634)	34,049	60,803	10,815
180,547	97,327	(49,772)	(7,144)	(53,799)	(133,849)
949,303	904,371	879,209	818,080	761,484	552,741
2,418,310	2,452,535	2,403,670	2,440,761	2,386,158	2,218,959
¥194.43	¥184.92	¥178.87	¥165.41	¥153.02	¥119.53
¥39.43	¥20.98	(¥10.74)	(¥1.54)	(¥11.61)	(¥29.35)
—	—	—	—	—	—
901,946	857,697	829,219	766,777	709,315	500,102
37.3	35.0	34.5	31.4	29.7	22.5
20.3	11.1	(5.9)	(0.9)	(7.3)	(22.1)
230,043	190,582	67,002	202,340	88,065	—
(274,316)	(214,977)	(172,933)	(144,009)	(120,110)	—
48,751	52,623	87,843	(1,325)	(32,714)	—
883,888	990,010	1,138,353	1,173,382	1,172,120	1,263,938
178,887	159,118	136,643	109,934	115,797	65,605
102,565	109,854	120,853	126,267	122,937	49,279
71	73	72	68	72	71
33	35	36	37	38	37
24,926	24,245	23,674	22,597	23,007	—
¥10.0	¥10.0	¥5.0	¥3.5	¥2.0	—

Notes: Amounts of money disregard fractions.

Other figures are rounded to the nearest unit.

- *1 Figures for crude steel include, in addition to Sumitomo Metals, production of its subsidiaries: Sumitomo Metals (Kokura), Ltd., Sumitomo Metals (Naoetsu), Ltd. and Sumikin Iron & Steel Corporation.
- *2 Net assets include minority interests and deferred gains (losses) on hedges from fiscal 2006.
- *3 Figures for "Interest-bearing debt" up to fiscal 2011 ended March 31, 2012 are amounts of debt.
- *4 Figures for fiscal 2012 are the first-half results of Sumitomo Metals.

Capital Procurement from Capital Markets

Bonds and notes	Date of issue	Total amount (¥ million)	Annual interest rate	Due date
29th straight bond	Mar. 17, 1997	10,000	3.30%	Mar. 17, 2017
30th straight bond	Sep. 11, 1997	10,000	3.175%	Sep. 11, 2017
Japanese Yen straight bond due 2019	Feb. 15, 1999	700	3.00%	Feb. 15, 2019
Subordinated bonds *	Nov. 9, 2006	300,000	6 month LIBOR + 1.7%	-
53rd straight bond	Nov. 30, 2007	30,000	1.77%	Sep. 20, 2017
55th straight bond (issued by Nippon Steel)	Jan. 25, 2008	30,000	1.66%	Dec. 20, 2017
55th straight bond (issued by Sumitomo Metals)	Jan. 28, 2008	20,000	1.37%	Jan. 28, 2015
57th straight bond (issued by Sumitomo Metals)	Apr. 25, 2008	10,000	1.35%	Apr. 24, 2015
57th straight bond (issued by Nippon Steel)	May 23, 2008	30,000	1.92%	Mar. 20, 2018
58th straight bond	Sep. 2, 2008	30,000	1.714%	Jun. 20, 2018
59th straight bond (issued by Nippon Steel)	Sep. 2, 2008	10,000	2.491%	Jun. 20, 2028
61st straight bond (issued by Nippon Steel)	Dec. 2, 2008	15,000	1.891%	Sep. 20, 2018
59th straight bond (issued by Sumitomo Metals)	Apr. 27, 2009	25,000	1.557%	Apr. 25, 2014
62nd straight bond (issued by Nippon Steel)	Jun. 9, 2009	20,000	1.163%	Jun. 20, 2014
63rd straight bond (issued by Nippon Steel)	Jun. 9, 2009	20,000	1.942%	Jun. 20, 2019
60th straight bond	Jul. 24, 2009	10,000	1.118%	Jul. 24, 2015
64th straight bond (issued by Nippon Steel)	Apr. 20, 2010	20,000	1.53%	Mar. 19, 2020
61st straight bond (issued by Sumitomo Metals)	Apr. 23, 2010	10,000	0.815%	Apr. 22, 2016
62nd straight bond (issued by Sumitomo Metals)	Jul. 23, 2010	10,000	0.73%	Jul. 21, 2017
65th straight bond (issued by Nippon Steel)	Aug. 31, 2010	15,000	1.076%	Jun. 19, 2020
63rd straight bond (issued by Sumitomo Metals)	Nov. 30, 2010	10,000	0.543%	Nov. 30, 2015
66th straight bond (issued by Nippon Steel)	May 24, 2011	10,000	0.58%	Mar. 18, 2016
67th straight bond (issued by Nippon Steel)	May 24, 2011	30,000	1.293%	Mar. 19, 2021
64th straight bond (issued by Sumitomo Metals)	May 31, 2011	10,000	0.583%	May 31, 2016
65th straight bond (issued by Sumitomo Metals)	May 31, 2011	10,000	0.846%	May 31, 2018
66th straight bond (issued by Sumitomo Metals)	Jul. 25, 2011	10,000	0.491%	Jul. 25, 2016

Bonds and notes	Date of issue	Total amount (¥ million)	Annual interest rate	Due date
68th straight bond (issued by Nippon Steel)	Oct. 20, 2011	15,000	1.109%	Sep. 17, 2021
67th straight bond (issued by Sumitomo Metals)	Oct. 20, 2011	10,000	0.48%	Oct. 20, 2016
68th straight bond (issued by Sumitomo Metals)	Oct. 20, 2011	10,000	0.7%	Oct. 19, 2018
69th straight bond (issued by Sumitomo Metals)	Apr. 20, 2012	10,000	0.448%	Apr. 20, 2017
70th straight bond (issued by Sumitomo Metals)	Apr. 20, 2012	10,000	0.697%	Apr. 19, 2019
69th straight bond (issued by Nippon Steel)	Jul. 20, 2012	10,000	0.556%	Jun. 20, 2019
70th straight bond (issued by Nippon Steel)	Jul. 20, 2012	20,000	0.951%	Jun. 20, 2022
Total		790,700		

Note:

- * Subordinated bonds are perpetual bonds that have the same contents as the mandatorily acquirable interest-bearing deeply subordinated convertible bonds (Due date: January 20, 2012, Annual interest rate: 2.228%) .

Equipment Investment by the Japanese Steel Industry and Nippon Steel & Sumitomo Metal (Nippon Steel)

(¥billion)

Fiscal year	Japanese steel industry		Nippon Steel & Sumitomo Metal (Nippon Steel)				Sumitomo Metals	
	Investments	(Cumulative total)	Consolidated		Non-consolidated		Consolidated	
			Investments	Depreciation	Investments	Depreciation	Investments	Depreciation
1971	774.9				250.0	113.3		
1972	651.6				173.0	130.1		
1973	592.8				96.0	136.1		
1974	892.2				197.0	139.6		
1975	1,147.4	(4,910.9)			325.0	151.4		
1976	1,264.6				280.0	174.4		
1977	684.1				200.0	178.3		
1978	580.5				160.0	178.9		
1979	618.3				170.0	201.6		
1980	606.8	(8,665.2)			165.0	201.5		
1981	792.2				220.0	194.9		
1982	1,031.9				300.0	197.0		
1983	879.1				210.0	190.1		
1984	651.8				170.0	185.1		
1985	639.5	(12,659.7)			175.0	181.1		
1986	641.1				165.0	179.3		
1987	490.9				105.0	184.9		
1988	526.2				125.0	178.3		
1989	756.9				150.0	166.9		
1990	967.9	(16,042.7)			170.0	166.7		
1991	1,146.6				200.0	172.3		
1992	1,101.5				200.0	166.6		
1993	811.7		(Consolidated figures available from FY1995)		170.0	146.8		
1994	703.4				130.0	141.7		
1995	735.5	(20,541.4)	234.9	238.0	120.0	154.3		
1996	561.5		241.4	232.5	100.0	149.3		
1997	526.3		232.5	241.0	100.0	148.1	128.9	119.4
1998	552.9		234.8	221.4	135.0	139.4	137.3	119.7
1999	464.4		227.0	214.2	180.0	153.3	106.6	146.8
2000	362.0	(23,008.5)	157.3	207.0	135.0	150.9	77.0	132.2
2001	382.3		195.8	197.3	175.0	144.4	74.6	121.1
2002	305.6		163.3	196.7	85.0	148.1	50.9	91.7
2003	373.4		149.6	183.5	120.0	134.3	67.1	78.3
2004	397.8		195.2	180.6	140.0	129.9	60.3	79.2
2005	543.2	(25,010.8)	204.0	183.4	165.0	130.6	82.6	75.2
2006	663.6		273.4	192.5	200.0	134.2	135.8	72.2
2007	773.5		309.0	244.0	230.0	174.9	178.8	102.5
2008	709.6		305.7	273.7	220.0	197.2	159.1	109.8
2009	763.6		329.4	284.1	270.0	214.3	136.6	120.8
2010	569.5		287.2	291.6	210.0	220.9	109.9	126.2
2011	449.2		281.7	280.9	180.0	212.3	115.7	122.9
2012	517.9	(Estimate)	355.8	288.7	260.0	214.7	65.6	49.2
2013	499.2	(Plan)	257.0	331.8	161.9	246.8		

Notes:

1) The number of subjected companies for the industry differs by year: 40 for fiscal 2011, 2012 and 2013.

2) Investments are construction-based.

3) Amounts for fiscal 2006 Include ferrous metal machine parts and tools.

4) Amounts for Sumitomo Metals are only for property, plant and equipment.

5) Figures of NSSMC for fiscal 2012 consists of those of the first half of NSC and the second half of NSSMC.

Figures of Sumitomo Metals for fiscal 2012 consists of the first half of Sumitomo Metals.

Source: Japanese steel industry—Survey on corporate finance, Ministry of Economy, Trade and Industry

Major New Installations at Nippon Steel and Sumitomo Metal: Major Equipment Investment Completed (last 5 years)

Steelworks	Investment work	Completion	Capacity
Oita	Relining of No. 1 blast furnace	May 2009	5,775 m ³
Wakayama	Replacing upstream facilities, 1st phase	Jul. 2009	No.1 BF 3,700 m ³
Yawata	Installation of bar finishing mill	Aug. 2009	
Oita	Expansion of plate mill	Sep. 2009	+ approx. 50,000 tons/m
Osaka	Production capacity expansion for large crankshafts	Jan. 2010	
Kimitsu	Expansion of secondary refining	Apr. 2010	+ approx. 160,000 tons/m
Yawata	Innovation in steelmaking processes	Oct. 2010	
Kashima	Production capacity expansion for ultra high strength line pipes	Jan. 2011	
Kimitsu	Relining of No. 2 blast furnace	May 2012	4,500 m ³
Amagasaki (R&D Center)	Renewal of Corporate Research & Development Laboratories	May 2012	
Nagoya	No.5 Coke oven (No.3 Coke oven: ceased operation *)	Mar. 2013	approx. 1,000,000 tons/y
Yawata	Relining of No.4 blast furnace	Apr. 2014	5,000 m ³

* Aug. 2013

Major Equipment Investment in Progress or Planned

Steelworks	Investment work	Completion	Capacity
Wakayama	Replacing upstream facilities 2nd step (Construction of new No.2 blast furnace, etc.)	Postponement of operation	No. 2 BF 3,700 m ³
Kimitsu	Relining of No.4 coke oven	Dec. 2016*	approx. 900,000 tons/y

* Scheduled to be completed.

Steelmaking Operations

Production

History of Crude Steel Production by the Japanese Steel Industry and Nippon Steel & Sumitomo Metal (Nippon Steel)

(1,000 tons, %)

Fiscal year	Japan total	Nippon Steel & Sumitomo Metal (Nippon Steel*)		Sumitomo Metals**	
			% of total		% of total
1971	<u>88,441</u>	29,971	33.9	10,687	12.1
1972	102,972	35,369	34.3	12,002	11.7
1973	120,017	<u>40,989</u>	34.1	<u>14,693</u>	12.2
1974	114,035	36,899	32.4	14,535	12.7
1975	101,613	32,293	31.8	13,072	12.9
1976	108,326	34,394	31.8	13,336	12.3
1977	100,646	31,655	31.5	12,171	12.1
1978	105,059	31,994	30.5	12,322	11.7
1979	113,010	33,582	29.7	12,936	11.4
1980	107,386	31,682	29.5	12,216	11.4
1981	103,029	29,970	29.1	11,533	11.2
1982	96,299	27,051	28.1	10,339	10.7
1983	100,200	27,727	27.7	10,715	10.7
1984	106,470	29,596	27.8	11,361	10.7
1985	103,758	27,981	27.0	10,775	10.4
1986	96,379	25,567	26.5	9,869	10.3
1987	101,877	27,157	26.7	10,526	10.3
1988	105,656	28,217	26.7	10,920	10.3
1989	108,139	28,362	26.2	11,001	10.2
1990	111,710	28,993	26.0	11,245	10.1
1991	105,853	27,687	26.2	10,664	10.1
1992	98,937	25,320	25.6	10,008	10.1
1993	97,092	25,123	25.9	9,988	10.3
1994	101,363	26,565	26.2	10,505	10.4
1995	100,023	26,173	26.2	9,996	10.0
1996	100,793	25,706	25.5	10,021	9.9
1997	102,800	26,619	25.9	10,246	10.0
1998	90,979	<u>23,201</u>	25.5	<u>8,987</u>	9.9
1999	97,999	25,620	26.1	9,647	9.8
2000	106,901	27,838	26.0	11,661	10.9
2001	102,064	26,140	25.6	11,035	10.8
2002	109,786	29,902	27.2	12,184	11.1
2003	110,998	30,147	27.2	12,776	11.5
2004	112,897	29,879	26.5	12,867	11.4
2005	112,718	31,200	27.7	13,305	11.8
2006	117,745	31,596	26.8	13,377	11.4
2007	<u>121,511</u>	33,112	27.3	13,619	11.2
2008	105,500	28,611	27.1	12,872	12.2
2009	96,448	27,503	28.5	11,650	12.1
2010	110,792	32,465	29.3	12,901	11.6
2011	106,462	30,200	28.4	12,718	11.9
2012	107,304	43,547	40.6		
2013	111,503	45,665	41.0		

Source: The Japan Iron and Steel Federation

Notes: Underlined figures indicate the highest and the lowest during the period 1971 to 2011.

* Excluding production by NSSC

** Including production by Sumitomo Metals (Kokura), Sumitomo Metals (Naoetsu) and Sumikin Iron & Steel Co.

Iron and Steel Statistics

Japan's Consumption of Ordinary Steel Products by Market

(1,000 tons, %)

Market	Fiscal year	2008	2009	2010	2011		2012		2013	
						(% of total)		(% of total)		(% of total)
Construction		25,248	18,678	18,558	19,184	38.8	20,825	42.5	22,535	43.9
Building construction		18,363	12,638	12,988	13,636	27.6	14,743	30.1	15,831	30.8
Civil engineering		6,885	6,040	5,570	5,548	11.2	6,082	12.4	6,704	13.1
Shipbuilding		6,238	5,932	6,001	5,557	11.2	4,357	8.9	4,150	8.1
Automobiles		11,580	10,204	10,567	11,307	22.9	11,143	22.8	11,537	22.5
Industrial machinery		5,393	3,283	4,545	5,064	10.2	4,698	9.6	5,030	9.8
Electrical machinery		3,537	3,019	3,267	3,178	6.4	3,018	6.2	3,154	6.1
Secondary processing		2,885	2,416	2,588	2,448	5.0	2,354	4.8	2,401	4.7
Others		2,760	2,547	2,637	2,676	5.4	2,568	5.2	2,514	4.9
Total		57,641	46,079	48,163	49,414	100.0	48,963	100.0	51,321	100.0

Note: Figures for fiscal 2013 are estimates by NSSMC.

Source: The Japan Iron and Steel Federation

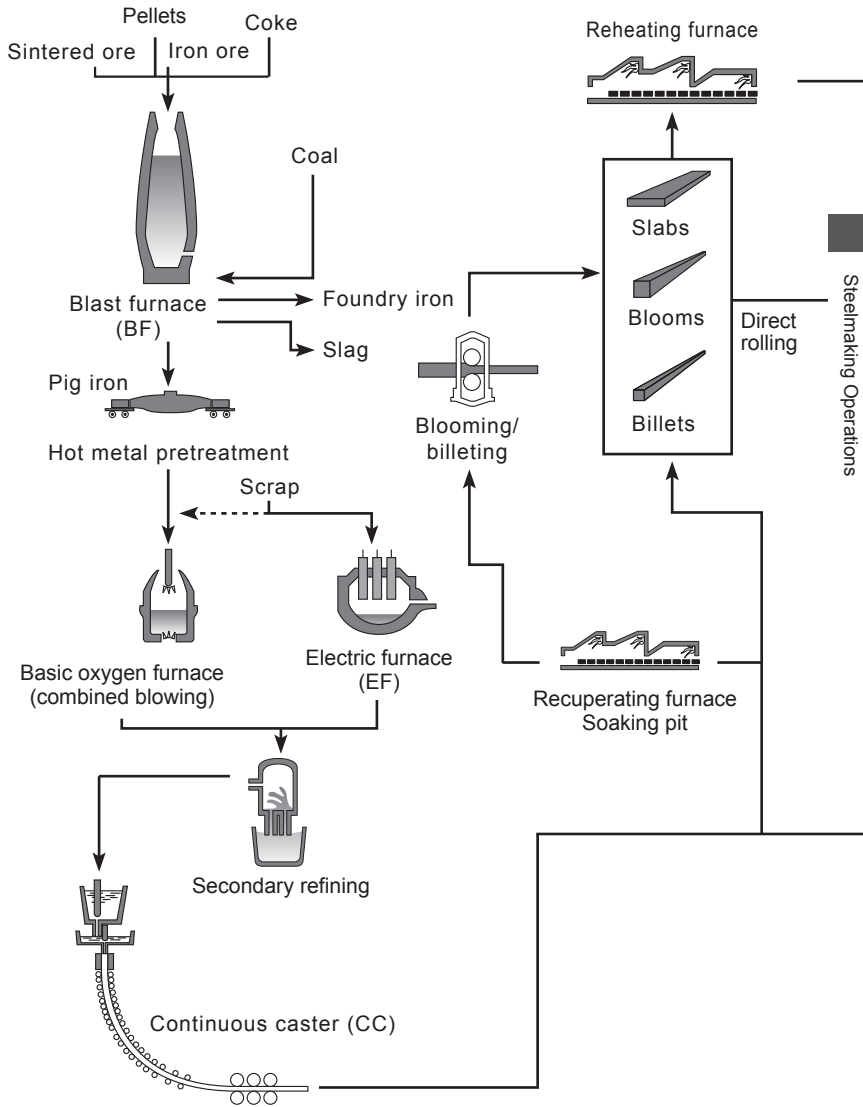
Japan's Order Receipts for Ordinary and Specialty Steel Products by Type of Product

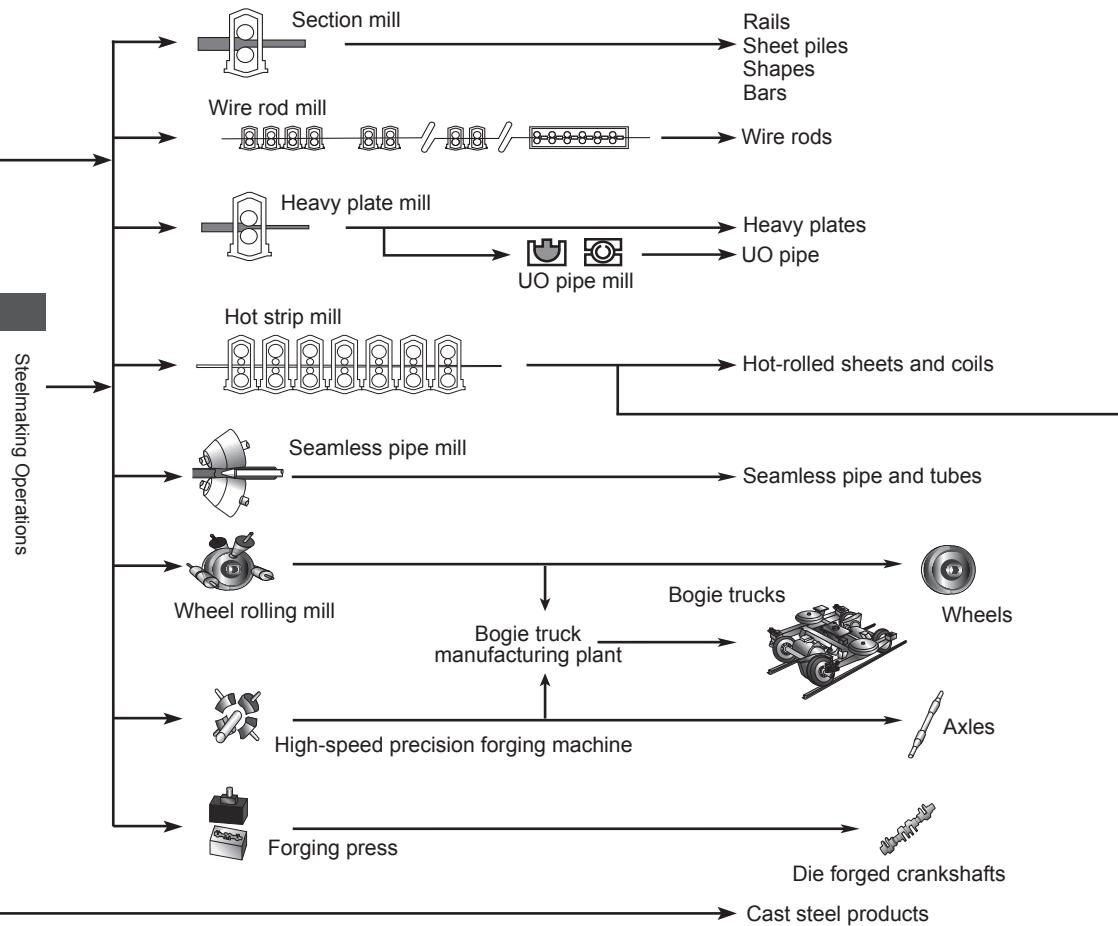
(1,000 tons)

Type of product	Fiscal year							
	1990	1995	2000	2009	2010	2011	2012	2013
Ordinary steel products	70,748	58,004	56,535	40,697	44,259	43,730	43,648	46,106
Rails	281	268	216	195	218	195	204	186
Sheet piles	1,020	852	734	443	354	494	597	674
H beams	7,240	4,990	4,720	2,523	2,666	2,735	3,010	3,562
Shapes	4,412	3,497	3,136	1,856	1,906	1,909	1,902	1,926
Bars	14,584	11,542	11,070	7,446	7,511	7,958	8,294	8,249
Wire rods	3,222	2,844	3,013	1,535	1,643	1,557	1,486	1,665
Plates	8,045	6,831	7,250	7,794	8,983	8,485	7,563	7,914
Hot-rolled sheets and coils	7,093	7,011	6,844	4,862	5,794	5,697	5,736	6,146
Cold-rolled sheets and coils	5,655	4,315	3,996	2,913	3,231	3,087	2,913	3,066
Electrical sheets	918	695	617	444	514	524	490	544
Tinplate	1,950	1,749	1,441	989	982	899	865	836
Galvanized sheets	1,705	1,362	1,052	347	389	366	427	404
Other coated sheets	8,971	7,064	8,169	6,881	7,359	7,226	7,412	8,026
Pipe and tubes	5,652	4,984	4,277	2,469	2,710	2,599	2,747	2,908
Specialty steel products	11,074	9,840	9,949	9,901	12,308	12,169	11,186	11,908
Structural steel	5,556	4,659	4,733	4,887	6,558	6,576	5,951	6,249
Stainless steel	1,433	1,582	1,548	1,350	1,527	1,419	1,419	1,534
Free-cutting steel	1,017	789	760	490	576	525	508	506
High-strength steel	1,049	871	1,063	1,603	1,714	1,702	1,694	1,891
Others	2,019	1,939	1,845	1,571	1,932	1,948	1,614	1,728
Total	81,822	67,844	66,484	50,598	56,566	55,899	54,834	58,015

Source: The Japan Iron and Steel Federation

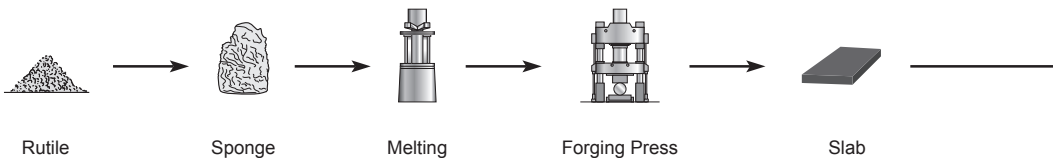
Steel Manufacturing Process

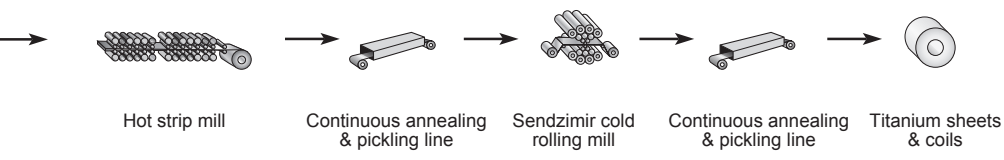
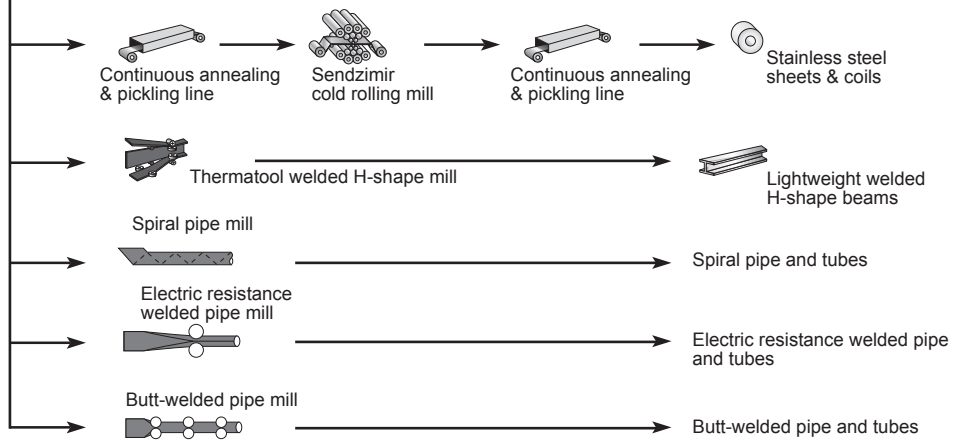
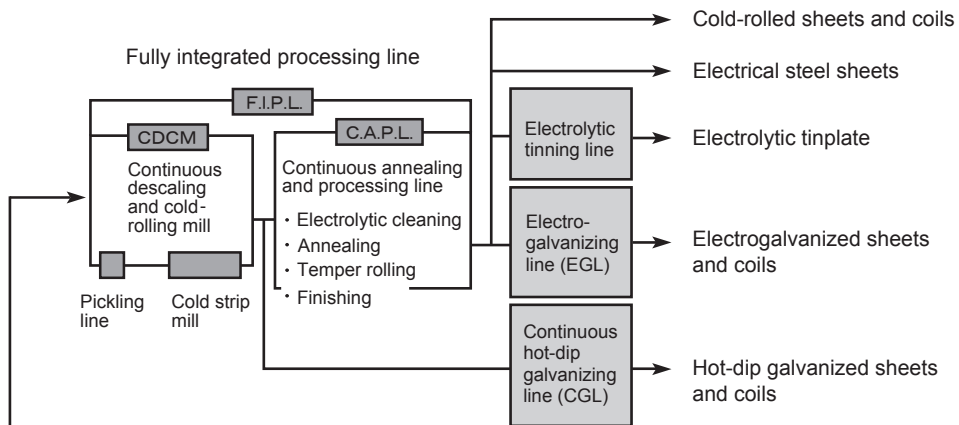




Titanium Manufacturing Process

(including processes handled by other companies)





Outline of the Manufacturing Base

Works	Kashima Works	Kimitsu Works		Nagoya Works
		[Kimitsu Area]	[Tokyo Area]	
Founding	1968	1965	1935	1958
General Superintendent	K.Takahashi	A. Inoue		Y. Sakamoto
Employees ^{*1}	2,711	3,504	107	2,982
Site (1,000m ²) ^{*2}	8,886	12,167	116	6,433
Crude steel production (1,000 tons) ^{*3}	7,365	10,009	—	6,741
Major production equipment				
Blast furnaces (Inner volume, m ³) <Relining operation>	No.1 BF (5,370m ³) <Sep. 2004> No.3 BF (5,370m ³) <May 2007> 2 BF's	No.2 BF (4,500m ³) <May 2012> No.3 BF (4,822m ³) <May 2001> No.4 BF (5,555m ³) <May 2003> 3 BF's		No.1 BF (5,443m ³) <Apr. 2007> No.3 BF (4,300m ³) <Apr. 2000> 2 BF's
Basic-oxygen furnaces	No.1 steelmaking plant: 250 t/ch × 3 (Dephosphorization × 1) (Decarburization × 2) No.2 steelmaking plant: 250 t/ch × 2 (Decarburization)	No.1 steelmaking plant: 220 t/ch × 3 No.2 steelmaking plant: 300 t/ch × 3		No.1 steelmaking plant: 160 t/ch × 3 No.2 steelmaking plant: 270 t/ch × 3
Electric furnaces				
Continuous casters	No.1 steelmaking plant: 2 casters No.2 Steelmaking plant: 2 casters	No.1 steelmaking plant: 3 casters No.2 steelmaking plant: 3 casters		2 casters
Slabbing mills	Slabbing mill × 1	Blooming mill × 1		Slabbing mill × 1
Section mills	Shape mill × 1	Shape mill × 1		
Bar and wire rod mills				
Pipe and tube mills	Small Welded Pipe mill × 1 UO mill × 1	Spiral mill × 2 ERW mill × 1 UO mill × 1	Seamless mill × 1	Medium-diameter ERW mill × 1
Plate and sheet mills	Plate mill × 1 Hot-rolling mill × 1 Cold-rolling mill × 2	Plate mill × 1 Hot-rolling mill × 1 Cold-rolling mill × 2		Plate mill × 1 Hot-rolling mill × 1 Cold-rolling mill × 2
Coating lines	Hot-dip galvanizing line × 3 Electrogalvanizing line × 1	Hot-dip galvanizing line × 4 Electrogalvanizing line × 1 Coil-coating line × 1		Tinning line × 1 Tin-free steel line × 1 Hot-dip galvanizing line × 3 Electrogalvanizing line × 1 Film-laminating line × 2
Wheel/Outer wheel mills				
Forging mills				
Welded H-shape mills				
	Thermatool welded H-shape mill × 1			

*1: Excluding those seconded to subsidiaries and other organizations (as of March 31, 2014)

*2: Including the site used for employee welfare facilities *3: For fiscal 2013 ended March 31, 2014

(As of July 1, 2014)

Wakayama Works		Hirohata Works	Yawata Works	
[Wakayama·Kainan Area]	[Sakai Area]		[Tobata·Yawata Area]	[Kokura Area]
1942	1961	1939	1901	1918
K. Nakashima		M. Iwasaki	S. Tanimoto	
1,132 ^{*4}	328	1,239	2,739	1,066
5,359	1,232	6,294	14,835	1,269
(*5)	4,635	710	3,201	1,240
No.1 BF (3,700m ³) <Jul. 2009> No.5 BF (2,700m ³) <Feb. 1988> 2 BFs (*5)		(Cold ferrous materials melting furnace)	Tobata No.4 BF (5,000m ³) <Apr. 2014> 1BF	No.2 BF (2,150m ³) <Apr. 2002> 1BF
Steelmaking plant: 260 t/ch × 3 (Dephosphorization × 1) (Decarburization × 2) (*5)		Melting furnace: 200 t/ch × 1 Decarburization furnace: 100 t/ch × 1 Melting/decarburization furnace: 120 t/ch × 1	No.1 steelmaking plant: 170 t/ch × 2 No.3 steelmaking plant: 350 t/ch × 2	Steelmaking plant: 70 t/ch × 4 (Dephosphorization × 1) (Decarburization × 3)
80 t/ch × 1 (stainless)(*5)				
Steelmaking plant: 5 casters Stainless plant: 1 caster (*5)		1 caster	No.3 steelmaking plant: 4 casters	2 casters
Blooming mill × 1 (*5)				Blooming mill × 1
	Shape mill × 1		Shape mill × 1	
				Wire rod mill × 1 Barmill × 1
Medium-diameter seamless mill × 1 Small-diameter seamless mill × 2 Cold-rolling mill × 1			Spiral mill × 1	
		Hot-rolling mill × 1 Cold-rolling mill × 2 Electrical sheet mill × 2	Hot-rolling mill × 1 Cold-rolling mill × 3 Electrical sheet mill × 2	
		Tinning line × 2 Hot-dip galvanizing line × 2 Electrogalvanizing line × 1	Tinning line × 2 Tin-free steel line × 1 Hot-dip galvanizing line × 2 Terne-coating line × 1	

*4: Nippon Steel & Sumikin Koutetsu Wakayama Corporation is not included.

*5: Nippon Steel & Sumikin Koutetsu Wakayama Corporation

Works	Oita Works		Muroran Works
	[Oita Area]	[Hikari Area]	
Founding	1971	1955	1909
General Superintendent	S. Shibao		Y. Ando
Employees ^{*1}	1,960		593
Site (1,000m ²) ^{*2}	7,098	821	8,065
Crude steel production (1,000 tons) ^{*3}	10,254	—	1,468
Major production equipment			
Blast furnaces (Inner volume, m ³) <Relining operation>	No.1 BF (5,775m ³) <Aug. 2009> No.2 BF (5,775m ³) <May 2004> 2 BF's		No.2 BF (2,902m ³) <Nov. 2001> Taken over by Hokkai Iron & Coke Co., Ltd. in Apr. 1994 1 BF
Basic-oxygen furnaces	Steelmaking plant: 410 t/ch × 3		No.1 steelmaking plant: 270 t/ch × 2
Electric furnaces			100 t/ch × 1
Continuous casters	3 casters		1 caster
Slabbing mills			
Section mills		Hot extrusion mill × 1 (shapes and pipe/tubes)	
Bar and wire rod mills			Wire rod mill × 1 Barmill × 1
Pipe and tube mills		Medium-diameter ERW mill × 1 Small-diameter ERW mill × 1	
Plate and sheet mills	Plate mill × 1 Hot-rolling mill × 1	Cold-rolling mill × 1	
Coating lines			
Wheel/Outer wheel mills			
Forging mills			
Welded H-shape mills			

*1: Excluding those seconded to subsidiaries and other organizations (as of March 31, 2014)

*2: Including the site used for employee welfare facilities *3: For the year ended March 31, 2014

(As of July 1, 2014)

	Kamaishi Works	Amagasaki Works	Osaka Works	Naoetsu Works
	1886	1919	1901	1934
	T. Taenaka	Y. Yamadera	M. Nakata	T. Tanioku
	231	638	1,058	184
	3,433	519	527	306
	—	—	43	—
			40 t/ch × 1	
				Shape mill × 1
	Wire rod mill × 1			
		Seamless mill × 2		
				Plate mill × 1 Cold-rolling mill × 4
			Wheel mill × 1 Outer wheel mill × 1	
		Super forging press × 1	Die forging press × 4 Axle forging machine × 1 Free forging press × 2	

Domestic Distribution Route of Iron and Steel Products

Sales Method

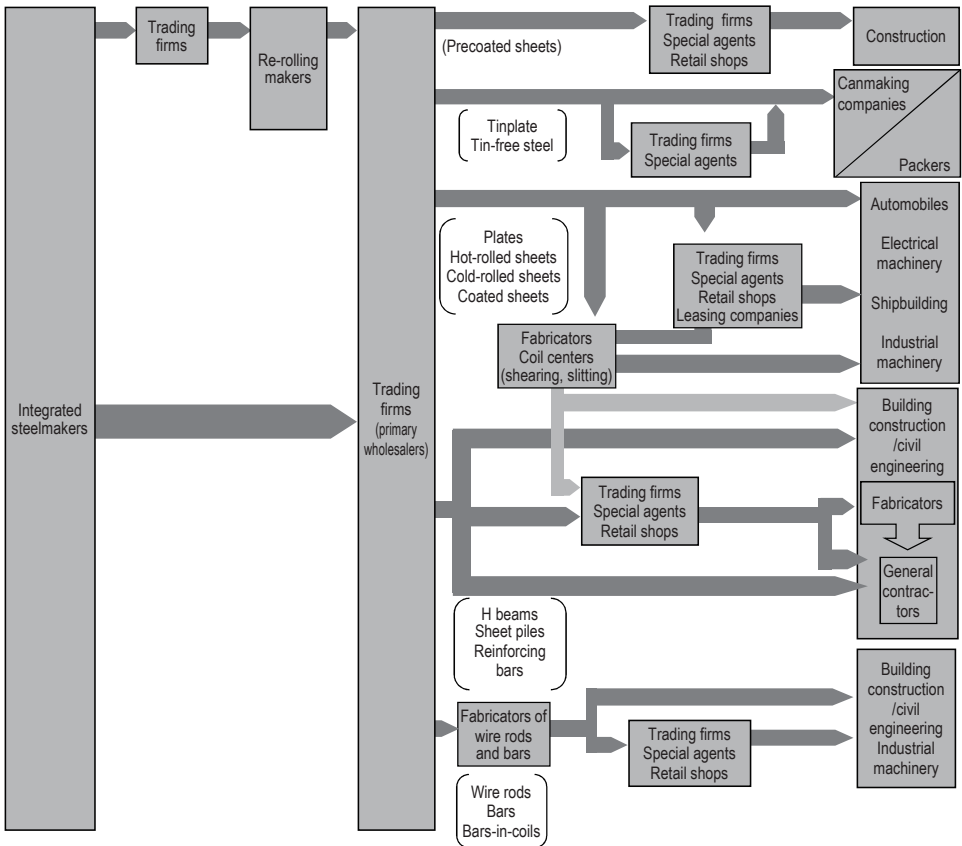
- Tied sale

Customers's order contents (price, volume, specifications, etc.) are informed to steelmakers, and those steel products conforming to the order content are produced for the specified customers. Contracts are made between steelmakers and trading firms and between trading firms and customers in this sales form.

- Retail sale

Steelmakers sell steel products to retailers and trading firms without end users being specified, and the retailers and trading firms stockpile the steel products which are purchased at their responsibility and risk and then sell the products with their own sales efforts, taking into account the market and other conditions.

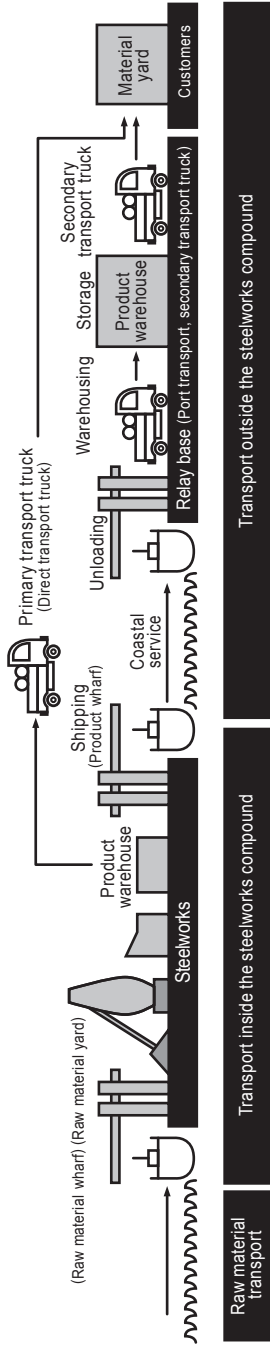
Distribution Route



Steelmaking Operations

Transport Mode of Steel Products for Domestic Customers

Sixty percent of domestic transport of steel products is by coastal shipping and forty percent by truck.



Raw Materials and Fuel

Imports of Iron Ore and Coking Coal by Major Supply Source: Japanese Steel Industry and Nippon Steel & Sumitomo Metal Corporation

(Upper rows: tonnage in million tons; % of the total in parentheses)

Fiscal year	2007	2008	2009	2010	2011	2012	2013
■ Iron ore							
Australia	84.58 (60.1)	74.26 (57.8)	70.17 (60.9)	80.70 (60.4)	79.76 (62.2)	81.83 (62.0)	83.58 (61.2)
Brazil	31.73 (22.5)	35.15 (27.4)	31.76 (27.6)	38.86 (29.1)	37.05 (28.9)	37.28 (28.2)	37.11 (27.2)
India	7.68 (5.5)	5.77 (4.5)	5.87 (5.1)	4.77 (3.6)	2.73 (2.1)	2.43 (1.8)	1.87 (1.4)
Others	16.75 (11.9)	13.31 (10.4)	7.40 (6.4)	9.32 (7.0)	8.70 (6.8)	10.43 (7.9)	13.99 (10.2)
Total	140.74 (100.0)	128.50 (100.0)	115.20 (100.0)	133.65 (100.0)	128.24 (100.0)	131.97 (100.0)	136.56 (100.0)
Total imports for Nippon Steel & Sumitomo Metal	—	—	—	—	—	65.74 (49.8)	68.32 (50.0)
Total imports for Nippon Steel	50.61 (36.0)	45.15 (35.1)	39.04 (33.9)	49.71 (37.2)	50.45 (39.3)	—	—
Total imports for Sumitomo Metals	19.47 (13.8)	19.01 (14.8)	17.26 (15.0)	18.11 (13.6)	18.00 (14.0)	—	—
■ Coking coal							
Australia	47.32 (55.9)	43.44 (55.4)	40.26 (58.3)	42.61 (57.3)	37.35 (54.9)	36.80 (51.3)	37.23 (52.0)
U.S.A.	0.00 (0.0)	1.58 (2.0)	1.04 (1.5)	3.43 (4.6)	5.80 (8.5)	5.11 (7.1)	4.39 (6.1)
Canada	10.64 (12.6)	8.12 (10.4)	7.23 (10.5)	8.27 (11.1)	6.74 (9.9)	7.37 (10.3)	7.47 (10.4)
China	3.41 (4.0)	2.29 (2.9)	0.76 (1.1)	0.89 (1.2)	0.65 (1.0)	0.58 (0.8)	0.55 (0.8)
Others	23.33 (27.5)	22.95 (29.3)	19.75 (28.6)	19.22 (25.8)	17.47 (25.7)	21.91 (30.5)	21.94 (30.6)
Total	84.70 (100.0)	78.38 (100.0)	69.04 (100.0)	74.42 (100.0)	68.01 (100.0)	71.77 (100.0)	71.58 (100.0)
Total imports for Nippon Steel & Sumitomo Metal	—	—	—	—	—	31.78 (44.3)	30.60 (42.7)
Total imports for Nippon Steel	22.96 (27.1)	21.95 (28.0)	20.34 (29.5)	22.56 (30.3)	20.85 (30.7)	—	—
Total imports for Sumitomo Metals	10.43 (12.3)	10.42 (13.3)	8.98 (13.0)	9.97 (13.4)	9.67 (14.2)	—	—

Note: Import volumes of iron ore and coking coal for NSSMC in fiscal 2012 include those of Sumitomo Metals in the first half of the year. Source: Customs Clearance Statistics, Ministry of Finance; Statistics of NSSMC, Nippon Steel, and Sumitomo Metals

Import Prices of Iron Ore and Coking Coal: Japanese Steel Industry

(Upper rows: US\$/ton CIF; lower rows: ¥/ton CIF)

Fiscal year	2007	2008	2009	2010	2011	2012	2013
■ Iron ore							
Average	66.53 7,633	100.11 10,137	75.83 7,058	128.87 11,316	172.76 13,658	138.67 13,042	126.48 13,017
Australian ore	57.04 6,560	90.74 9,213	67.99 6,329	119.00 10,450	160.73 12,707	127.91 12,030	120.71 12,424
Brazilian ore	78.40 8,970	114.12 11,500	87.68 8,162	146.26 12,843	193.98 15,336	157.04 14,770	133.95 13,786

■ Coking coal							
Average	92.98 10,718	222.50 22,545	145.28 13,522	209.88 18,429	236.31 18,682	152.19 14,314	131.09 13,492
Australian coal	95.68 11,011	248.94 25,211	157.78 14,686	183.69 16,130	256.09 20,247	159.60 15,010	137.00 14,100
U.S. coal	587.24 67,216	313.48 32,205	202.06 18,808	223.95 19,665	278.51 22,019	199.35 18,748	164.11 16,891
Canadian coal	112.64 13,024	272.82 27,697	184.68 17,190	194.13 17,047	290.03 22,930	194.29 18,273	162.87 16,763
Chinese coal	106.07 12,264	256.89 26,167	117.57 10,944	160.93 14,131	228.60 18,073	165.35 15,551	129.31 13,309

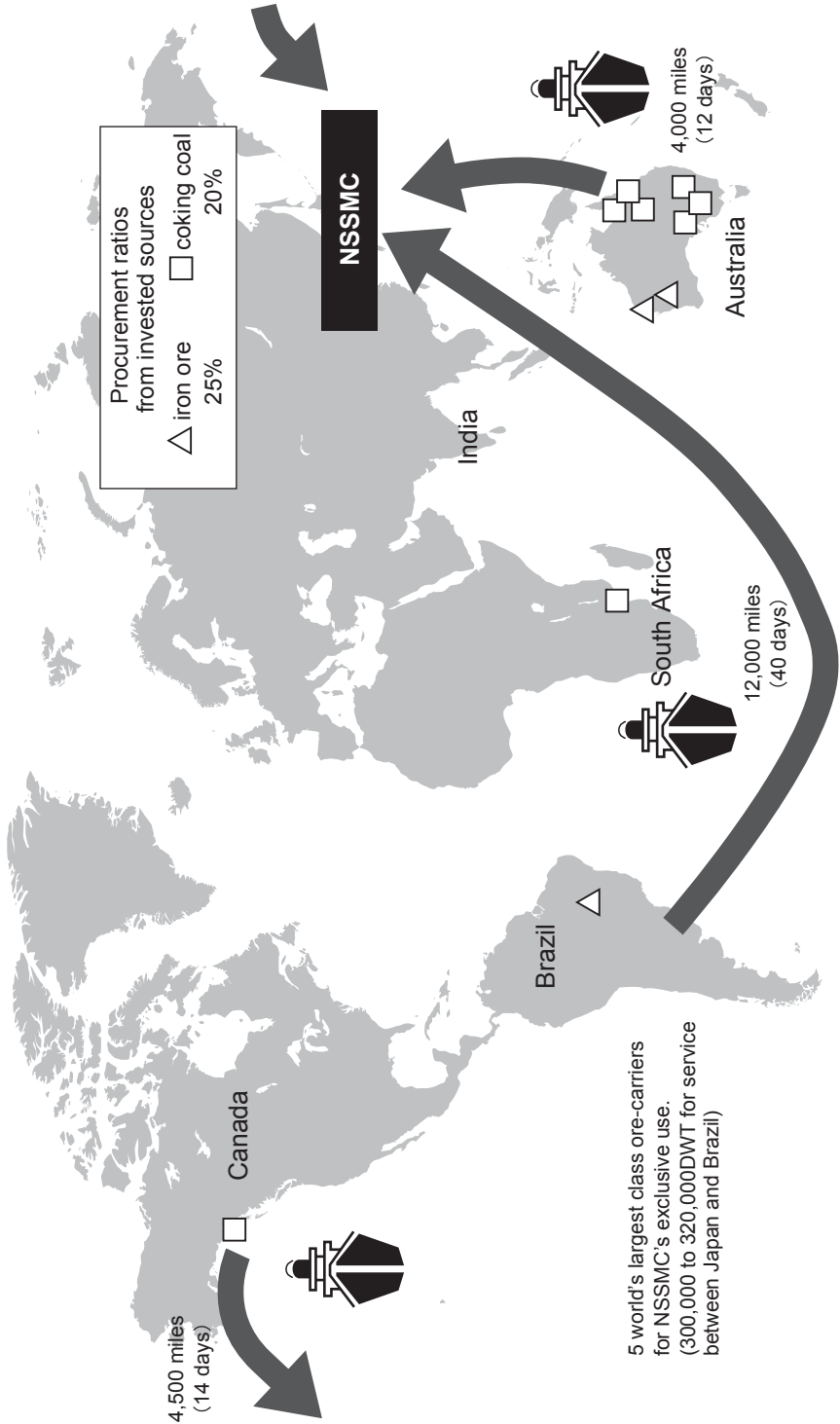
Source: Customs Clearance Statistics, Ministry of Finance

Overseas Raw Material Investment of Nippon Steel & Sumitomo Metal

	Country	Shareholders		Capacity (Million tons/y)
■ Iron Ore				
Robe River	Australia	Rio Tinto	53.0%	64
		NSSMC	14.0%	
		Other Japanese	33.0%	
Beasley River (details pending)	Australia	Rio Tinto	53.0%	to be developed
		NSSMC	37.6%	
		Other Japanese	9.4%	
NIBRASCO	Brazil	VALE	51.0%	10
		NSSMC	31.4%	
		Other Japanese	17.6%	
■ Coking Coal				
Warkworth	Australia	Rio Tinto	55.6%	7
		NSSMC	9.5%	
		Other Japanese	34.9%	
Bulga	Australia	Glencore Xstrata	68.3%	10
		NSSMC	12.5%	
		Other Japanese	19.2%	
Hail Creek	Australia	Rio Tinto	82.0%	8
		NSSMC	8.0%	
		Other Japanese	10.0%	
Moranbah North	Australia	Anglo American	88.0%	5
		NSSMC	5.0%	
		Other Japanese	7.0%	
Integra	Australia	VALE	61.2%	5
		NSSMC	5.95%	
		Other	32.9%	
Foxleigh	Australia	Anglo American	70.0%	3
		NSSMC	10.0%	
		POSCO	20.0%	
Elkview	Canada	Teck Coal Partnership	95.0%	7
		NSSMC	2.5%	
		POSCO	2.5%	
Revuboe	Mozambique	Talbot Group	58.9%	to be developed
		NSSMC	23.3%	
		NSSB	10.0%	
		POSCO	7.8%	
■ Ferroalloy				
CBMM	Brazil	Moreira Salles Group	70.0%	90 ktons/y
		NSSMC	2.5%	
		POSCO	2.5%	
		Other Japanese	7.5%	
		Other Korean	2.5%	
		Other Chinese	15.0%	

Stable Raw Materials Procurement

Acquisition of blue-chip mining interests and expansion of supply sources



Energy

Energy Consumption by the Japanese Steel Industry

(%)

Fiscal year	1990	1995	2005	2006	2007	2008	2009	2010	2011
Percentage share by energy									
Coal based energy	80.7	82.3	82.8	81.9	82.4	85.1	86.1	85.5	85.2
Oil-based energy	6.3	6.3	6.9	7.0	6.9	9.1	8.2	9.1	9.3
Purchased electricity	13.0	11.4	10.2	11.0	10.8	5.8	5.7	5.5	5.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Consumption in PJ	2,526	2,425	2,336	2,389	2,458	2,159	2,018	2,275	2,212
Energy consumption per ton of crude steel produced (GJ/t-s)	22.61	23.83	20.72	20.29	20.23	21.16	21.54	21.16	20.78

* Some data from 1990 to 2006 have been retroactively adjusted when the data for 2007 were reported. Source: The Japan Iron and Steel Federation

Reduction Material Rate by the Japanese Steel Industry

(kg/ton of pig iron tapped)

Fiscal year	1973	1980	1985	1990	1995	2008	2009	2010	2011	2012
Reduction material rate	498	476	501	504	522	504	505	505	506	510
Coke rate	440	458	484	440	408	387	386	365	349	342
PCI rate	0	0	15	60	111	116	118	140	157	168
Tar rate	5	6	2	1	2	0	0	0	0	0
Heavy oil rate	53	12	0	3	1	1	0	3	0	0

Notes:

Source: The Japan Iron and Steel Federation

1) PCI: Pulverized coal injection

2) 1990 and before: BF fuel rate

Oil-based Fuel Consumption by the Japanese Steel Industry and Nippon Steel & Sumitomo Metal Corporation

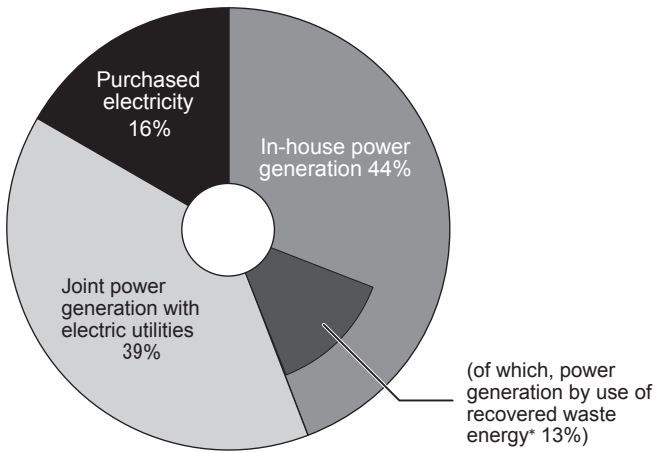
(1,000 kiloliters)

Fiscal year	1973 ^{*1}	1980	1985	1990	1995	2009	2010	2011	2012
Japanese steel industry ^{*2}									
Heavy oil	13,463	4,120	1,878	2,274	1,925	831	845	747	677
Kerosene and light oil	1,003	686	364	423	354	111	122	121	111
LNG and LPG (1,000 tons)	825	884	792	1,129	1,103	719	754	734	728
Nippon Steel & Sumitomo Metal Corporation									
Heavy oil	4,522	1,044	118	199	118	59	57	54	136
•For BF injection	2,498	607	0	73	8	0	0	0	0
•For reheating/power generation	2,024	437	118	126	110	59	57	54	136
Kerosene and light oil	309	43	22	43	32	14	16	15	14
LNG and LPG (1,000 tons)	150	377	281	370	511	441	426	392	463

*1 Highest (since 1970)

*2 Source: Data for the Japanese steel industry, Ministry of Economy, Trade and Industry and others

Power Supply at Nippon Steel & Sumitomo Metal Corporation, FY 2013



* Blast furnace top-pressure recovery turbines, waste heat recovery from coke-dry quenching equipment, others

Recycling of Steel Cans

NSSMC encourages improvement of the recycling ratio of used steel cans with the Japan Steel Can Recycling Association.

Japan Steel Can Recycling Association (<http://www.steelcan.jp/>)

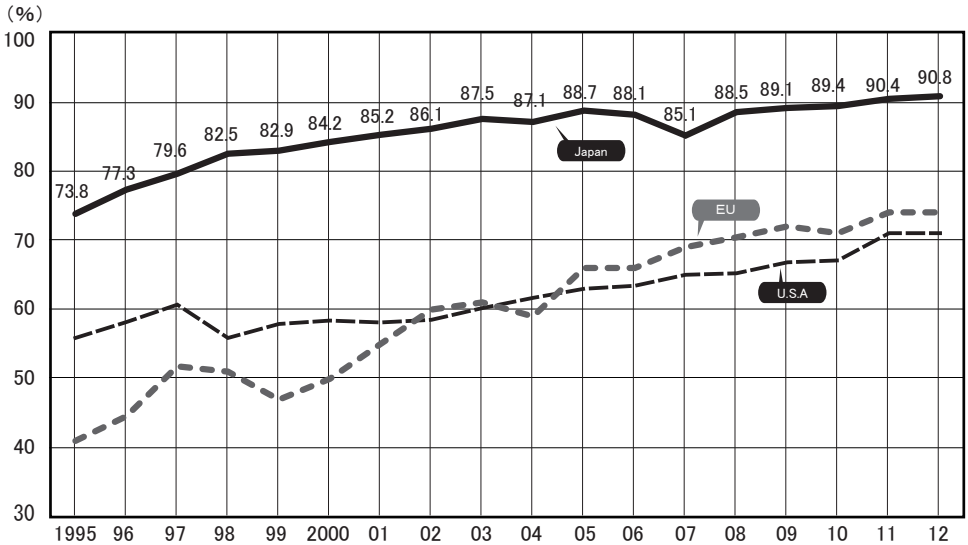
- Chairman: Shinya Higuchi (Representative Director and Executive Vice President, NSSMC)
- 1973 The Japan Used Can Treatment Association was established by the following companies:
 - 4 tinplate makers (Nippon Steel (present NSSMC), NKK (present JFE), Kawasaki Steel (present JFE) and Toyo Kohan)
 - 3 can-making companies (Toyo Seikan, Daiwa Can and Hokkai Can)
 - 8 trading companies

April 2001 Renamed as the Japan Steel Can Recycling Association

Activities

- Promotional activities for prevention of littering with empty cans and for recycling of used steel cans (investigation, PR campaigns, production and distribution of annual reports, holding of symposiums, seminars, and press release)
- Support for group collection of used steel cans as recyclable materials (conferring the award for elementary schools, junior high schools, and citizens' groups)
- Promotion of ecology education on steel can recycling (guidance for pupil in visiting steelworks)
- Joint campaigns for beautification at 350 places (491 times) for 41 years since 1973
- Donation of food cans to children in developing countries to support for school feeding programme of the World Food Programme (WFP)

Steel Can Recycling in Japan, U.S.A. and the EU



Note:
The guidelines prepared by the Industrial Council of the Ministry of Economy, Trade and Industry target Japan's attainment of more than 85% after fiscal 2001.

Source: Japan Steel Can Recycling Association (SRI for the U.S.A. and APEAL for EU nations)

Japan's Imports of Steel-related Products

Imports by Type of Product

(1,000 tons)

Fiscal year	1990	1995	2000	2009	2010	2011	2012	2013
Pig iron	3,721	2,468	638	323	693	432	184	275
Ferro-alloys	1,351	1,787	1,680	1,123	1,872	1,747	1,694	1,750
Ingots and semi-finished products	1,159	476	17	34	90	291	229	204
Ordinary steel products	6,182	5,721	4,573	2,797	3,838	4,637	4,276	4,595
Wire rods	524	408	79	239	280	315	190	130
Plates	1,303	1,192	919	171	263	520	471	551
Hot-rolled sheets	2,713	2,337	1,946	1,174	1,632	1,801	1,732	1,699
Cold-rolled sheets	531	952	965	640	851	911	937	1,022
Galvanized sheets	177	400	333	308	447	602	517	61
Pipe and tubes	312	244	143	94	111	155	181	209
Others	621	188	188	171	254	334	248	923
Specialty steel products	32	184	175	200	320	453	565	844
Secondary products and others	151	272	413	599	750	864	849	916
Total	12,596	10,908	7,496	5,075	7,563	8,424	7,796	8,584

Source: The Japan Iron and Steel Federation

Imports by Major Supply Source

(1,000 tons)

Fiscal year	1990	1995	2000	2009	2010	2011	2012	2013
South Korea	2,809	2,811	2,638	1,765	2,430	3,042	3,017	3,141
Taiwan	644	587	1,114	577	727	849	827	1,030
China	288	698	404	350	600	674	373	368
India	97	125	52	1	—	—	1	2
Russia	—	161	77	1	—	—	—	—
Romania	198	36	—	—	—	—	—	—
Turkey	148	114	—	—	—	—	—	—
Brazil	495	248	50	—	—	—	—	—
Australia	69	171	56	2	10	3	2	2
New Zealand	91	103	40	30	42	24	9	5
Others	1,342	668	142	71	29	46	48	47
Total	6,182	5,721	4,573	2,797	3,838	4,637	4,276	4,595

Source: The Japan Iron and Steel Federation

Japan's Exports of Steel Products

Export Shipments

Fiscal year		1976	1985	1990	1995	2010	2011	2012	2013
Tonnage	(1,000 tons)	36,518	32,076	17,264	22,621	43,636	39,992	43,797	42,484
Monetary values	(\$ million)	11,148	13,684	13,636	18,911	47,255	49,142	46,008	41,610
	(¥ billion)	3,311	3,257	1,928	1,812	4,059	3,883	3,796	4,159
Per-ton price	(\$)	305	427	790	835	1,083	1,229	1,050	979
	(¥1,000)	90	101	112	80	93	97	87	98
Exchange rate	(US\$1=¥)	297	238	141	96	86	79	83	100

Source: The Japan Iron and Steel Federation

Export Shipments by Destination

(1,000 tons)

Fiscal year		1976	1985	1990	1995	2010	2011	2012	2013
Asia		10,472	18,423	10,839	17,776	35,885	31,787	34,806	33,392
	China	3,072	10,133	1,784	3,525	7,591	6,463	5,995	6,170
	South Korea	1,484	1,998	1,767	3,432	10,554	8,413	8,117	7,724
	Taiwan	1,317	1,132	1,632	2,447	3,616	3,335	3,862	3,554
	Singapore	778	670	867	1,064	782	738	854	797
	Indonesia	720	750	742	963	1,813	1,845	2,282	2,202
	Thailand	753	786	1,770	2,641	4,813	4,560	5,725	5,486
Middle East		4,866	3,324	924	556	1,383	1,614	1,864	1,649
	Iran	1,757	763	397	83	195	89	9	1
	Saudi Arabia	1,081	1,163	246	290	610	901	1,039	877
Europe		8,008	2,810	951	667	1,240	1,333	1,217	771
	EU-28*1	1,635	518	353	289	679	447	365	346
	Former USSR*2	3,044	2,172	364	110	360	296	216	185
North America		8,117	5,234	3,421	2,285	1,926	2,325	2,585	2,578
	USA	7,619	4,875	3,213	2,158	1,705	2,149	2,366	2,390
	Canada	497	359	208	127	221	176	219	188
Central & South America		3,008	992	455	615	2,149	1,818	2,181	2,483
Africa		1,257	546	358	311	550	691	793	1,265
Oceania		790	755	316	416	504	425	352	346
Total		36,518	32,076	17,264	22,621	43,636	39,992	43,797	42,484

Source: The Japan Iron and Steel Federation

Export Shipments by Type of Product

(1,000 tons)

Fiscal year		1976	1985	1990	1995	2010	2011	2012	2013
Ordinary steel products		32,340	27,365	13,612	16,751	29,162	26,545	28,435	27,597
	Plates	4,145	2,845	877	1,408	3,753	3,553	3,696	3,055
	Hot-rolled sheets	5,522	3,076	1,628	2,254	9,256	8,723	10,998	11,174
	Cold-rolled sheets	5,756	4,784	3,188	4,230	4,128	3,553	3,242	3,122
	Electrical sheets	380	309	316	543	949	940	799	819
	Tinplate	872	771	755	790	614	585	578	612
	Coated sheets	2,533	2,877	2,761	3,501	6,161	5,180	5,002	4,581
	Pipe and tubes	4,705	6,138	2,675	1,919	1,665	1,628	1,566	1,551
	Sections	8,463	5,316	1,412	2,107	2,636	2,382	2,552	2,683
Specialty steel products		1,757	2,142	2,986	3,842	8,136	7,439	7,798	7,977
Secondary products		1,366	961	526	495	717	671	666	686
Others		1,054	1,608	140	1,534	5,620	5,337	6,899	6,224
Total		36,518	32,076	17,264	22,621	43,636	39,992	43,797	42,484

Source: The Japan Iron and Steel Federation

*1 The number of member countries of the EU (former EC) has expanded: from 9 in 1973 to 10 in 1981, 12 in 1986, 15 in 1995, 25 in 2004, 27 in 2007, and 28 in 2013.

*2 CIS in and after 2006

Steel Trading

1. Topics related to recent steel trading (as of May 2014)

(1) Overview

Trade conflict related to steel products has been increasing since 2008. In 2013, 27 anti dumping ("AD") investigations were initiated throughout the world (in 2012, 26 cases). Major target countries are China (14 out of 27 cases above), South Korea (6 cases), and Taiwan (5 cases). As for Japan, six cases have been under investigation since 2013.

Mainly in the Asian region, protectionist measures regarding steel products, such as mandatory standards (Imported products to be required to conform to the standards by importing countries for the protection of the health and safety or for the preservation of their environment) and pre-shipping inspection requirements, have become prevalent, and Japanese products have been affected.

(2) Anti-dumping measures against Japan in the iron and steel industry

Plaintiff country	Target product type and progress ("SSR" stands for "Sunset Review.")
U.S.A.	Stainless steel bars: A measure was started in February 1995. The next SSR will be started in 2017.
	Clad steel: A measure was started in July 1996. The next SSR will be started in 2018.
	Stainless steel wire rods: A measure was started in September 1998. The next SSR will be started in 2015.
	Stainless steel steel sheets: A measure was started in July 1999. The next SSR will be started in 2016.
	Seamless steel pipes (large diameter): A measure was started in June 2000. The next SSR will be started in 2016.
	Seamless pipes (small diameter): A measure was started in June 2000. The next SSR will be started in 2016.
	Tinplates/tin-free steel: A measure was started in August 2000. The next SSR will be started in 2017.
	Large-diameter welded line pipes: A measure was started in December 2001. The next SSR will be initiated in 2017.
	Nickel-plated steel sheets: A measure was started in May 2014.
	Grain oriented electrical steel: An investigation was initiated in September 2013.
China	Non grain oriented electrical steel: An investigation was initiated in September 2013.
	Stainless steel seamless pipes for boilers: A measure was started in November 2012.
South Korea	Alloy steel seamless pipes for high temperature and high pressure: An investigation was initiated in May 2013 and was terminated in May 2014.
	Stainless steel plates: A measure was started in April 2011.
Thailand	Stainless steel cold-rolled steel plates: A measure was started in March 2003. The second SSR was initiated in March 2014.
	Hot-rolled steel sheet & plates: A measure was started in May 2003. The second SSR was initiated in May 2014.
Indonesia	Cold-rolled steel sheets: A measure was started in March 2013.
Mexico	Seamless steel pipes: A measure was started in November 2000. The next SSR will be started in 2017.
Argentina	Welded steel pipes: A measure was started in December 2001.

Australia	Hot-rolled steel sheets: A measure was started in December 2012.
	Plates: A measure was started in December 2013.
	Shaped steel: An investigation was initiated in October 2013.
Canada	Plates (Quenched and tempered): An investigation was initiated in January 2014.
	Plates: An investigation was initiated in September 2013. A measure was started in May 2014.

(3) Negotiations on economic partnership agreements (reduction of tariffs on steel products in the partner country)

Apr. 2005	<p>The Japan/Mexico Economic Partnership Agreement came into effect.</p> <ul style="list-style-type: none"> - Immediate tariff removal rate of steel products: 80% (The user specific duty free scheme was introduced.) Tariff removal rate within 10 years: 100% - In February 2011, review the negotiation five years later has been agreed. The rules of origin for stainless steel sheet was improved.
Jul. 2006	<p>The Japan/Malaysia Economic Partnership Agreement came into effect.</p> <ul style="list-style-type: none"> - Immediate tariff removal rate of steel products: 100% (The current domestic tariff exemption systems for each application were maintained.) - Tariff on steel products excluding hot rolled steel sheet will be abolished within 10 years.
Nov. 2007	<p>The Japan/Thailand Economic Partnership Agreement came into effect.</p> <ul style="list-style-type: none"> - Immediate tariff removal rate of steel products: 60% (An import quota for no tariffs was set up.) Tariff removal rate within 10 years: 100% - The governments discuss the import quota for no tariffs every year. The Steel Cooperation Program is implemented.
Jul. 2008	<p>The Japan/Indonesia Economic Partnership Agreement came into effect.</p> <ul style="list-style-type: none"> - Immediate tariff removal rate of steel products: 80% (The user specific duty free scheme was introduced.) Tariff removal rate within 10 years: 85%
Dec. 2008	<p>The Japan/Philippines Economic Partnership Agreement came into effect.</p> <ul style="list-style-type: none"> - Immediate tariff removal rate of steel products: 60% (An import quota for no tariffs was set up.) Tariff removal rate within 10 years: 90%
Oct. 2009	<p>The Japan/Vietnam Economic Partnership Agreement came into effect.</p> <ul style="list-style-type: none"> - Immediate tariff removal rate of steel products: 10%; tariff removal rate within 10 years: 80%
Aug. 2011	<p>The Japan/India Economic Partnership Agreement came into effect.</p> <ul style="list-style-type: none"> - The tariffs on steel sheet/bars will be abolished in five years, while tariffs on steel pipes will be abolished in 10 years.

(4) Steel dialogues

Sep. 2013	The 20th Japan/China Steel Dialogue was held (in Sapporo).
Nov. 2013	The 13th Japan/Taiwan Steel Dialogue was held (in Taipei).
Nov. 2013	The 11th Japan/Thailand Steel Dialogue was held (in Bangkok).
Mar. 2014	The 4th Japan/Indonesia Steel Dialogue was held (in Osaka).

2. The Japan/U.S. steel trade Issue

Jan. 1969	<p>1st Voluntary Export Restraint (ended in Dec. 1971)</p> <p>Japan's ceiling: 5.75 million tons for 1969, with annual increase of 5% for 1970 and 1971.</p>
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- Jan. 1972 2nd Voluntary Export Restraint (ended in Dec. 1974)
Japan's ceiling: 6.5 million tons for 1972, with annual increase of 2.5% for 1973 and 1974.
- Feb. 1977 AD petition by Gilmore Steel on steel plates (finally affirmative).
- Sep. 1977 AD petition by United States Steel on 6 items (beams, steel plates, hot-rolled steel sheets, cold-rolled steel sheets, galvanized sheets and welded pipes, withdrawn in 1978).
- Jan. 1978 1st Trigger Price Mechanism (TPM) (ended in Mar. 1980)
The Department of Treasury (the present Department of Commerce) became able to initiate an AD investigation of imports entering below the applicable trigger prices.
- Oct. 1980 2nd TPM (ended in Jan. 1982)
The "Surge Mechanism" was introduced to prevent a surge in imports (import penetration exceeding 12.5% of apparent U.S. consumption, and the capacity utilization rate of the U.S. steel industry of less than 87%).
- Dec. 1982 Import penetration peaked at the highest level ever of 21.8%. Consultations were held concerning the petitions filed under Section 301 of the Trade Act (elimination of unfair trade practices and retaliatory measures) and also under Section 201 (investigation of injury) of the Trade Act.
- Oct. 1984 1st Voluntary Restraint Arrangement (VRA)
Period: Oct. 1, 1984 to Sep. 30, 1989
Subjects: Japan, South Korea, Brazil, 11 other countries, and the EC
- Oct. 1989 2nd VRA
Period: Oct. 1, 1989 to Mar. 31, 1992
Subjects: Japan, South Korea, Brazil, 10 other countries, and the EC
- Oct. 1990 Initiation of negotiations for International Consensus (IC) during the GATT Uruguay Round, leading to negotiations for the Multilateral Steel Agreement (MSA).
- Mar. 1992 Lapse of VRA
- Jun. 1992 AD petition filed by 12 U.S. steel mills on 4 items (steel sheets) of Japanese steel products.
- Feb. 1993 "Position Paper on Steel Trade Issues" prepared by the Japan Iron and Steel Federation.
- Dec. 1993 Accord of the GATT Uruguay Round
- Apr. 1994 Resumption of MSA negotiations, but no agreement reached among the major countries and no specific progress made.
- Jan. 1995 Inauguration of the World Trade Organization (WTO)
- Mar. 1996 No agreement reached in the U.S.-European government-level negotiations on the Multilateral Specialty Steel Agreement (MSSA), despite reaching industry level agreement on fundamental provisions for MSSA.
- Sep. 1998 AD petition by 11 U.S. steel mills on hot-rolled steel sheets and, at about the same time, AD petition also filed on 7 items against Japan. At that time, steel-trade friction between Japan and the U.S. developed into a political issue.

- Jun. 2001 The United States Trade Representative (USTR) requested to initiate the global SG investigation of steel products (33 items), under Section 201 of the Trade Act.
- Jul. 2001 The WTO granted on the overall truth of the assertions of the Japanese government in its appeal concerning the AD investigation of hot-rolled steel sheets, and the WTO recommended an AD-margin recalculation, etc. to the U.S.
- Mar. 2002 The U.S. President decided to invoke the SG measures under Section 201 of the Trade Act (concerning 14 items, chiefly steel sheets, for three years).
- Dec. 2003 On the appeal (filed by the Japanese government in 2002) concerning the coated steel AD sunset review, the WTO issued a final judgment that the U.S. was not in violation of the WTO rules.
On the appeal (filed by Japan, the EU, South Korea, China, etc. in 2002) concerning the SG measures of the U.S. concerning steel products, the WTO issued a final judgment that the U.S. was in violation of the WTO rules. Previously, the Japanese government announced the contents of balance recovery measures amounting to a total of ¥10.7 billion. Subsequently, the U.S. government lifted the SG measures across the board.
- Mar. 2006 Determination to revoke the AD measures on structural beams and GOES (for structural beams: revocation retroactively to Jun. 2005 when the U.S. ITC made a negative determination in sunset review, and for GOES: non-participation by U.S. steel mills in sunset review).
- Dec. 2006 Determination to revoke the AD measures on coated steel (revocation retroactively to Dec. 2005 when the U.S. ITC made a negative determination in sunset review).
- May 2007 Determination to revoke the AD measures on OCTG (revocation retroactively to Jul. 2006 when the U.S. ITC made a negative determination in sunset review).
- May 2011 The AD measure on hot-rolled steel sheet was revoked (the U.S. ITC made a negative determination in sunset review). The revocation is effective retroactively to May 2010.
- Dec. 2011 The AD measure on steel plates was revoked (the U.S. ITC made a negative determination in sunset review). The revocation is effective retroactively to Dec. 2010.
- Mar. 2013 AD petition by one mill in the U.S. for nickel-plated steel sheets. (This was the first suit for AD against Japan in the steel industry in about 12 years.)
- Sep. 2013 AD petition by two mills in the U.S. for Grain oriented electrical steel. (against seven countries including Japan)
- Sep. 2013 AD petition by one mills in the U.S. for Non grain oriented electrical steel. (against six countries and area including Japan)

Power Supply

Japan's electricity wholesale supply system was established in 1995. This allowed independent power producers (IPPs) to participate in power supply, which until then had been the exclusive domain of electricity utility companies. Under the new system, NSSMC has entered the electricity wholesale supply business.

Following the revision of the Electricity Utilities Industry Law in March 2000, retail supply of electricity to major users was deregulated. In this regard, Nippon Steel notified the government agency concerned in January 2001 that it had become a "Power Producer and Supplier (PPS)" and started operations in the electricity retail supply business.

Business Development in the Wholesale Supply

- Utilization of power-generation technologies fostered in steelworks in-plant power generation
 - Nearly 84% of total electricity consumption by in-plant power generation equipment (refer to page 104 for the power supply)
- Utilization of steelworks infrastructure such as land, ports/harbors and raw materials yards
- Low-cost, stable supply of electricity

IPP Power Supply Contracts

- Successful bidding for four supply projects (about 500,000 kW in total) in fiscal 1996, the first year of the electricity business, and two projects (300,000 kW and 475,000 kW) in fiscal 1997 and fiscal 1999.
- Power shortages are being met by increasing rates of operation of generating facilities, as needed, according to the power supply-demand situation monitored.

Works	Customer	Amount (kW)	Fuel	Start of supply
FY1996				
Yawata	Kyushu Electric Power	137,000	Coal	Apr. 1999*
Kamaishi	Tohoku Electric Power	136,000	Coal	Jul. 2000
Hirohata	Kansai Electric Power	133,000	Coal	Apr. 1999
Muroran	Hokkaido Electric Power	100,000	By-product gas and coal	Oct. 2001
FY1997				
Oita	Kyushu Electric Power	300,000	By-product gas and coal	Apr. 2002
FY1999				
Kashima	Tokyo Electric Power	475,000	Coal	Jun. 2007

* In Mar. 2014, contract period ended

Retail Supply Business (Nippon Steel & Sumikin Engineering Co., Ltd.)

- Retail supply of electricity, mainly to office buildings in the Tokyo metropolitan, Kansai and Kyushu areas
- Sources of electricity from affiliated and non-affiliated companies.

Electric power plant (Affiliated company)	Approximate capacity	Start of operation
Frontier Energy Niigata Co.,Ltd. (Niigata)	65,000 kW	Jul. 2005
Asahi Kasei NS Energy Co.,Ltd. (Miyazaki)	30,000 kW	Jul. 2006
Electric power plant (Non-affiliated company)	Approximate capacity	Start of receiving
Sigma Power Ariake Co.,Ltd. (Fukuoka)	40,000 kW	May 2005
Inpex Corporation (Niigata)	50,000 kW	May 2007

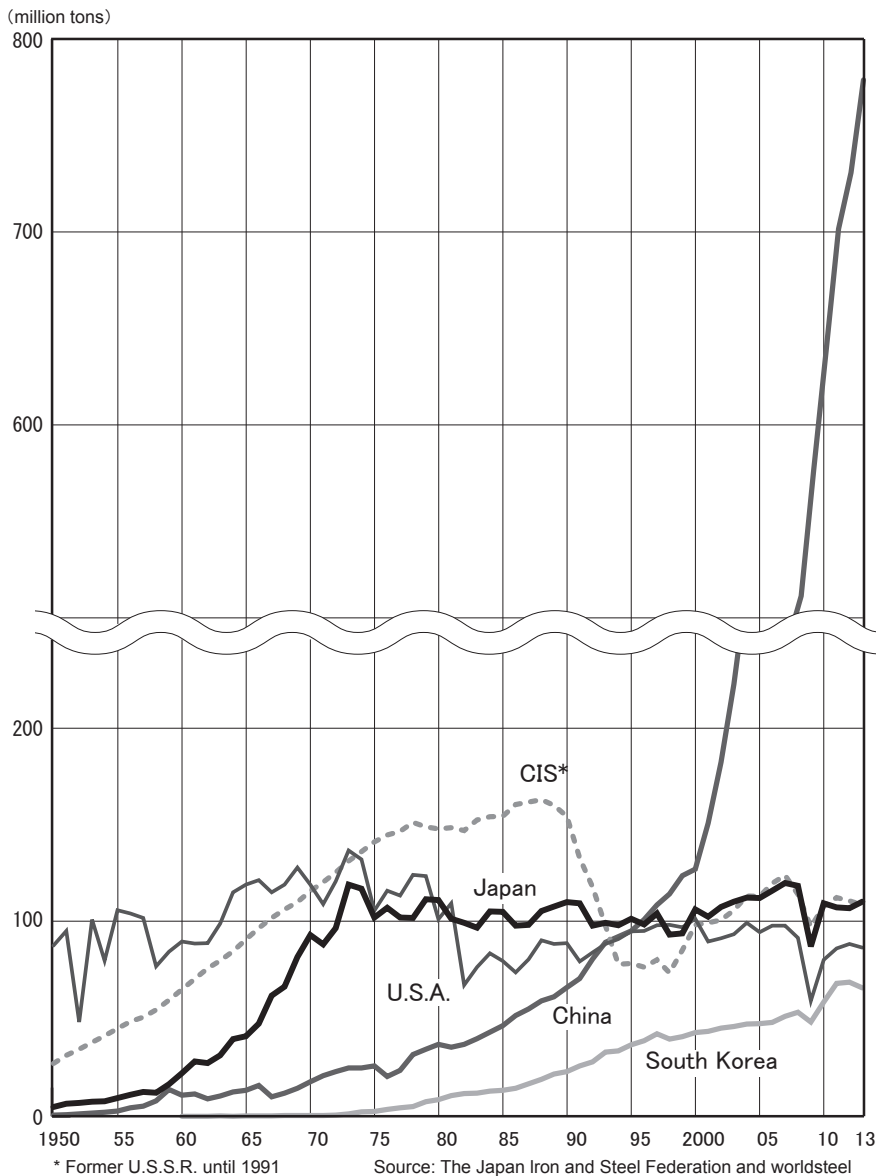
Wind Power Generation (Nippon Steel & Sumikin Engineering Co., Ltd.)

- Start of wind power generation in Hibikinada, Kitakyushu in March 2003

Operating company	Customer	Capacity	Supply term
NS Wind Power Hibiki Co., Ltd.	Kyushu Electric Power	1,500 kW × 10 units (15,000 kW)	15 years from Mar. 2003

World Steel Industry

Crude Steel Production in Major Steelmaking Countries



World Total Crude Steel Production

(million tons)

CY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Production	969.9	1,062.5	1,147.8	1,250.1	1,348.1	1,343.2	1,238.2	1,432.8	1,537.0	1,559.2	1,606.7

Source: worldsteel

Crude Steel Production

(million tons, %)

Region and Country	2010	2011	2012	2013	Growth rate 2013/2012
Asia	917.8	994.6	1025.9	1080.6	5.3
Japan	109.6	107.6	107.2	110.6	3.1
South Korea	58.9	68.5	69.1	66.1	-4.4
Taiwan	19.8	20.2	20.7	22.3	7.8
China	638.7	702.0	731.0	779.0	6.6
India	69.0	73.5	77.3	81.2	5.1
EU-27	172.8	177.7	168.6	165.8	-1.7
Bulgaria	0.7	0.8	0.6	0.5	-17.4
Czech	5.2	5.6	5.1	5.2	2.0
Poland	8.0	8.8	8.4	8.0	-4.9
Romania	3.7	3.8	3.3	3.0	-9.3
Slovakia	4.6	4.2	4.4	4.5	2.4
EU-15	147.7	151.5	143.8	142.9	-0.6
Germany	43.8	44.3	42.7	42.6	0.0
France	15.4	15.8	15.6	15.7	0.5
Italy	25.8	28.7	27.3	24.1	-11.8
Belgium	8.0	8.0	7.3	7.1	-2.4
U.K.	9.7	9.5	9.6	11.9	23.8
Luxembourg	2.5	2.5	2.2	2.1	-5.4
The Netherlands	6.7	6.9	6.9	6.7	-2.4
Spain	16.3	15.5	13.6	13.8	1.4
Austria	7.2	7.5	7.4	7.9	7.0
Sweden	4.8	4.9	4.3	4.4	1.8
Other Western Europe	33.7	39.2	39.9	38.8	-2.9
Turkey	29.1	34.1	35.9	34.7	-3.4
C.I.S.	108.2	112.7	111.0	108.8	-1.9
Kazakhstan	4.2	4.7	3.7	3.3	-11.5
Russia	66.9	68.9	70.4	69.5	-1.4
Ukraine	33.4	35.3	33.0	32.8	-0.6
North America	111.6	118.7	121.6	118.9	-2.2
U.S.A.	80.5	86.4	88.7	86.9	-2.0
Canada	13.0	12.9	13.5	12.4	-8.1
Mexico	16.9	18.1	18.1	18.2	0.7
South America	43.9	48.2	46.4	45.9	-1.0
Argentina	5.1	5.6	5.0	5.2	3.8
Brazil	32.9	35.2	34.5	34.2	-1.0
Venezuela	2.2	3.0	2.4	2.1	-9.3
Oceania	8.1	7.2	5.8	5.6	-3.7
Australia	7.3	6.4	4.9	4.7	-4.2
Africa	16.6	15.7	15.3	16.0	4.2
South Africa	7.6	7.5	6.9	7.2	3.2
Middle East	20.0	23.0	24.7	26.3	6.8
Total	1,432.8	1,537.0	1,559.2	1,606.7	3.0

Source: worldsteel, March 2014

Apparent Consumption of Finished Steel Products

(million tons, %)

Region and Country	2011	2012	2013	2014 (Estimate)	Growth rate 2014/2013 (E)
Asia	911.9	937.6	984.9	1012.5	2.8
Japan	64.1	63.9	65.3	64.6	-1.0
China	641.2	660.1	700.2	721.2	3.0
South Korea	56.4	54.1	51.6	52.6	2.0
Taiwan	18.1	17.8	18.5	18.9	2.0
India	69.8	72.4	73.7	76.2	3.3
EU-27	155.4	139.2	138.9	143.3	3.1
Other Western Europe	32.7	34.1	37.0	38.5	3.9
C.I.S.	54.7	57.5	58.8	59.5	1.1
North America	121.7	132.2	129.0	133.9	3.8
U.S.A.	89.2	96.2	95.6	99.4	4.0
Canada	14.2	15.6	14.9	15.3	3.0
Mexico	18.3	20.4	18.6	19.2	3.4
Central & South America	45.8	47.2	49.3	50.9	3.4
Argentina	5.3	4.9	5.1	4.9	-2.8
Brazil	25.0	25.2	26.4	27.2	3.0
Africa	24.9	26.4	29.0	30.4	4.8
Middle East	49.6	48.3	47.8	50.6	5.8
Total	1,403.6	1,429.8	1,481.4	1,526.6	3.1
(cf. Apparent crude steel consumption)	1,515.9	1,542.3	1,598.0	1,647.2	3.1

Source: worldsteel March 2014

Note: Apparent consumption is total shipments minus exports plus imports.

Continuous Casting Ratio

(%)

Country	2007	2008	2009	2010	2011	2012	2013
Japan	98.0	97.9	98.4	98.2	98.6	98.3	98.5
Taiwan	92.1	99.6	99.6	100.0	100.0	99.6	99.6
South Korea	97.8	97.5	97.7	98.0	98.1	98.3	98.4
China	96.9	97.0	97.4	98.1	98.4	98.5	98.5
India	69.8	70.0	68.7	73.9	77.4	80.3	81.5
Germany	96.2	95.9	96.7	96.7	96.3	96.7	96.9
Italy	95.5	95.6	95.2	95.7	95.2	95.4	95.3
Russia	71.1	71.1	80.6	80.7	80.7	80.7	80.8
U.S.A.	96.7	96.9	97.5	97.4	97.8	98.6	98.8
Brazil	93.3	94.2	97.1	96.6	96.7	97.3	97.9
World	92.4	92.9	94.1	95.0	95.3	95.7	95.9

Source: worldsteel

Crude Steel Production - Top 30 Steelmakers

(million tons, %)

	Company	Country	2013	2012	Growth rate 2013/2012
1	ArcelorMittal	Luxembourg	96.1	93.6	2.7
2	Nippon Steel & Sumitomo Metal Corporation	Japan	50.1	47.9	4.7
3	Hebei Group	China	45.8	42.8	6.9
4	Baosteel Group	China	43.9	42.7	2.8
5	Wuhan Group	China	39.3	36.4	7.9
6	POSCO	South Korea	38.4	39.9	-3.7
7	Shagang Group	China	35.1	32.3	8.6
8	Ansteel Group	China	33.7	30.2	11.4
9	Shougang Group	China	31.5	31.4	0.3
10	JFE	Japan	31.2	30.4	2.5
11	Tata Steel	India	25.3	23.0	10.0
12	Shandong Group	China	22.8	23.0	-0.9
13	U.S. Steel	U.S.A.	20.4	21.4	-5.0
14	Nucor	U.S.A.	20.2	20.1	0.2
15	Tianjin Bohai Steel	China	19.3	—	—
16	Gerdau	Brazil	19.0	19.8	-4.2
17	Maanshan	China	18.8	17.3	8.4
18	Hyundai Steel	South Korea	17.2	17.1	0.6
19	Benxi Steel	China	16.8	15.1	11.6
20	Evrz Group	Russia	16.1	15.9	1.0
21	ThyssenKrupp	Germany	15.9	15.1	5.3
22	Severstal	Russia	15.7	15.1	3.6
23	NLMK	Russia	15.5	14.9	3.7
24	Valin Group	China	15.0	14.1	6.2
25	Metinvest	Ukraine	14.3	12.5	14.7
25	Jianlong Group	China	14.3	13.8	3.6
25	IMIDRO	Iran	14.3	13.6	5.0
25	China Steel Corporation	Taiwan	14.3	12.7	12.2
26	SAIL	India	13.5	13.5	0.1
27	Fangda Steel	China	13.2	3.3	301.3

* Tonnage figures include stainless steel where applicable.

Source: worldsteel

Notes on company ownership and tonnage calculations:

In cases of more than 50% ownership, 100% of the subsidiary's tonnage is included.

In cases of 30% to 50% ownership, pro-rata tonnage is included.

Less than 30% ownership is considered a minority interest and therefore not included.

World Steel Association (worldsteel)

(formerly: International Iron and Steel Institute (IISI))

(<http://www.worldsteel.org>)

Profile

- Non-profit research organization
- World forum on various aspects of the international steel industry
- Founded in 1967 as IISI (International Iron and Steel Institute)
- First international association dealing solely with one industry
- The organization changed its name to World Steel Association in 2008.

Organization

■ Executive Committee

Comprised of 15 members at maximum, including the Chairman and up to three Vice Chairmen, and worldsteel's Director General.

■ Audit Committee

■ Nominating Committee

■ Key Committees

- Economics
- Technology
- Environmental Policy
- Safety and Health
- Education and Training
- Communications
- Raw Materials

Members Represented in worldsteel

- 72 regular members
- 36 associate members
- 49 affiliated members

Headquarters

- Rue Colonel Bourg 120, B-1140 Brussels, Belgium
- Phone: 32-2-702-89-00
- Telefax: 32-2-702-88-99
- E-mail: steel@worldsteel.org

Officials (as of April 2014)

- Chairman
Joon-Yang Chung (Former Chairman and CEO, POSCO, South Korea)
- Vice Chairmen
Alexey Mordashov (CEO, Severstal JSC, Russia)
Wolfgang Eder (CEO and Chairman, voestalpine AG)

worldsteel Annual Conferences

Conference	Site (Country)	Chairman (Country)
1 st (1967)	Brussels (Belgium)	1st H.G. Sohl (W. Germany)
2 nd (1968)	Los Angeles (USA)	"
3 rd (1969)	Tokyo (Japan)	2nd L.T. Johnston (USA)
4 th (1970)	Paris (France)	"
5 th (1971)	Toronto (Canada)	3rd Y. Inayama (Japan)
6 th (1972)	London (UK)	"
7 th (1973)	Munich (W. Germany)	4th J. Ferry (France)
8 th (1974)	Johannesburg (S. Africa)	"
9 th (1975)	Mexico City (Mexico)	5th G.A. Stinson (USA)
10 th (1976)	Osaka (Japan)	"
11 th (1977)	Rome (Italy)	6th E. Saito (Japan)
12 th (1978)	Colorado Springs (USA)	"
13 th (1979)	Sydney (Australia)	7th D. Spethmann (W. Germany)
14 th (1980)	Madrid (Spain)	"
15 th (1981)	Toronto (Canada)	8th F.G. Jaicks (USA)
16 th (1982)	Tokyo (Japan)	"
17 th (1983)	Vienna (Austria)	9th Y. Takeda (Japan)
18 th (1984)	Chicago (USA)	"
19 th (1985)	London (UK)	10th J.D. Hooglandt (The Netherlands)
20 th (1986)	Rio de Janeiro (Brazil)	11th D.M. Roderick (USA)
21 st (1987)	Washington, D.C. (USA)	"
22 nd (1988)	Seoul (South Korea)	12th H. Saito (Japan)
23 rd (1989)	West Berlin (W. Germany)	13th R. Scholey (UK)
24 th (1990)	Sydney (Australia)	14th W.F. Williams (USA)
25 th (1991)	Montreal (Canada)	15th B.T. Loton (Australia)
26 th (1992)	Tokyo (Japan)	16th H. Saito (Japan)
27 th (1993)	Paris (France)	17th H.A. Kriwet (Germany)
28 th (1994)	Colorado Springs (USA)	18th C.H. Barnette (USA)
29 th (1995)	Rio de Janeiro (Brazil)	19th T. Imai (Japan)
30 th (1996)	Helsinki (Finland)	20th M.J. Kim (South Korea)
31 st (1997)	Vienna (Austria)	21st F. Mer (France)
32 nd (1998)	Taipei (Taiwan)	22nd T.J. Usher (USA)
33 rd (1999)	Mexico City (Mexico)	23rd A. Chihaya (Japan)
34 th (2000)	Melbourne (Australia)	24th C.Y. Wang (Taiwan)
35 th (2001)	Paris (France)	25th Sir Brian Moffat, OBE (UK)
36 th (2002)	Rome (Italy)	26th J.T. Mayberry (Canada)
37 th (2003)	Chicago (USA)	27th K.C. Adams (Australia)
38 th (2004)	Istanbul (Turkey)	28th A. Mimura (Japan)
39 th (2005)	Seoul (South Korea)	29th G. Dollé (Luxembourg)
40 th (2006)	Buenos Aires (Argentina)	30th J. Surma (USA)
41 st (2007)	Berlin (Germany)	31st K.T. Lee (South Korea)
42 nd (2008)	Washington, D.C. (USA)	32nd L. Mittal (Luxembourg)
43 rd (2009)	Beijing (China)	33rd P. Rocca (Argentina)
44 th (2010)	Tokyo (Japan)	34th H. Bada (Japan)
45 th (2011)	Paris (France)	35th X. Zhang (China)
46 th (2012)	New Delhi (India)	36th A. Mordashov (Russia)
47 th (2013)	São Paulo (Brazil)	37th J. Y. Chung (South Korea)
48 th (2014)	Moscow (Russia)*	

* Scheduled

Engineering and Construction

Nippon Steel & Sumikin Engineering Co., Ltd. was originally set up as an engineering division of Nippon Steel Corporation (NSC) in 1974. In July 2006, it was demerged from Nippon Steel and renamed Nippon Steel Engineering Co., Ltd. Then in October 2012, in association with the merger of Nippon Steel and Sumitomo Metals, the company changed its name to Nippon Steel & Sumikin Engineering. The company works on a large number of projects in Japan and abroad, using its multidisciplinary engineering technologies in diverse fields, including the construction and operation of plants related to iron manufacturing, the environment and energy, and the construction of huge steel structures, skyscrapers, and pipelines.

Outline of NIPPON STEEL & SUMIKIN ENGINEERING CO., LTD.

Head office:	1-5-1, Osaki, Shinagawa-ku, Tokyo, Japan
Phone:	81-3-6665-2000
Capital:	¥15 billion
Annual sales:	¥314.1 billion (FY2013; consolidated)
Employees:	4,178 (as of March 31, 2014)

Orders Received and Sales for Engineering and Construction (Consolidated)

(¥ billion)

Business fields	Orders received		Sales	
	FY 2012	FY 2013	FY 2012	FY 2013
Plant & Machinery	52.8	68.4	80.2	60.9
Environmental Solution	53.6	42.1	48.8	53.0
Energy Solutions	29.8	35.8	31.4	32.9
Marine Engineering & Construction	61.3	85.2	55.0	76.3
Pipeline	32.8	41.2	47.9	44.6
Building Construction & Steel Structures	48.4	45.5	44.8	45.0
Elimination of inter-segment transactions, etc.	- 8.3	14.5	- 5.1	1.4
Total	270.4	332.7	303.0	314.1
(Overseas sales)	(62.7)	(97.7)	(84.7)	(90.0)

Sales (Consolidated)

(¥ billion)

Fiscal Year	2007	2008	2009	2010	2011	2012	2013
Total sales	359.8	386.6	331.9	254.9	248.9	303.0	314.1
(Overseas sales)	(88.4)	(79.0)	(79.0)	(52.4)	(59.0)	(84.7)	(90.0)

Business Lines and Products / Services

Plant and Machinery

• Steel Plants

Ironmaking and steelmaking plants (blast furnaces, basic-oxygen furnaces, etc.), Direct reduction plants (shaft furnace type), processing & treatment lines (C.A.P.L.[™], CGL, ETL, CCL, etc.), environmental & energy saving systems (rotary hearth furnace [RHF], coke dry quenching [CDQ], coal moisture control [CMC], gas treatment, energy saving CO₂ absorption process [ESCAP[™]]), electric arc furnaces, continuous casters, reheating furnaces, rolling mills, nonferrous metal processing line

Environmental Solution

• Environmental Plants, Resources Recycling, Environment Restoration

Waste to energy facilities (gasification and melting technology, and grate incineration technology), recycling plazas, marine sediment and sludge incineration facilities, PCB waste treatment facilities, waste plastic treatment facilities, waste tyre pyrolysis plant, bioethanol production plant, freon decomposers, soil/ground water sedimentation, supply of operation & maintenance services, system for converting biosolid into solid fuel "J-Combi"

Energy Solutions

• Energy Solutions

Electricity retail supply, on-site energy supply, power generation engineering, wind power generation, geothermal steam production equipment

Marine Engineering and Construction

• Oil and Gas Development Projects, Offshore Civil Engineering

Oil/natural gas offshore pipelines, offshore platforms (modules and jackets), breakwaters, wave dissipation banks, bulkheads, sunken tubes, steel shell composite caissons, large-scale floating structures, steel/reinforced concrete structures, steel reefs, piling work, construction of offshore wind power

Building Construction and Steel Structures

• Comprehensive Building Construction and Engineering

Construction of industrial, office buildings, condominiums and plant buildings, construction of public facilities by PFI

• Steel Structure Engineering

High-technology steel structures (large-span spatial structure, exposed steel structure, tubular steel structure)

Spatial structure systems (NS Truss, W-Truss, NS Tension System, timber-steel hybrid system), NS stud connection for pile caps and steel pipe sheet piles

• Pre-Engineered Products

Base-isolation and vibration-control devices, standardized buildings (STAN-package[™]), pipe piling work (NS ECO-PILE[™]), bridge products (grating, KAKUTABASHI[™], H-beam bridge, panel-bridge, NS-cover Plate, etc.)

NIPPON STEEL & SUMIKIN Pipeline & Engineering Co. Ltd.

• Energy Pipelines

On-land pipelines (natural gas, oil, etc.), city gas piping, decompress systems of high-pressure gas, simplified circular pipeline propulsive methods, fully automated welding machine methods of on-land pipeline-construction, "ANHT" type hot tapping method, buried pipe coating flaw inspection

• Waterworks

Water pipelines, water tank for urgent use, renewal and reuse methods for superannuated conduits (steel tunneling, pipe-in-pipe and Insituform[™] methods), submarine water pipelines, thermal and nuclear power plant circulation water piping, improvement methods for existing distribution reservoirs

• Energy Facilities

Natural gas liquefaction systems, LNG/LPG/oil receiving and delivery systems (LNG/LPG receiving terminals, LNG satellite stations, LNG lorry shipment equipment, etc.), storage equipment (low-temperature liquefied gas tanks, city gas holders, etc.), piping and facilities of iron works

Chemicals

Nippon Steel & Sumikin Chemical Co., Ltd. has combined coal chemicals and petrochemicals by using aromatic chemistry. It has developed a wide variety of original products, including various aromatic products and needle coke, in which it commands a high share in the coal-based type. In recent years, the group has developed and marketed a wide range of display materials, PWB & package materials, and epoxy resins mainly for electronic materials. It is also working on capturing demand for organic electroluminescence (OEL) materials and other new functional products. By developing new businesses such as new materials for lithium-ion battery (LiB) electrodes, the group strives to achieve both stability and growth in its business.

Outline of NIPPON STEEL & SUMIKIN CHEMICAL CO.,LTD

Head office:	4-14-1 Sotokanda, Chiyoda-ku, Tokyo, Japan
Phone:	81-3-5207-7600
Capital:	¥5 billion
Annual sales:	¥230.1 billion (FY2013; consolidated)
Employees:	1,706 (as of March 31, 2014)

Operating Policies

Nippon Steel & Sumikin Chemical aims to become a chemical company that contributes to society based on its proprietary materials technology. With steel chemicals and functional materials businesses serving as core business drivers, the company strives to globalize by means of developing new businesses and expanding core businesses to overseas, thereby achieving sustainable growth.

Main Products

Coal Tar Chemicals

Pitch coke, pitch, naphthalenes, phthalic anhydride, tar fine chemicals, industrial gases (hydrogen, argon, oxygen, nitrogen), carbon black, special carbon products

Chemicals

Styrene monomer, benzene, toluene, xylene, cyclohexane, methanol, ammonium sulfate, divinylbenzene, special solvent, bisphenol A, o-cresol, high-performance synthetic lubricant

Functional Materials

Optical & display materials (styrene resin, specialty materials, UV/thermosetting resin materials ESDRIMER™, high surface hardness transparent plastic substrates SILPLUS™, liquid crystal display color filter resist material ESFINE™, organic EL materials LumiAce™ (light emitting material, electron transport material, hole transport material, hole injection material)

Epoxy resin (general purpose epoxy resins, non-halogen flame retardant epoxy resins, specialty epoxy resins)

PWB materials ESPANEX™ (adhesive-less copper laminate (two-layer CCL) for flexible printed wiring boards)

■ New Materials

In 1984 Nippon Steel created the New Materials Projects Bureau and commenced business undertaking in the field of new materials other than traditional steel-related new materials through utilization of wide-ranging technologies accumulated in steelmaking and introduction of technologies from other companies. In order to expand the new material business, especially in the market for electrical components, Nippon Steel Materials Co., Ltd. was founded in July 2006. Then in October 2012, in conjunction with the merger of Nippon Steel and Sumitomo Metals, the company changed its name to Nippon Steel & Sumikin Materials Co., Ltd.

Outline of NIPPON STEEL & SUMIKIN MATERIALS CO., LTD.

Head office:	7-16-3, Ginza, Chuo-ku, Tokyo, Japan
Phone:	81-3-6853-6260
Capital:	¥3 billion
Annual sales:	¥37.2 billion (FY2013, consolidated)
Employee:	747 (as of March 31, 2014)

Business Development

Since its inauguration as the New Materials Division, NIPPON STEEL & SUMIKIN MATERIALS has promoted improvement and expansion of its business base, in close collaboration with related departments of the company's R&D sections and steelworks. Efforts took into account future market development, supplied not only materials, but also processing services, components and finished products, and has been expanding manufacturing bases in China, the Philippines, Malaysia, Indonesia, India and Thailand.

Operating Areas

- Electronics industry materials and components
- Basic industrial materials and components
- Environmental and energy materials and components

Major Products and Operating Sections

Electronics Industry Materials and Components

■ Materials for semiconductors

General-purpose semiconductors are encapsulated entirely or partly with sealing materials (resin and inorganic filler composite materials) after conducting silicon chips, on which electronic circuits are made up by the use of bonding wire with the lead-frame etc. Nippon Steel & Sumikin Materials provides the following products and services, by applying technologies cultivated through steelmaking, such as analysis, simulation, structure control, welding & joining, and other advanced technologies, thus meeting the needs of the semiconductor market where demand is high and quality requirements are strict.

- | | |
|--|--|
| • Gold bonding wire, copper bonding wire and micro solder balls (electrode connecting materials) | Nippon Micrometal Corporation
Nippon Micrometal Corporation Philippines
Hangzhou New Material Chroma Co., Ltd.
Nippon Micrometal Malaysia Sdn. Bhd. |
| • Spherical filler powders (sealing materials) | Micron Company
Harimic Malaysia Sdn. Bhd. |
| • SiC wafer | SiC Wafer Company |

■ Materials for electronic devices

Stainless steel foil coils and sheets marketed by Nippon Steel & Sumikin Materials offer such characteristics as extra-thinness, high thickness precision, high strength and high spring performance. Due to these characteristics, the coils and sheets are used as material for hard disk drive suspensions and springs for mobile terminal keyboards, meeting customer needs for lighter gauges, downsizing and improved performance of electronic components. Moreover, through development of a variety of coated stainless steel foil, materials that have functions such as insulation, vibration damping, and adhesion with other materials are provided. Since 2013 the plastic film-laminated stainless foil and the stainless foil collectors for the secondary batteries have been provided.

- Stainless steel foil coils and sheets Metal Foil Company

■ Materials and components for semiconductor manufacturing equipment

Nippon Steel & Sumikin Materials supports the semiconductor and electronics sectors with the supply of materials and components for the equipment.

The company supplies dense, homogeneous, and no-internal-defect materials such as metals and ceramics, new metal composite, and high-quality and fine-grained sputtering target, through the hot isostatic pressing.

In addition, applying heat treatment and joining technologies, pad conditioners for the pre-treatment process in the semiconductor and for the CMP (Chemical Mechanical Polishing) process in the hard disk drive substrate manufacturing are supplied.

- HIP processed products HIP Unit
- CMP pad conditioners CMP Pad Conditioner Unit

Basic Industrial Materials and Components

■ Carbon fibers and composites

Carbon fibers possess not only high strength and elastic modulus but also light weight, high heat resistance, high conductivity, and high abrasion resistance, compared to conventional materials. Nippon Steel & Sumikin Materials supplies the following carbon-fiber products to a wide range of fields such as sporting goods, aerospace, industrial machines, construction and engineering, making the maximum use of the company's material technology and structural design technology.

- Carbon fibers, prepreg Nippon Graphite Fiber Corporation
- Carbon-fiber composite materials Composites Company
Nippon Steel & Sumikin Materials (Thailand) Co.,
Ltd.

Earthquake-resistant reinforcing sheets and plates (TOWSHEET™, TOWPLATE™, STRANDSHEET™)

Concrete members reinforced with carbon fibers (NOMST™ members)

CFRP (carbon-fiber reinforced plastics) rolls

CFRP structural members for industrial machinery (robot hands, ultra-precision device parts, etc.)

Environmental and Energy Materials and Components

Metal substrates for catalytic converter manufactured using stainless steel foil offer high performance in heat resistance, vibration resistance, and design flexibility, as automotive emission purification parts. The substrates solve the incompatibility between high engine output and emission purification, thus contributing toward eco-friendly automobile manufacturing. The originally developed stainless steel foil that shows excellent oxidation-resistance in high temperature is also provided as material.

- Metal substrates for catalytic converters

Metal Substrate Company
Nippon Steel & Sumikin Materials Hangzhou
Co., Ltd.
PT. NIPPON STEEL & SUMIKIN MATERIALS
INDONESIA
NIPPON STEEL & SUMIKIN MATERIALS
INDIA PVT. LTD.

- Stainless steel foil coils and sheets for metal substrates for catalytic converters

Metal Foil Company

System Solutions

Nippon Steel Corporation launched this business in 1986, building on the system technologies it had accumulated through many years of operation in the steelmaking business, in which the company boasts the world's top-class technological capability. Since then, the company has reinforced the infrastructure for this business. In April 2001, Nippon Steel Corporation undertook a business merger between its Electronics and Information Systems (EI) Division and Nippon Steel Information & Communication Systems Inc. (ENICOM) and established a new company, NS Solutions Corporation. NS Solutions was successfully listed on the First Section of the Tokyo Stock Exchange in October 2002.

Outline of NS Solutions Corporation

Head office:	2-20-15 Shinkawa, Chuo-ku, Tokyo, Japan
Phone:	81-3-5117-4111
Capital:	¥12.95 billion
Annual sales:	¥179.8 billion (FY2013; consolidated)
Employees:	5,101 (as of March 31, 2014)

Business Summary

NS Solutions proposes solutions that are most appropriate from the customers' perspective.

NS Solutions takes full advantage of extensive experience and advanced IT capabilities fostered in steelmaking.

The company became involved in cloud computing ahead of many others. It established the 5th Data Center, as its base for providing cloud services in May 2012.

It acquired PALSYS Software Co., Ltd. as a subsidiary in Thailand in October 2013, promoting further globalization.

Business Areas

Manufacturing and Consumer Products Sectors

As a solution provider that comes from the manufacturing industry and is therefore most familiar with customers' operations, NS Solutions helps its customers with their management strategies and on-site practices by providing optimal solutions in consideration of the changing times.

- Business applications: Provision of solutions such as ERP, SCM, PLM, and CRM
- Infrastructure: Provision of solutions, including authentication and authorization that commonly apply to various operations
- Solutions for specific industry: Solutions tailored for engineering

Retail and Service Business Sectors

Based on the practical knowledge obtained through field operations, NS Solutions supports its customers with its ability to build a comprehensive range of systems, from mission-critical systems based on state-of-the-art technologies to information systems.

- Internet media services: CRM, designing and building multi-site/multi-channel compatible EC sites, etc.
- Retailing: Supply chain management system, integration of distribution systems, etc.
- Consumer packaged goods (CPG): Uniform management of sales process, etc.
- Medicines and healthcare: Sales support systems for MRs, systems for collecting and managing clinical trial data, etc.

Telecommunications Sector

NS Solutions provides new business models required by telecommunications carriers and technologies for converting the models into tangible forms from users' points of view, mainly in the following areas:

- Service platform
- Core network
- Access network
- Operation support system (OSS)
- Business support system (BSS)

Financial Sector

By integrating the company's many years of experience in finance-related operations with its IT capabilities, the company provides practical solutions that are ready for financial business in the new era.

- Solutions for financial markets: TSSummit, an integrated package for supporting trading operations, front-, middle-, and back-end systems for dealing, etc.
- Business management solutions: ALM, revenue and risk management, BancMeasure™ for integrated revenue management, solutions for complying with Basel III and IFRS, etc.
- Databases: Large-scale DWH, database, etc.
- Retail payments: Creditcard Processing ASP services, etc.

Social and Public Sectors

NS Solutions provides its know-how of steel and the latest IT infrastructure technologies to government agencies, educational and research institutions, and public utilities. By doing so, it supports the creation of a safe, secure social infrastructure.

- National government offices, local municipalities
- Science and technology institutions
- Academic institutions (universities, etc.)
- Public utilities (social infrastructure and transportation)

IT Infrastructure Solutions

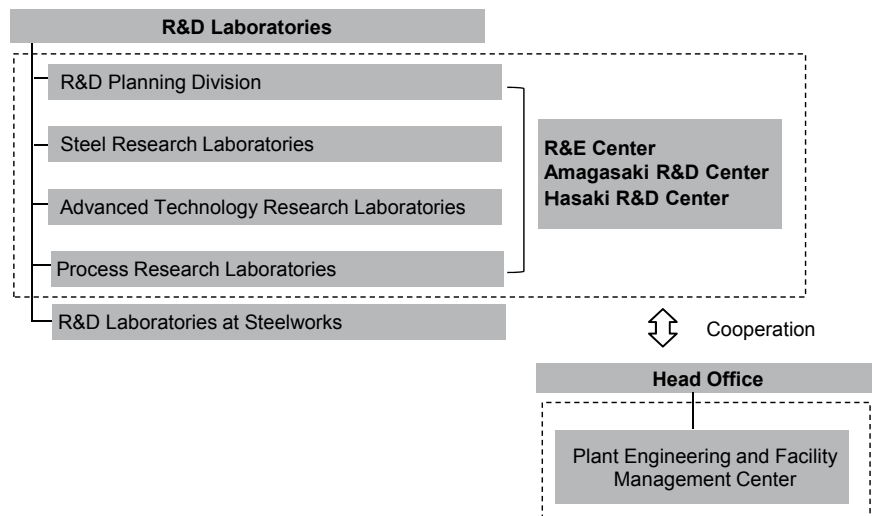
NS Solutions builds and provides standardized open IT infrastructure based on its know-how of diverse industry sectors and operations. In addition, it offers a wide variety of high value-added operation service menus. It is ready to provide optimal combinations of these services to meet the specific needs of customers. In May 2012, The company opened the 5th Data Center as a state-of-the-art infrastructure for cloud services.

- Cloud services: "absonne Enterprise Cloud Framework™" private cloud building service, "absonne Enterprise Cloud Service™" cloud computing IT infrastructure services, electronic contract service "CONTRACTHUB@absonne™", etc.
- Data center services: Building and operating disaster recovery (DR) sites, etc.
- Desktop as a Service (M³DaaS™): Creating a virtual PC on absonne so that users can have access to a desktop environment that is the same as the one in their office, anytime, anywhere
- ASP/BPO services for handling drawings and documents: Document management for financial institutions, management of drawings included in as-built drawings, etc.
- Services NS Solutions provides as a statutory electronic public notice investigation body: Provision of services as an electronic public notice investigation body registered by the Minister of Justice
- "Kotoshirabe", a tool that proofreads Japanese documents: A tool that checks Japanese documents for ambiguity, orthographic variants, words that have different meanings in Chinese, and redundant expressions. It can also check for the use of inconsistent terms with reference to a specified glossary.

Research and Development

R&D Organization

In the true spirit of research and engineering, Nippon Steel & Sumitomo Metals' three principal R&D bases, namely the R&E (Research & Engineering) Center in Futtsu, the Amagasaki R&D Center, and the Hasaki R&D Center, are working closely with the R&D laboratories at steelworks across the country and are promoting integrated R&D activities that range from basic and fundamental research to applied development and plant engineering.



R&E Center (Futtsu)

- Location: 20-1 Shintomi, Futtsu City, Chiba Prefecture, Japan
- Establishment: September 1991
- Site: 700,000m²

Amagasaki R&D Center

- Location: 1-8 Fuso-cho, Amagasaki City, Hyogo Prefecture, Japan
- Establishment: August 1960
- Site: 54,000m²

Hasaki R&D Center

- Location: 16-1 Sunayama, Kamisu City, Ibaraki Prefecture, Japan
- Establishment: April 1974
- Site: 159,000m²

R&D Expenditures

Fiscal year		2006	2007	2008	2009	2010	2011	2012	2013
Consolidated	NSSMC							60.0	64.4
	NSC	41.2	45.3	45.7	46.8	46.6	48.1	-	
	SMI	18.7	20.1	22.1	22.8	22.7	22.8	-	

Note: The amount for fiscal 2012 is based on the Securities Report ("Yukashoken Hokokusho") and excludes the amount of Sumitomo Metals for the first half of 2012.

Major R&D Achievements

Year	Major Achievements
2007	<ul style="list-style-type: none"> • ECOKOTE™-S; steel sheet, coated with a tin and zinc alloy rather than a lead alloy, for automotive fuel tanks having high corrosion resistance (Monozukuri Nippon Grand Award; Prime Minister's Award) • "Spot Welding Method by Seven Steps Current" for high-tensile-strength steel sheet • NSGP™-1, steel plate for crude oil tankers having high corrosion resistance (Nikkei Superior Products and Services Awards; Nikkei Industrial Daily Award for Excellence, Ichimura Award) • High strength steel plate for hull structures with a yield strength of 460Mpa and superior fatigue properties; this steel was developed based on the FCA™ (Fracture Crack Arrester) technology and has a twofold longer fatigue life expectancy than conventional steels • "FCA™-W Steel Plate", the world's first high-tensile-strength plate for improving the fatigue strength of welded joints • Nickel (Ni)-based alloy that has the highest resistance to metal dusting in the world • Innovative continuous casting technologies (PCCS & SSC) for high-quality steel • Seamless FCW; flux-cored welding wire • Improvement of on-site production ability by "IT operation-support system" (Nikkei Monozukuri Award) • Sub-micron level material analysis by "3-D atom-probe analyser" • Catalytic material to reduce the use of noble metals largely for automotive exhaust emission control system • High corrosion dual phase stainless steel for urea processing plant "DP-28W" (jointly developed with Toyo Engineering Corporation. The material is applied to an actual plant.) • High strength type "Pile head connection method™ with outer steel ring and in-filled concrete" for short-term works and high-quality construction (jointly developed with Shimizu Corporation) • "SSAT™-35", a new titanium alloy with an optimal balance between workability and strength
2008	<ul style="list-style-type: none"> • Quench-hardenable steel sheet for hot stamping "SUMIQUENCH SCSQ30B" • Chrome-free electrogalvanizing steel sheet for motor case "NEO COAT T2" • Walking control technology in hot strip finishing mill • Innovative structural materials to realize safe and reliable constructions, derived by the national project concerning nano-technology (NTPT) • Ultra high-strength steel plates for building structures "SSS1000" (jointly developed with Osaka University, Kyoto Institute of Technology, NIKKEN SEKKEI Ltd., and KATAYAMA STRATECH Corp.) • NSF method: To realize safe and comfortable housing by environmentally-friendly method • SM-composite pile method™ with concrete-filled steel pipe • Steam generator tubes to be used in advanced nuclear power plants • High-strength wire rod by direct in-line patenting process for suspension bridge • Advanced bogie truck with a rail-interaction-force monitoring system • SCOPE21, innovative coke-oven introduced the next generation coke-making process technology • Measurement of inside of blast furnace using cosmic ray muons

	<ul style="list-style-type: none"> ▪ Frontier-Stone™, Eco-Gaia-Stone™, etc., environmentally-friendly materials made of steelmaking slag ▪ Evaluation technique for local strength in spot weld of steel sheet using small specimen ▪ Silicon carbide epitaxial wafers for power electronics devices (Nikkei BP Technology Award) ▪ Solution growth method to grow silicon carbide ▪ Single crystal highly-active visible light responsive photocatalyst (jointly developed with Osaka Titanium Technologies)
2009	<ul style="list-style-type: none"> ▪ Hot-dip galvanized high hole expansion ratio type steel ▪ ZINKOTE™ BLACK, black painted chrome-free electrogalvanized steel sheet ▪ NS-Ship-Safety235, high deformability steel for the bulbous bow of a ship ▪ Extra-heavy wall, small diameter ERW tubes for weight reduction of automotive parts ▪ "CLEANWELL™ DRY", an environmentally-friendly premium connection, which does not contain heavy metals ▪ "VAM®21", a premium connection with good performance, used in connecting oil country tubular goods (jointly developed with Vallourec S.A.) ▪ Non-heat treated nitrocarburized high-strength crankshaft steel (jointly developed with Honda R&D) ▪ Recycling technology for refractories (Prize by Director-General, Industrial Science and Technology Policy and Environment Bureau, the Ministry of International Trade and Industry in Japan) ▪ Anti-entrapment mold flux with properties of high viscosity and high surface-tension that crystallizes into melilite as a main phase ▪ RS Plus™ Method, low-noise low-vibration method for construction of high load-bearing foundations for port engineering utilizing steel pipe piles ▪ Composite concrete packed steel segment ▪ Three-dimensional hot bending quench (3DQ) mass processing technology that enables steel components with a hollow tubular structure to acquire ultra high-tensile strength ▪ New analytic technology for automobile collision simulation (jointly developed with Mazda Motor and Corus, the British and Dutch steel company) ▪ Optimization design simulation technology for the exterior unit of an air conditioner ▪ Cold forging method of one piece stainless steel fuel union for high grade vehicle engines ▪ Fine grain stainless steel sheet for the long fatigue life diaphragm of a hydrogen compressor ▪ New temperature measurement and control technologies for manufacturing of high-tensile strength hot strip
2010	<ul style="list-style-type: none"> ▪ 6% Ni steel for LNG storage tanks ▪ Highly deformable UOE line pipe ▪ SBHS, steel sheet for bridge high performance structure ▪ Manufacturing process innovation in high carbon and chromium steel wire for needle bearings ▪ "NAR™-DP-28W", high-chrome duplex stainless steel in a urea plant, with superior weldability (jointly developed with Toyo Engineering) ▪ Technology that serves to reduce radiation exposure of workers at nuclear plants through the manufacture of material that reduces the content of cobalt and a film processing technology to reduce the release of metal ion from tubes

- Resource-saving, high-strength electromagnetic steel "SXRC" (National Commendation for Invention; 21st Century Invention Prize)
- Heat resistant stainless steel sheet "NAR™-AH-7" for advanced high-temperature heat exchangers
- "High-precision drop weight impact test machine" that is used to accumulate data and develop technology aimed at further enhancing automobile safety
- New molten pig iron dephosphorization technology with powder top blowing for realization of high efficiency production of low phosphor steel with low environmental load
- Development of "VAM®21", the world highest-performance threaded connection (jointly developed with Vallourec S.A.)
- TN-X™, high-tension steel pipe pile & high bearing capacity foot protection steel pipe pile construction method
- Further reduction in welded light-weight H-beams that are used for housing construction
- Heat release steel sheet as heat sink material for ultra-thin LCD TVs
- Dual-wall exhaust manifold by press forming
- Carbon blocks with high thermal conductivity and high corrosion resistance for blast furnace hearth
- Optimum scheduling system for integrated raw material logistics
- EX1, multi-coated Cu bonding wire for LSI packaging (Ichimura Award; Main Prize)

2011

- 1.2GPa high tensile cold rolled steel sheet with high formability
- Extremely thick HT80 plate of 210mm for rack
- Development of corrosion-resistant steel with tin added high-tensile steel plates with high salt resistance
- Development and commercialization of thick steel plate with excellent weldability for use in developing marine resources and energy
- CORQ™, corrosion resistant castings
- UIT (Ultrasonic Impact Treatment) method for increasing fatigue strength
- Straight web-type sheet piling cell construction method
- Development of "SM-HSJ (H-column Simple Joint) construction method" that uses an improved method of connecting H-beams and columns for steel frame buildings
- Development of low-carbon non-lead free cutting steel "Smigreen CS"
- Development of fine-precipitate dispersed stainless steel sheet "NAR™-301L HSX"
- Development of Sumi Quench 1800, the steel sheet for hot pressing with the world highest-tensile strength of 1,800 MPa (jointly developed with Mazda Motor, Aisin Takaoka, and Futaba Kogyo)
- Development of high-strength and high-corrosion resistant alloy "Super 17Cr OCTG" for ultra deep well application
- Development of upper drafting counter flow type deep bed sinter cooler (jointly developed with Mitsubishi-Hitachi Metals Machinery, Inc.)
- Development of three-dimensional hot bending quench (3DQ) mass processing technology
- Invention of steel plate that extends the fatigue-life of welded steel structure
- Full launch of the biomass mixed power generation fired by coffee grounds mixed with coal
- Development of steel used as common rail for diesel engines (jointly developed with Denso)

<p>2012</p>	<ul style="list-style-type: none"> • 6-inch SiC single-crystal wafers • SBHS500 high performance steel was used to construct the fully-welded large truss box composite bridge of the Tokyo Gate Bridge. • For the first time in the world, 590MPa class high-tension steel (cold-rolled steel sheet) was used for the side panels, and 780 Mpa class high-tension steel (hot-rolled steel sheet) was used for the suspension arms. • 980MPa class high-tension steel was used for the first time in the world for parts of light automobiles that are difficult to form. • SuperDyma™ highly corrosion-resistant steel sheet was used for the first time in automobile body panels. • SuperDyma™ highly corrosion resistant plated steel sheet products which conform to JIS standards • VE/NSYP™345B hyper beam consisting of 490N rolled steel sheet for building construction whose design reference strength (F value) has been increased to 345N was used for the first time. • The SMart BEAM™ method was used for the first time in 3-story wooden buildings. • A hat-shaped steel sheet pile + H-steel method was used for the first time in harbor construction work. • The support strength properties of steel sheet piles intended for foundation construction were favorably evaluated by the Railway Technical Research Institute. • SBHS400W high yield point steel sheet for bridges was modified to conform to JIS, and then adopted for the first time. • Active suspension for railway rolling stock was used by the Kinki Nippon Railway Company on all of its "Shimakaze" tourist limited express trains. • Recycling technology for general waste plastic based on the coke oven chemical raw material recycling method (Okochi Commemorative Award)
<p>2013</p>	<ul style="list-style-type: none"> • New melting furnace (EB furnace: Electron Beam Refining Furnace) • Hot-dip galvanized high-tensile-strength steel with a strength class of 1.2 GPa • Hot-press product using a direct water-cooling method (jointly with Unipres) • 7% nickel steel plates for LNG tanks • Method for refining tsunami-deposited soil (CAL-SPIN™ method) certified by the Council for Construction Technology Review and Certification) (jointly with Nippon Steel & Sumikin Engineering) • "SUS304 H-SR3" stainless steel plates with ultrafine crystal grain • Combination wall of hat-shaped steel sheet pile and steel pipe pile by gyro press method (jointly with Giken Ltd.) • Welded lightweight H-shaped steel (SMartBEAM™) was utilized as construction louver material • Active suspension for railroad cars was adopted by the Kyushu Railway Company for the Cruise Train Seven Stars (Nanatsuboshi) in Kyushu

Award-winning Technologies

■ Okochi Award

(sponsored by Okochi Memorial Foundation)

The award is presented every year to individuals and organizations that have attained excellent achievements in research and development of production engineering and production technologies, and in practical applications of advanced production systems.

Year	Award names	Achievements
1991	Grand Production	High-efficiency universal rolling technology for wide-flange beam (jointly with Kawasaki Steel)
1992	Production	High-grade ERW pipe and tube of non-quenched/tempered type for use as OCTGs
1993	Production	Development of high strength and corrosion resistant Ni base alloy OCTGs
1995	Production	Development of high speed and high performance bogie trucks for railway vehicles
1996	Production	Development of high reliability heat exchanger tube for nuclear power plants
	Grand Production	Low-cost, low-environmental burden metallurgical coke production technology
1997	Production	Roll pair cross rolling method for high accuracy and productivity in steel rolling process of flat products (jointly with Mitsubishi Heavy Industries)
1998	Production	High-speed tool steel hot-strip mill roll by continuous pouring process for cladding (jointly with Hitachi Metals)
1999	Technology	Development of stainless steel pipe for supply of ultra-high-purity gas (jointly with Sumikin Stainless Steel Pipe Co., Ltd. and Tohoku University)
	Grand Production	Environmentally-friendly sintering technology for difficult-to-process iron ore
2000	Production	Die-forged crankshaft performance enhancement and development of high production total system
	Production	Automotive high-strength steel sheet (TRIP) with excellent crash energy absorption capacity
2001	Production	World's first endless hot rolling process and new product (jointly developed with Kawasaki Steel, Mitsubishi Heavy Industries, and IHI Corporation)
2004	Production	New-generation technologies for the production of medium-size seamless pipes and tubes
2007	Grand Production	Development of new-generation technologies for the high-quality, high-efficiency and environmentally-friendly steelmaking process
2008	Production	YP 47kgf/mm ² class higher strength steel plate and new hull structure design for large container ships (jointly with Mitsubishi Heavy Industries)
2009	Grand Production	Development of advanced stainless boiler tube for ultra-supercritical (USC) coal-fired thermal power plants
	Production	Diagnose and repair technologies used in enormously harsh space for realization of coke-oven restoring (DOC)
2010	Production	Process for recycling dust emitted in steel mills
2011	Production	Development of technologies that extend the campaign life of blast furnaces

2012	Production	Municipal waste plastics recycling technology by producing chemical raw materials
2013	Production	Development of high-alloy seamless OCTG and their manufacturing technologies that increase production of natural gas
	Production	Innovative new cokemaking technology for expanding raw coal resources and saving energy (SCOPE21) (jointly with Kobe Steel, JFE Steel, Nisshin Steel and Mitsubishi Chemical)

■ Ichimura Award (sponsored by the New Technology Development Foundation)

The award is presented every year to executives and researchers who have rendered distinguished services in nurturing excellent domestically-developed technologies, aiming at contributing to the dissemination of scientific technologies and the improvement of scientific technological level.

Year	Award names	Achievements
1991	Contribution	In-line heat treatment for high-strength DHH (deep head hardened) rail
1992	Distinguished Service	Development of high performance ferritic stainless steel with Nb and Cu (jointly with Nippon Stainless Steel Co., Ltd.)
	Contribution	Corrosion diagnosis for steel structures using electrochemical technology
1994	Contribution	Development of wide aluminum/stainless steel clad coil
1996	Distinguished Service	Ultra-high-strength steel wire for bridge cables
1997	Contribution	Heat-proof domain refining method for grain-oriented electrical steel sheet
1998	Distinguished Service	Development of powder top blowing process under reduced pressure
1999	Contribution	Hot-rolled titanium-clad steel coil
2000	Contribution	Weathering steel for use in coastal regions
2002	Contribution	Development of high performance 60-kg high tensile strength steel plate with strikingly improved welding capabilities
2004	Contribution	Super high HAZ toughness technology with fine microstructure imparted by fine particles (HTUFF™)
2005	Contribution	Innovative antiseismic technology using unbonded brace and advanced steel
	Contribution	Development of processing technology to promote the generation of protective rust for weatherproof steel
2007	Distinguished Service	Sulfuric acid and hydrochloric acid dew-point corrosion resistant steel (New S-TEN™1)
	Contribution	Development of non-oriented electrical steel sheet for high-efficiency motors
2009	Contribution	Superior corrosion resistant and environmentally-friendly steel sheet for automotive fuel tanks (ECOKOTE™-S)
	Contribution	Development of steel plate for improving the fatigue strength in welded joints
2011	Contribution	Corrosion resistant steel for cargo oil tank (NSGP™-1)
2012	Main Prize	Multi-coated Cu bonding wire for LSI packaging (EX1)
2013	Contribution	Vibration controller for railroad cars (active suspension)

■ National Commendation for Invention (sponsored by Japan Institute of Invention and Innovation)

The Imperial Invention Award, from the Imperial Bounty, is presented every year to those who have made particularly significant inventions. The invention and other awards are also given every year to those who have made excellent inventions, devices and designs, and those who have put into practical use these achievements and made significant contributions pertaining to encouraging inventions.

Year	Award names	Achievements
1993	Keidanren Chairman's Prize	Ultra-low core loss grain-oriented electrical steel sheet treated by laser irradiation
1995	Japan Patent Attorneys Association President's Prize	Web-height flexible control method for H-beam rolling by skew roll mill
1997	Invention Prize	Ultra-low-carbon steel sheet with combined addition of Nb and Ti, having formability and good adherence of galvanized coating
1998	Invention Prize	High crack-arrestability endowed steel plate having surface layer with ultra-fine-grain microstructure
2001	Invention Prize	Rail with high wear resistance and internal fatigue damage resistance for heavy-haul railway use
2003	Invention Prize	Recycling method of chlorine-containing waste plastics in coke ovens (jointly with the University of Kitakyushu)
	Invention Prize	Protective rust-layer accelerant technology for weather-resistant steel (jointry with Himeji Institute of Technology Graduate School)
2005	Invention Prize	High formability zinc coated steel sheets for automobiles
	Economy, Trade and Industry Minister's Prize	New-generation technologies for the production of medium-size seamless pipes and tubes
2007	Invention Prize	Development of mold flux for high-speed continuous casting
2008	Imperial Invention Prize	Development of super-high strength low-alloy steel oil country tubular goods (OCTG) for sour service
	Invention Prize	Compact type hydroforming equipment (jointly with Toyota Motor)
2009	Invention Prize	Invention of strengthened low-alloy steel for economical boilers (jointly with Mitsubishi Heavy Industries and Kyushu Institute of Technology)
2010	Education, Culture, Sports, Science and Technology Minister's Prize	Measurement and evaluation technology for hot repair of coke-oven chamber walls
2011	Chairman's Prize	Development of advanced stainless boiler tube for Ultra-Supercritical (USC) coal-fired thermal power plants
2012	Keidanren Chairman's Prize	Development of the functional steel plate with high enhancement to fatigue life for welded structures
	Invention Prize	Excellent corrosion-resistant hot-dip alloy coated sheet (SuperDyma™)
2013	21st Century Invention Prize	Invention of high-strength non-oriented electrical steel of resource-saving design
	Patent Office Commissioner's Prize	Invention of new type high performance copper bonding wire for LSI

■ **MONOZUKURI Nippon Grand Award**
(Ministry of Economy, Trade and Industry (METI) and other Ministries)
 (held biannually)

Year	Award names	Achievements
2007	Prime Minister's Award (Manufacturing and Production Process Category)	Invention of manufacturing method of high quality steel plates using nano-size particles
	Economy, Trade and Industry Minister's Prize (Product and Technology Development Category)	Abrasion-resistant, internal fatigue damage-resistant heavy load-bearing rails for railways
2009	Prime Minister's Prize (Product and Technology Development Category)	Development of ECOKOTE™-S, environmentally sensitive steel sheet for fuel tanks with outstanding corrosion-resistant properties
	Special Prize (Product and Technology Development Category)	Development of high-strength Pb-free non-heat-treated steel for the application of fracture splitting connecting rods (jointly with Honda Motor)
	Excellence Prize (Manufacturing and Production Process Category)	Blast furnace operation/maintenance technology that has enabled Japan's longest operating days of the furnace
	Excellence Prize (Manufacturing and Production Process Category)	Development of an innovative production method allowing the production of flat hot-rolled high-tensile steel plates
	Excellence Prize (Product and Technology Development Category)	Development of ultra-strength, formable steel sheet delivering improved fuel economy and protection for passengers
	Excellence Prize (Product and Technology Development Category)	Uncoated, highly weather-resistant nickel-steel alloy for use in bridge construction and the anti-corrosion technology that supports this product Practical implementation of a technical system (jointly with the Public Works Research Center)
	Excellence Prize (Product and Technology Development Category)	Development of high strength, highly tough thick steel plate for use on large container vessels (47 kg/mm ²); contributions to the structural design of new vessels (jointly with Mitsubishi Heavy Industries)
	Excellence Prize (Product and Technology Development Category)	Development of environmentally-friendly lead-free, low-carbon free-cutting advanced steel materials
2012	Prime Minister's Prize (Manufacturing and Production Process Category)	Development of an approach to use inferior quality ferrite dust as a raw material as part of a recycling process to manufacture steel
	Prime Minister's Prize (Product and Technology Development Category)	Development of a groundbreaking next-generation approach for the manufacture of stainless steel that radically reduces the amount of rare metals required (jointly with Nippon Steel & Sumikin Stainless Steel)
	Economy, Trade and Industry Minister's Prize (Manufacturing and Production Process Category)	Development of new continuous casting technologies for very thick plate (PCCS)

	Special Award (Product and Technology Development Category)	Development and practical application of a highly corrosion-resistant steel sheet NSGP™-1 for use on crude oil tankers
	Excellence Prize (Manufacturing and Production Process Category)	Development of the world's first hot rolling steel sheet thermometer with high precision even during a cooling process and the high-tensile steel sheet manufacturing technology by using this thermometer
2013	Special Award (Manufacturing and Production Process Category)	Development of a new steelmaking process that achieves high efficiency, high quality, and low environmental load, simultaneously
	Excellence Prize (Product and Technology Development Category)	Development of lightweight and highly corrosion-resistant IP gold titanium through ultrafine-pattern grinding technology and advanced vacuum technology (jointly with Toyo Stainless Polish Industry and Nihon Teppan)

**■ Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology
(Ministry of Education, Culture, Sports, Science and Technology)**

Year	Award names	Details
1998	Distinguished Service in Science and Technology	Development and promotion of steel tube and pipe for oil refining and petrochemistry
	Meritorious Services in Research	Research of analysis model on solidification and segregation of steel
	Meritorious Services in Research	Fracture mechanics research for the thick steel-materials application technology to large-sized structures, such as a LNG reservoir
1999	Distinguished Service in Science and Technology	Development and promotion of high efficiency dimensionally stable electrode and high quality electrolytic galvanized steel sheets technology
	Distinguished Service in Science and Technology	Development of a chrome-plated thin steel sheet that can be welded
	Innovator Award	Development of a process and related machinery for melting and continuous casting of steel
2000	Distinguished Service in Science and Technology	Development of laser technology to join steel sheets during the manufacturing process
	Meritorious Services in Research	Research into processing methods for steel rods and wire; optimizing the selection of raw materials
2001	Distinguished Service in Science and Technology	Development of a system to estimate the residual corrosion lifespan of steel materials used as structural materials in construction
	Meritorious Services in Research	Research of environmentally friendly free-cutting steel
	Meritorious Services in Research	Theoretical analysis of migration speeds for coagulation phenomena and continuous casting; research into the applications thereof
2002	Meritorious Services in Research	Research into the fault rates, causes and control in continuously cast steel slabs
2003	Distinguished Service in Science and Technology	Development of a system to identify and prevent the causes of weld cracking
2004	Meritorious Services in Research	Research into creative technologies and predictive controls for organizations, systems and materials for thin steel sheet
2005	Science and Technology Award: Development Category	Development of high quality and high speed round billet casting technology
2007	Science and Technology Award: Development Category	Development of a thin-walled, heat resistant integrated stove for a large-scale blast furnace
2008	Science and Technology Award: Development Category	Development of non-oriented electromagnetic steel sheet for high efficiency motors
2009	Science and Technology Award: Development Category	Development of crash-box that improves fuel efficiency and crash safety (jointly with Toyoda Iron Works)

2010	Science and Technology Award: Development Category	Development and commercial application of new functional steel material with an extended fatigue-life
	Science and Technology Award: Development Category	Development of high fatigue strength stainless steel for cylinder head gasket (jointly with Honda R&D Americas)
	Science and Technology Award: Research Category	Research into the highly functional properties of ferrite heat-resistant steel tempered at high temperatures over a long period of time (jointly with the National Institute for Materials Science and Mitsubishi Heavy Industries)
2011	Science and Technology Award: Development Category	Development of abrasion-resistant, internal fatigue damage-resistant heavy load-bearing rails for railways
2012	Science and Technology Award: Development Category	Development of a high environmentally sensitive Sn-Zn plated steel sheet for use in automobile fuel tanks
2013	Science and Technology Award: Development Category	Development of SuperDyma™ - a highly corrosion-resistant Zn-Al-Mg-Si plated steel sheet for use as a construction material
	Science and Technology Award: Development Category	Development of highly accurate cooling control technology through the use of a thermometer applied to cooling steel sheets at the hot rolling mill
2014	Science and Technology Award: Development Category	Development of a new, highly functional Cu bonding wire for LSI (jointly with Nippon Micrometal)
	Science and Technology Award: Development Category	Development of waste plastic recycling technology using a coke oven (jointly with Tetsugen, Nippon Coke & Engineering, Nippon Steel & Sumikin Texeng, and Nippon Steel & Sumikin Engineering)

Number of Patent Publications

CY	2008	2009	2010	2011	2012	2013
Nippon Steel & Sumitomo Metal	1,335	1,245	1,308	1,368	1,176	1,273

* The aggregated amounts of Nippon Steel and Sumitomo Metals

■ Social Contributions

Support of Music Culture through the Nippon Steel & Sumitomo Metal Arts Foundation at Kioi Hall

Ever since its foundation, Nippon Steel & Sumitomo Metal Corporation has made a major contribution not only to the development of Japan's economy but also to the progress of art and culture mainly in music for almost 60 years continuously, presenting the well-known weekly radio program "Nippon Steel Concerts" broadcasted between 1955 and 2005, "Nippon Steel & Sumitomo Metal Music Awards" (former Nippon Steel Music Awards). NSSMC is active in contribution to music through the supports to Nippon Steel & Sumitomo Metal Arts Foundation at Kioi Hall.

Kioi Hall

To commemorate the 20th anniversary of the founding of the former Nippon Steel in 1990, Kioi Hall was planned to construct and opened in 1995 as a part of Nippon Steel's philanthropic activities. The Kioi Hall contains two halls; Kioi Hall that is suitable for classical chamber music and Kioi Small Hall that is furnished for Japanese traditional music. As both halls are carefully designed and have the highest quality, those are garnered a high reputation among the musicians and the audience at home and abroad.

Outline

Location:	6-5, Kioi-cho, Chiyoda-ku, Tokyo, Japan 102-0094 phone:+81-3-5276-4500
Building:	Site: 3,120m ² Total floor area: 12,626m ² 7 stories and 2 basements
Accommodation:	Kioi Hall (1st & 2nd floors) a 800-seat concert hall equipped for classical music Kioi Small Hall (5th floor) a 250-seat auditorium furnished for Japanese traditional music
Ticket Center:	phone: +81-3-3237-0061
Website:	http://www.kioi-hall.or.jp

Kioi Sinfonietta Tokyo

Kioi Sinfonietta Tokyo was founded as the orchestra in residence at Kioi Hall on April 2, 1995 to coincide with the opening of Kioi Hall. The orchestra contains all world-class soloists, chamber musicians, or the principals of top level orchestras in Japan or abroad. One of its characteristics is to have rehearses in the hall to develop the full potential of both the hall and the orchestra and to refine the resident orchestra's innovative sound.

Kioi Sinfonietta Tokyo has presented its concerts in many cities outside of Tokyo. They have also carried out overseas concert tours in Europe and South Korea. In 2012, the orchestra made its first tour to America to celebrate the Japan-U.S. Cherry Blossom centennial and to show appreciation to the United States for their support to the Tohoku Earthquake of 2011.

Nippon Steel & Sumitomo Metal Arts Foundation

Nippon Steel Arts Foundation was established as an operating organization for the Kioi Hall. The foundation has been authorized as a public interest incorporated foundation in October 2012.

Objectives and Activities

1. Fostering talented musicians
Season members in Kioi Sinfonietta Tokyo, conductor trainees
2. Sponsoring concerts and other musical events
Presenting high-quality recitals and concerts in classical music as well as Japanese traditional music
3. Supporting distinguished musical activities
Kioi Up & Coming Artists introducing and supporting young talents, grants for performances
4. Administration and building operations of concert halls in the Kioi Hall
Maintenances and lending of the halls
5. Other activities deemed necessary to achieve the purpose of the foundation

Nippon Steel & Sumitomo Metal Music Awards (former Nippon Steel Music Awards)

Nippon Steel & Sumitomo Music Awards, established in 1990, are presented once a year to promising young classical music performers and to those who have made contributions to the development of classical music.

Number & Year	Promising New Artist Prize (¥3 million)		Special Prize (¥1 million)	
1st 1990	Akiko Suwanai	Violin	Miwako Matsumoto	Soprano
2nd 1991	Yoko Hasegawa	Cello	Takao Miyazaki	Stage manager
3rd 1992	Joji Hattori	Violin	Kiyoko Tanaka	Piano
4th 1993	Kyoko Tabe	Piano	Kaoru Chiba	Horn
5th 1994	Tetsuji Honna	Conductor	Eiko Morishima	Piano, Korrepetitor (opera singer's rehearsal pianist)
6th 1995	Emiko Suga	Soprano	Naoyuki Miura	Representative, Music from Japan
7th 1996	Yoshiko Kawamoto	Viola	Akihiro Tsuruta	Piano tuner
8th 1997	Daishin Kashimoto	Violin	Takashi Ogawa	Research on music materials and documents
9th 1998	Yukio Yokoyama	Piano	Saneyuki Yoshii	Secretary-General, Sendai Philharmonic Orchestra
10th 1999	Mieko Sato	Soprano	Jun Taki	Arts Manager
11th 2000	Dai Kimura	Guitar	Minoru Nagata	Acoustic designer
12th 2001	Ayako Takagi	Flute	Kyoko Ito	Producer of music festival Argerich's Meeting Point in Beppu
13th 2002	Yu Kosuge	Piano	Norikazu Sugi	Representative, New Opera Production
14th 2003	Akie Amo	Soprano	Hiroshi Isaka	Music Producer
15th 2004	Riyo Uemura	Violin	Masayoshi Kuriyama	Director
16th 2005	Mihoko Kinoshita	Soprano	Juro Aoki	Cello
17th 2006	Tatsuya Shimono	Conductor	Teruhisa Murakami	Piano tuner
18th 2007	Ayako Uehara	Piano	Akira Kinoshita	Photographer
19th 2008	Quartet Excelsior	Quartet	Shigeto Kanayama	Executive Adviser, Tokyo Symphony Orchestra
20th 2009	Hisako Kawamura	Piano	Kenji Aoki	President, Miyazaki Prefectural Arts Center
21st 2010	Kota Nagahara	Violin	Koji Toyoda	Violin, Artistic Director of Talent Education Research Institute Corp.
22nd 2011	Mami Hagiwara	Piano	Mayako Muroi	Piano
23rd 2012	Lina Matsuda	Violin	Takako Kurimoto	Soprano
24th 2013	Mariko Fukushi	Bassoon	Shuku Iwasaki	Piano

Social Contribution through Kashima Antlers (Football)

NSSMC promotes social contributions by supporting athletic teams. Its contribution to the Kashima Antlers Football Club, which began as a football team of the former Sumitomo Metal Industries and has become one of the top Japan Professional Football League (J. League) teams, is one of those examples.

Back in 1991, Kashima Antlers were selected as one of the participants in the J. League, by representing the neighboring areas of NSSMC's Kashima Works, namely, Kashima Town (now Kashima City), Hasaki Town (now Kamisu City), Kamisu Town (now Kamisu City), and other places. Since then, the locally-based Kashima Antlers club has strived to be a team that grows together with the community, contributing locally and being well-loved in its hometown area.

After becoming a professional team, Kashima Antlers reinforced their winning potential with actions such as the acquisition of former Brazil captain and global star player Zico. From the formation of the J. League in 1993 until 2013, Antlers won the league championship seven times, the J. League Yamazaki-Nabisco Cup five times, and the Emperor's Cup four times. Achieving a total of 16 titles, they have become one of the J. League's formidable teams. Recently, Antlers visited Vietnam to play in a friendly match, celebrating the Japan-Vietnam Friendship Year. The team has expanded its areas of activities overseas.

Kashima Antlers' Management Philosophy

- (1) Be a locally-supported brand via thorough local strategy
- (2) Be a club that fosters talent with a local foundation
- (3) Have a world-class stadium as a base
- (4) Continue to be a strong club that challenges the world
- (5) Continue to share our dream with the Antlers Family

Kashima Antlers' Major Achievements

1993	J. League 1st stage inaugural champions
1996	J. League first annual winner
2000	Treble winners of J. League, Yamazaki Nabisco Cup, and Emperor's Cup
2007-2009	League winners for three consecutive years
2007-2012	Japan's three major titles winners for six consecutive years

In addition, the Kashima Antlers has participated in international competitions such the Asian Club Championship (three times), Asian Cup Winners' Cup (once), and the ACL (four times). It became the first team to win the SURUGA Bank Championship for two consecutive years, in 2012 and 2013.

Kashima Antlers: A Club that Fosters Talent with Close Local Ties

Kashima Antlers comprise the Top Team (professional), a Youth Team (high school-age), three Junior Youth Teams (junior high school-age), and two Junior Teams (for elementary school-age players who have passed selection). These seven teams in total wear the Antlers uniform to play in official matches. In addition, there are 16 so-called "clinics" (for elementary school and preschool children): 14 in Ibaraki Prefecture and two in the neighboring prefectures. Through such activities, Antlers strives every day to foster player talent and further popularize football.

Unique Hometown Activities via Administrative Coordination

The “Antlers Hometown Committee”, which consists of Kashima Antlers, its five hometown cities (Kashima, Itako, Kamisu, Namegata and Hokota) and Ibaraki Prefecture as members, was established in 2007. The Committee is now the nucleus of hometown activities, with the aim of achieving social contributions united with the regional society (the J. League One Hundred Year Vision) and regional revitalization through sports. In addition to initiating the distribution of “Kids’ Passes” to all elementary schools in the hometown area (enabling children to watch matches for free) from 2006, and visits by Antlers players to all elementary schools in the hometown area from 2007, the Committee carries out regional social contribution activities in ways such as promoting activities that boost links with local specialty products and sponsoring bodies.

■ Kashima Antlers’ Disaster Reconstruction Support Activities

Ibaraki Prefecture suffered major damage from the Tohoku Earthquake and Tsunami of March 2011. While Kashima Antlers’ own home stadium and clubhouse were also damaged, the club carried out reconstruction support activities, including the hosting of charity events, visits by Antlers players to earthquake shelters, and fund-raising activities. In June 2011, three months after the Earthquake, Kashima Antlers alumni team, which included Zico and Alcindo Sartori, played a charity match against a former J. League star player-centered team and donated profits to the Japanese Red Cross Society and Ibaraki Prefecture.

■ The origin of the name “Kashima Antlers”

“Antler” means a typically branched horn of the deer, having to do with the gods associated with the local Kashima Shrine of national fame, and they were worshipped and revered by swordsmen, historically. Branched horns also conjure up an image of thornbushes after the name of the prefecture. The naming was made to signify the apple of this region like the shrine deer and the brave warrior locking antlers and fighting for victory. The team color is termed “Antlers Red,” which symbolizes the burning spirit of soccer and is also associated with the color of roses, the prefectural flower of Ibaraki.



■ About Ibaraki Prefectural Kashima Soccer Stadium

Construction of Ibaraki Prefectural Kashima Soccer Stadium, the home stadium of Kashima Antlers, was completed in 1993, the J. League’s inaugural year. Japan’s first soccer-specific stadium with a roof was a major driving factor in the Kashima Antlers joining the J. League – which at the time was said to be almost impossible for the club to achieve. In 2001, the stadium’s capacity was increased from 15,000 to 40,000 in preparation for the hosting of the following year’s FIFA World Cup. The stadium, which has been made even more spectator-friendly with additions such as seats for persons with disabilities, installation of large video display equipment, and smooth entry and exit ensures via a continuous concourse, now plays a role as a symbolic core facility for the development of the region.

Educational Programs in Manufacturing and Environment

NSSMC, with the purpose of fostering general understanding of the significance of Monozukuri (an art of manufacturing) chiefly in the next generation, has been offering educational and training programs and special classroom lectures in cooperation with schools and science museums.

(Programs in FY2013)

- **“Tatara Furnace Operation” demonstration**

NSSMC has been offering a traditional Japanese steel making demonstration, "Tatara Furnace Operation," at its steelworks and science museums.

- **Lectures at schools**

NSSMC has been supporting social studies in schools by giving lectures on Monozukuri (an art of manufacturing) or energy-saving and environmental preservation.

Support of Sports

NSSMC, in the regions of its steelworks, in cooperation with other neighboring companies, local governments and communities, has been supporting “community-oriented sports clubs” through organization of teams, training of players and junior teams as well as active participation in various local events and activities.

- **Sakai Blazers (Volleyball)**

Incorporated as the Blazers Sports Club in 2000
Tel: 81-72-233-2264

- **Kamaishi Seawaves (Rugby)**

Became a club team as Kamaishi Seawaves RFC in 2001
Tel: 81-193-25-2284

- **Nippon Steel & Sumitomo Metal Kazusa Magic (Baseball)**

Became a club team as the Kazusa Citizens' Baseball Club Magic in 2003
Tel: 81-439-53-0226

- **Nippon Steel & Sumitomo Metal Tokai REX (Baseball)**

Became a club team as the Citizens' Baseball Club Tokai REX in 2003
Tel: 81-52-603-0701

- **Kashima Blue Wings (Baseball)**

Founded as a baseball club in Kashima Works in 1975
Tel: 81-299-84-2410

- **Judo club**

Founded in 1949
Tel: 81-79-236-1449

Philanthropic Activities

■ Overseas Offices

New York Office of Nippon Steel & Sumitomo Metal U.S.A., Inc.

- Support of programs which address fundamental needs and problems in NYC public schools
 - Support of organizations dedicated to helping the disadvantaged
 - Support of the Metropolitan Museum of Art, Metropolitan Opera, New York Public Library and other organizations of arts and culture
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Chicago Office of Nippon Steel & Sumitomo Metal U.S.A., Inc.

- Support of the School of the Art Institute of Chicago, including exhibitions of student art work at the Chicago office
 - Contributions to local and Japanese communities via the Japanese Chamber of Commerce and Industry in Chicago, and other organizations
-

European Office of Nippon Steel & Sumitomo Metal Corporation (Düsseldorf)

- Participation in social contribution activities via Japanese associations in Düsseldorf (the Japanese Chamber of Commerce and Industry, Japan Club, and Japanese schools)
-

Sydney Office of Nippon Steel & Sumitomo Metal Australia Pty. Limited

- Participation in regional support and cultural/sports activities, and support of operations of Japanese schools via Japanese organizations (Chamber of Commerce and Industry, Japanese Association)
-

Nippon Steel & Sumitomo Metal Southeast Asia Pte. Ltd. (Singapore)

- Aid to scholarship granting for studying in Japan, and activities involved in education, arts, sports and welfare via the Japanese Chamber of Commerce and Industry Singapore and the Japanese Association Singapore
-

Nippon Steel & Sumitomo Metal (Thailand) Co., Ltd.

- Participation in social contribution activities via the Bangkok Japanese Chamber of Commerce and Japanese Association Thailand
-

Nippon Steel & Sumitomo Metal Empreedimentos Siderúrgicos Ltda. (São Paulo·Belo Horizonte)

- Participation in regional support and cultural/sports activities via Japanese organizations (Chamber of Commerce and Industry, Nikkei Association, Brazilian Association of Japanese Culture, Brazil-Japan Cultural and Sporting Society)
 - Support to Japanese cultural activities conducted by Brazilian groups and companies in JAPAN WEEK, etc.
-

Beijing Office of Nippon Steel & Sumitomo Metal Consulting (Beijing) Co., Ltd.

- Contribution for tree-planting projects, school construction in poverty areas and disaster reconstruction via Japanese associations
 - Promotion of China-Japan friendship exchange activities
 - Support of operations of Japanese schools
 - Participation in social contribution activities (ex. Chinese university students' Japan visit project including the homestay in our employee house and the acceptance of the visit in the steelworks) and making donations for flood, snow disaster, and tremendous earthquake via the Japanese Chamber of Commerce and Industry in China
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Shanghai Office of Nippon Steel & Sumitomo Metal Consulting (Beijing) Co., Ltd.

- Participation in social contribution activities via Shanghai Japanese Commerce & Industry Club (ex. Project-hope activities/school construction in poverty areas, aid education with hot heart/ schooling support activities in poverty areas, promotion of China-Japan friendship exchange activities, donations for flood, snow disaster, and tremendous earthquake, support of operations of Japanese schools, and contributions to Japanese communities)
-

Guangzhou Office of Nippon Steel & Sumitomo Metal Consulting (Beijing) Co., Ltd.

- Participation in social contribution activities and community service via the Guangzhou Japanese Chamber of Commerce & Industry
(ex. Series of lectures on Japanese culture in several Guangzhou universities, monthly cultural exchange with students studying Japanese)

Nippon Steel & Sumitomo Metal India Pvt. Ltd.

- Participation in social contribution activities via Japanese associations in New Delhi
(Japan Chamber of Commerce and Industry in India, Japanese Association Delhi)

Dubai Office of Nippon Steel & Sumitomo Metal Corporation

- Participation in social contribution activities via Japanese associations in Dubai (Japanese Business Council, Japan Club, and a Japanese school)
-

■ Head Office and Steelworks

	Contribution to local communities	
Head Office	<ul style="list-style-type: none"> • Open use of education and training facilities • Aid to disaster stricken areas 	
Kashima Works	<ul style="list-style-type: none"> • Cleaning of beach in Kashima City • Cleaning of roads surrounding Kashima Works • Removal of illegally posted advertisements • Promotion of landscaping Stadium Boulevard (planting and maintenance) • Participation in the Kashima Festival • Sakura Garden (herb garden, opened in August 2006 = part of yard opening of steelworks) 	<ul style="list-style-type: none"> • Ouka Garden (part of yard opening of steelworks) • Invite welfare institution residents to watching games of Antlers • Consolation concert at welfare institutions • Receiving of school teachers for training • Cleaning of roads in steelworks vicinity by new employees • Participates in the illumination project
Kimitsu Works	<ul style="list-style-type: none"> • Joint holding of Kimitsu Citizen's Festival with Kimitsu City • Support of Kisarazu Port Festival • Receiving of high-school teachers for training • Receiving of trainees from local high schools (internship) • Participation in fund-raising, cleaning, afforestation and traffic safety campaigns 	<ul style="list-style-type: none"> • Cleaning of roads in steelworks vicinity • Blood donation • Charity bazaars • Science experiment classroom/stand for school children
Nagoya Works	<ul style="list-style-type: none"> • Manpower and financial support of Chubu Economic Federation • Support of Tokai Flower Show • Support of a display of fireworks of Tokai Festival • Joint holding of Tokai Autumn Festival with Tokai City • Manpower support of "Tree Planting Project for 21st Century" by Tokai City 	<ul style="list-style-type: none"> • Support of fund-raising activities • Cleaning of major roads • Blood donation • Receiving of school teachers for training
Wakayama Works	<ul style="list-style-type: none"> • Participation in cleaning along Kinokawa River • Participation in cleaning in the city sponsored by Wakayama • Cleaning of Isonoura beach, participated by about 200 people • Participation in Kainan's hometown festival • Participation in Kainan's lacquer ware festival • Participation in Kainan's Geta market • Participation in Wakayama's Kishu dance • Support of a walking event at Kasei green tract of land 	<ul style="list-style-type: none"> • Cooperation for Sakai Festival and Citizen's Olympics • Cooperation for youth activities at Sakai City • Joint holding of local cleaning activities with local authorities • Help handicapped-person sports events held by Sakai City • Volunteer activities at schools for handicapped children • Promotion of blood donation
Hirohata Works	<ul style="list-style-type: none"> • Manpower and financial support of Green Town Building Club • Support of Hirohata Tenmangu Shrine Autumn Festival • Manpower and financial cooperation to Hirohata Economic Organization • Receiving of trainees from local junior high schools 	<ul style="list-style-type: none"> • Participation in cleaning campaigns for Himeji City streets • Cleaning of roads in steelworks vicinity • Blood donation • Fund-raising activities

Support of cultural and sports activities

- | | |
|---|--|
| <ul style="list-style-type: none"> • Establishment and management of Nippon Steel & Sumitomo Metal Arts Foundation • Construction and management of Kioi Hall • Nippon Steel & Sumitomo Metal Music Awards • Educational programs in Monozukuri (an art of manufacturing) and environment | <ul style="list-style-type: none"> • Contribution to universities, research institutes, and cultural/welfare organizations at home and abroad • Acceptance of school teachers for training at private enterprises (Keizai Koho Center) • Acceptance of trainees from government agencies, organizations/institutions, and universities at home and abroad • Planning and holding the Nippon Steel & Sumitomo Metal Cup sports competition (baseball, girls volleyball, table tennis, mini basketball) • Hosting baseball and swimming classes |
| <ul style="list-style-type: none"> • Awarding of Clover Prize — a social contribution prize of Kimitsu Works • Kimitsu Works Chrysanthemum Festival | <ul style="list-style-type: none"> • Cooperation to Kazusa citizen's supporters and boys' baseball guidance • Holding of Kimitsu Works-sponsored sports events • Holding of sports events and giving guidance by the Kimitsu Works club teams |
| <ul style="list-style-type: none"> • Support of classical concerts held by Tokai City • Holding periodic performances by Nagoya brass band • Holding of periodic performances by Nagoya Works choir • Holding of Christmas charity concerts by Nagoya Works brass band and choir | <ul style="list-style-type: none"> • Open use of sports facilities • Sports guidance at primary and junior high schools • Support of "Tokai REX" baseball club |
| <ul style="list-style-type: none"> • Enforcement of a sketch event for local primary school children, participated by about 120 fifth graders | <ul style="list-style-type: none"> • Implementation of the following activities through a regional volleyball team Blazers Sports Club <ul style="list-style-type: none"> — Dispatch of volleyball technical instructors — Holding of Blazers Cup sports events — Holding of volleyball events in Sakai City (V-League home games, international friendship games and others) — Promotion of Sakai Jr. Blazers, Blazers Kids, and Blazers Judo Club |
| | <ul style="list-style-type: none"> • Coaching children in sports (judo, baseball, kendo, sumo, karate, soccer) • Manpower and financial support of Yumesakikawa River Festival • Green town sports events • Rental of sports facilities |

	Contribution to local communities	
Yawata Works	<ul style="list-style-type: none"> • Donation of basic-oxygen furnace and torpede car to Kitakyushu City in response to the improvement of the surrounding area of "1901 Blast Furnace Monument" • Donation of Megane Bridge at Kawachi Reservoir to Kitakyushu City • Free lending of Sayagatani track and field stadium and Otani baseball field to Kitakyushu City • Participation and support of the Yawata Festival implementation committee • Cleaning of roads in steelworks vicinity (3 times/month) • Participation in "Cleaning campaigns" for Kitakyushu City 	<ul style="list-style-type: none"> • Heartfelt Steel Meeting of Nippon Steel & Sumitomo Metal's Yawata Works <ul style="list-style-type: none"> — Nippon Steel & Sumitomo Metal Cup for boys' soccer events and others • Cleaning of roads in steelworks vicinity • Participation in "Kokura Gion Festival" • Support of "Kokura illumination," "Wasshoi Summer Festival," and "Musashi-Kojiro Festival"
Oita Works	<ul style="list-style-type: none"> • Support of Joto Spring Festival • Support of local primary and junior high school events • Open use of welfare facilities • Visiting schools to give lectures • Cooperation for Hikari Festival • Cleaning of roads in steelworks vicinity (12 times/year) 	<ul style="list-style-type: none"> • Traffic safety campaigns <ul style="list-style-type: none"> — Fund-raising for orphaned children — Participation in traffic safety campaigns • Blood donation • Participation in fund-raising, afforestation, cleaning, traffic safety campaigns
Muroran Works	<ul style="list-style-type: none"> • Support of Muroran Port Festival • Support of Wanishi Shrine • Open use of welfare facilities 	<ul style="list-style-type: none"> • Joint disaster-relief training with local fire stations • Cooperation for and participation in afforestation and cleaning campaigns
Kamaishi Works	<ul style="list-style-type: none"> • Donation of sports facilities to Kamaishi City • Lending of sports ground to Kamaishi City • Participation in Kamaishi Festivals • Open use of welfare facilities • Lending of company-owned land and facilities • Provision of company owned land for reconstruction assistance 	<ul style="list-style-type: none"> • Cleaning of roads in steelworks vicinity • Participation in traffic accident-prevention campaigns • Participation in environment preservation activities • Promotion of blood donation
Amagasaki Works	<ul style="list-style-type: none"> • Cleaning of roads in steelworks vicinity • Regular cleaning with neighborhood communities (1,200 participants/year) • Cherry blossom festival (inviting residents in neighborhood communities and local authorities) 	<ul style="list-style-type: none"> • Participation in "The Amagasaki 21st Century Forest Project" (Donation of the Time Capsule in 2013) • Participation in "Twilight Clean Campaign" in Amagasaki City • Blood donation • Support of Amagasaki City Residents Festival • Support of summer festival of Kifune Shrine and the grand shrine at Hatsushima
Osaka Steel Works	<ul style="list-style-type: none"> • Cleaning of commuting roads • Cooperation for Japan Handicapped Table Tennis Championship • Cooperation for a Ubusuna Shrine summer festival float with a drum inside • Support of Konohana Ward residents festival 	<ul style="list-style-type: none"> • Cooperation for Konohana Physically Handicapped Person Organization <ul style="list-style-type: none"> Participation in family sports event Participation in mandarin picking event • Support of local council of social welfare • Blood donation
Naoetsu Works	<ul style="list-style-type: none"> • Naoetsu beach cleanup volunteers (About 200 participants, once a year) • Joetsu summer festival participation (About 120 participants for the dance) • Offering prizes and participation of local elementary school athletic events 	
R&D Laboratories	<ul style="list-style-type: none"> • Clean-up in Hasaki Industrial Park (twice a year) • Cooperation for Futtsu-City Festival • Blood donation • Contribution to various charity programs 	<ul style="list-style-type: none"> • Agreement with Amagasaki-City, Futtsu-City and Kamisu-City to make available certain facilities as safe shelter in case of tsunami alert issued as a result of a major earthquake
All steelworks	<ul style="list-style-type: none"> • Acceptance of group steelworks visits 	

Support of cultural and sports activities

- | | |
|---|--|
| <ul style="list-style-type: none"> Local Community Contribution Prize Children's sketch event in steelworks and ports | <ul style="list-style-type: none"> Open use of sports facilities. Support of "V Premier League Kitakyushu Convention Charity Event" |
| <ul style="list-style-type: none"> Holding of periodic performances by Oita Works drum band "Tesshin Taiko" Holding of periodic performances by Oita Works brass band | <ul style="list-style-type: none"> Sports guidance at primary and junior high schools — field and track, volleyball, baseball, table tennis, Japanese fencing, judo, etc. Support of sports events sponsored by Hikari City Sports Association |
| <ul style="list-style-type: none"> Support of Muroran Music Culture Society Support of Muroran Techno-Center | <ul style="list-style-type: none"> Support of "Muroran Sharks" baseball team |
| <ul style="list-style-type: none"> Lending of materials and documents to Iron and Steel History Museum Support of "Iron History's Week" events | <ul style="list-style-type: none"> Guidance of boys' sports teams Open use of sports facilities Support of Rugby Festival Support of "Kamaishi Seawaves RFC" rugby club Dispatch of Kamaishi Works rugby men as lecturers and technical instructors and to the lessons to promote international understanding Open use of the sports ground by an American football team and flag football teams (of school children) for their training from April 2001 |
| | <ul style="list-style-type: none"> Support of local children rubber-ball baseball league |
| | <ul style="list-style-type: none"> Hosting the NSSMC Boys Baseball Cup (Participation by 360 elementary school boys making up 18 teams) Open use of the ground for youth baseball teams (elementary schools) through Joetsu City |

Investor Relations

NSSMC is engaged in activities which enable its shareholders and investors to better understand its business strategies, philosophies, and performance. The extensive IR programs are offered, including timely disclosure of useful information and interactive communication with shareholders and investors.

IR Programs

■ For institutional investors and analysts

- Results briefings (Every three months)
- Visits to large institutional investors overseas (regular basis)
- Individual meetings for domestic and overseas institutional investors (on demand)
- Plant tours of steelworks, laboratories and other facilities

■ For shareholders

- Business briefings and plant tours of steelworks

<Events hosted in FY2013>

- Business briefings
4 briefings at 4 different cities (Sendai, Tokyo, Nagoya, Osaka)
Approximately 1,300 shareholders participated

- Plant tours
8 tours at 8 different steelworks (Kashima, Nagoya, Wakayama, Hirohata, Oita, Kokura, Amagasaki, Osaka)
Approximately 700 shareholders participated

<Events hosted since the establishment of NSSMC>

	Business briefings		Plant tours	
	Briefings hosted	Number of participants	Tours hosted	Number of participants
October 2012- March 2014	4 briefings	Approx. 1,300	13 tours	Approx. 1,200

■ Booklets to shareholders

- Distribution of the booklets "To Our Shareholders"

■ IR information on Website

Visit the Investor Relations section of the company's website at <http://www.nssmc.com/en/>

■ Individual shareholder benefits

- Shareholders with 50,000 or more shares at the end of September and March:
Invitation to concerts at Kioi Hall in Tokyo: twice a year (by drawing)
- Shareholders with 10,000 or more shares at the end of September and March:
Invitation to business briefings and plant tours: twice a year (by drawing)
- Shareholders with 7,000 or more shares at the end of September: Company calendar
- Shareholders with 5,000 or more shares at the end of September and March:
Invitation to football games of Kashima Antlers FC: twice a year (by drawing)

Public Relations

	Head Office	Steelworks and research laboratories	Domestic and overseas offices
Corporate PR activities	Public Relations Center, General Administration Division <ul style="list-style-type: none"> • PR activities directed to mass communications • CSR • Corporate advertisement • PR publications • Website 	General administration Division <ul style="list-style-type: none"> • Publication of in-house magazines • Plant tours • PR activities directed to local mass media 	Coordination Department <ul style="list-style-type: none"> • PR activities directed to local mass media
Sales promotion PR activities	Marketing Administration Department, Marketing Administration & Planning Division <ul style="list-style-type: none"> • Marketing of iron and steel products 	—	—

•Website <http://global.nssmc.com>

- Press releases
- Products information
- Research and development information
- Company outline
- Investor and shareholder information
- CSR Information
- E-mail information service
for subscription: <http://www.nssmc.com/en/company/mail/>
- Publications in PDF format

•Publication of Picture Books

Intended mainly for primary school students, the picture books introduce NSSMC's activity in view of "social contribution" and "environment protection."

The books are distributed to steelworks and science museum visitors and used as PR tools at various exhibitions (Japanese version only).

vol.1	"A New Story About Earth Friendliness"	Jul. 2001 (rev. Mar. 2014) by PR Center
vol.2	"A New Story About Iron & Steel"	Oct. 2003 by PR Center
vol.3	"A New Story About the Future of Iron"	Nov. 2004 by PR Center
vol.4	"A New Story About a Town of Dreams"	Oct. 2005 by PR Center
vol.5	"A New Story About a Town of Excitement"	Sep. 2006 by PR Center
vol.6	"A New Story About Oni (Ogres)"	Apr. 2007 by PR Center & POSCO
vol.7	"A New Story About Blue Planet"	Dec. 2008 by PR Center
vol.8	"A New Story About Steel and Life"	Sep. 2009 by PR Center
vol.9	"A New Story About Steel and Civilization"	Oct. 2009 by PR Center
vol.10	"A New Story About Steel & Bonds of Friendship"	Mar. 2014 by PR Center

•Publications

Japanese-language publications				
<i>Annual Report</i>	Business reports	Annual	20,000 copies	Public Relations Center, General Admin. Div.
<i>NSSMC Sustainability Report</i>	Report concerning environment and social responsibility	Annual	15,000	Environment Div.
<i>NSSMC Quarterly</i>	NSSMC PR magazine providing the latest information about the wide-ranging operations of NSSMC	Quarterly	37,000	Public Relations Center, General Admin. Div.
<i>Nippon Steel & Sumitomo Metal Fact Book</i>	Data book about Nippon Steel & Sumitomo Metal	Annual	5,000	Public Relations Center, General Admin. Div.
<i>NSSMC E-mail information service</i>	E-mail information service providing NSSMC press releases and activities	As required		Public Relations Center, General Admin. Div.
<i>NSSMC Technical Report</i>	Collection of technical papers introducing latest R&D achievements	3 times/y	3,000	Technical Research & Development Div.
English-language publications				
<i>Annual Report</i>	Business reports	Annual	5,000 copies	Public Relations Center, General Admin. Div.
<i>NSSMC Sustainability Report</i>	Report concerning environment and social responsibility	Annual	1,000	Environment Div.
<i>Basic Facts About Nippon Steel & Sumitomo Metal</i>	Data book about Nippon Steel & Sumitomo Metal	Annual	3,000	Public Relations Center, General Admin. Div.
<i>NSSMC E-mail information service</i>	E-mail information service providing NSSMC press releases and activities	As required		Public Relations Center, General Admin. Div.
<i>NSSMC Technical Report</i>	Collection of technical papers introducing latest R&D achievements	3 (Website version)		Technical Planning Dept., Technical Research & Development Div.
Special-feature publications				
<i>Easy to Understand Guide to Current and Future Advances in Iron & Steel Making</i>	This re-edited version of the multipart article "The Genesis of Product Making," published in NSSMC PR magazine, introduces NSSMC's advanced technological capabilities, the wellspring of the company's competitiveness. (Japanese version, full-color print, soft cover) I Published in Nov. 2004 II Published in Jan. 2007 III Published in Sep. 2009		¥1,800 (tax not included)	Edited by NSSMC Published by Nippon Jitsugyo Publishing Co., Ltd.
<i>Picture Books "A New Story"</i>	10 volumes in total (Refer to page 152) (Japanese version)		Free distribution	Public Relations Center, General Admin. Div.

• In-house Magazines

Distribution	Magazine			Outline	
Company-wide	<i>Tetsu-no-Kizuna</i>	A4 magazine-type average 28-36 pages	10 times/y	50,000 copies	Public Relations Center, General Admin. Div.
Kimitsu Works	<i>Kimitsu</i>	Tabloid 8 pages	10 times/y	10,000	Personnel & General Admin. Dept., General Admin. Div.
Nagoya Works	<i>Tokai</i>	A4 magazine-type 12-16 pages	6 times/y	7,500	Personnel & General Admin. Dept., General Admin. Div.
Hirohata Works	<i>Tetsu-no-Hibiki</i>	B5 magazine-type 16 pages	4 times/y	4,700	Personnel & General Admin. Dept., General Admin. Div.
Yawata Works	<i>Shinsei-Kurogane</i>	Tabloid 6 pages	6 times/y	8,500	Personnel & General Admin. Dept., General Admin. Div.
Oita Works	<i>OITA</i>	Tabloid 8 pages	4 times/y	5,000	General Admin. Dept., General Admin. Div.
Muroran Works	<i>Shirakaba</i>	Tabloid 4-12 pages	6 times/y	4,000	General Admin. Dept., Personnel & General Admin. Div.
Kamaishi Works	<i>Kamaishi</i>	Tabloid 6 pages	4 times/y	3,300	General Admin. Dept., General Admin. Div.
Naoetsu Works	<i>Network Naoetsu</i>	A4 1- 2 pages	12 times/y	300	General Admin. Dept., General Admin. Div.
R&D Laboratories	<i>Kiwami</i>	A4 magazine-type 8-10 pages	4 times/y	3,500	General Admin. Dept., R&D Planning Div.

・Videograms

Title	Contents	Outline			
Steel-Making in the 21st Century Kashima Works Accepts the Challenge	Production processes and products (Kashima Works)	Oct. 2013	15 min	Japanese English Chinese Korean	Kashima Works
Continuously Challenging with New Spirit	Iron-and steelmaking (Kimitsu Works)	May 2005	11	Japanese English Chinese Korean Portuguese Spanish	Kimitsu Works
Onward with our customers, with our community	History of Nagoya Works Iron- and steelmaking (Nagoya Works)	Oct. 2012	10	Japanese English	Nagoya Works
Power of Steel	Iron- and steelmaking	Oct. 2012	16	Japanese English Chinese	Wakayama Works
For Tomorrow, For the Future Hirohata Works	Production processes and products (8 books)	Oct. 2012	88	Japanese English Chinese	Hirohata Works
Evolution Forging the Future	Production processes and products (Yawata Works) [Tobata・Yawata Area]	Oct. 2005	15	Japanese English Chinese Korean	Yawata Works
Superior Quality & Active Globalization ~Becoming the Strongest Brand in Specialty Steels~	Iron-and steelmaking (Yawata Works) [Kokura Area]	Mar. 2008 Oct. 2012	11	Japanese English	Yawata Works
Steelworks of Water, Green, and Sunlight	Iron- and steelmaking (Oita Works)	Oct. 2012	17	Japanese English Chinese Korean	Oita Works
Eco-friendly Steelworks In Concert with the Community	Environmental Measurements (Oita Works)	Oct. 2012	14	Japanese English Chinese Korean	Oita Works
Developing the future with special steel	Iron- and steelmaking (Muroran Works)	Oct. 2012	8 21	Japanese English Chinese Korean Japanese	Muroran Works
AMAGASAKI WORKS	Production processes and products	Oct. 2014	13	Japanese English Chinese Korean	Amagasaki Works
METAL EXPRESS Supporting Transportation and Industry in the 21st Century	History of Osaka Steel Works Production processes and products (Osaka Steel Works)	Jul. 2008	13	Japanese English Chinese	Osaka Steel Works

Subsidiaries and Affiliates

Outlines by Business Segment (As of March 31, 2014)

Business segment	Number of companies*		Sales to customers (¥ million)	Number of employees
	Consolidated subsidiaries	Affiliates accounted for by the equity method		
Steelmaking and steel fabrication	300	95	4,827,826	72,629
Engineering and construction	32	3	284,803	4,178
Chemicals	14	7	223,082	1,706
New Materials	12	0	37,241	747
System solutions	19	2	143,225	5,101
(Group employees/Adjustments)	0	2	0	
(Semi-Total)	377	109		
Total		486	5,516,180	84,361

Notes:

* Excluding Nippon Steel & Sumitomo Metal Corporation

1) For the year ended March 31, 2014

2) The figures do not include those seconded to other organizations and part-time workers.

Outlines of Subsidiaries and Affiliates

Major subsidiaries and affiliates (As of March 31, 2014)

Company	Address
● Steelmaking (Subsidiaries)	
East Asia United Steel Corporation	2-6-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Nippon Steel & Sumikin Koutetsu Wakayama Corporation	1850 Minato, Wakayama City, Wakayama Pref., Japan
Nippon Steel & Sumikin Coated Sheet Corporation	1-5-6, Nihonbashihonchou, Chuo-ku, Tokyo, Japan
Osaka Steel Co., Ltd.	3-6-1, Dosho-machi, Chuo-ku, Osaka, Japan (Keihanshin-Midosuji Building 13F)
Nippon Steel & Sumikin Metal Products Co., Ltd.	SA Bldg., 2-17-12, Kiba, Koto-ku, Tokyo, Japan
Nippon Steel & Sumikin Texeng. Co., Ltd.	12th Floor, Mitsubishi Bldg., 2-5-2, Marunouchi, Chiyoda-ku, Tokyo, Japan
Nippon Steel & Sumikin Stainless Steel Corporation	2-6-1, Otemachi, Chiyoda-ku, Tokyo, Japan
Nippon Steel & Sumikin Pipe Co., Ltd.	1-1-3, Yurakucho, Chiyoda-ku, Tokyo, Japan
Nippon Steel & Sumikin Logistics Co., Ltd.	I. S. Riverside Bldg., 1-23-4, Shinkawa, Chuo-ku, Tokyo, Japan
Suzuki Metal Industry Co., Ltd.	1-9-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Nippon Steel & Sumikin Electronics Devices Inc.	2701-1, Higashi-bun, Omine-cho, Mine City, Yamaguchi Pref., Japan
Geostr Corporation	5th Floor, Frontier Koishikawa Bldg., 1-28-1, Koishikawa, Bunkyo-ku, Tokyo, Japan
Nippon Steel & Sumikin Shapes Corporation	1850 Minato, Wakayama City, Wakayama Pref., Japan
Nippon Steel & Sumikin Welding Co., Ltd.	2nd Floor, Shingu Bldg., 2-4-2, Toyo, Koto-ku, Tokyo, Japan
Nippon Steel & Sumikin Drum Co., Ltd.	7th Floor, Nittetsu ND Tower, 1-5-7, Kameido, Koto-ku, Tokyo, Japan
Nippon Steel & Sumikin Blast Furnace Slag Cement Co., Ltd.	16, Nishi Minatomachi, Kokura Kita-ku, Kitakyushu City, Fukuoka Pref., Japan
Nippon Steel & Sumikin Cement Co., Ltd.	64, Nakamachi, Muroran City, Hokkaido, Japan
Nippon Steel & Sumikin Finance Co., Ltd.	2-6-1, Marunouchi, Chiyoda-ku, Tokyo, Japan

(¥ million)

Phone	Established	Paid-in capital	Ratio of voting rights	Sales
81-3-6867-2308	Jul. 2003	17,217	64.6%	-
81-73-451-2355	Nov. 2003	17,217	100.0%	318,369
81-3-6848-3900	Feb. 1950	12,588	100.0%	90,107
81-6-6204-0300	May 1978	8,769	66.3%	68,960
81-3-3630-3200	Apr. 1973	5,912	100.0%	115,454
81-3-6860-6600	Oct. 1946	5,468	61.3%	155,779
81-3-3276-4800	Oct. 2003	5,000	100.0%	219,429
81-3-6758-0275	Sep. 1911	4,801	100.0%	94,825
81-3-3553-1331	Apr. 2006	4,000	100.0%	229,401
81-3-3214-4111	May 1938	3,634	66.6%	54,920
81-837-54-0100	Mar. 1991	3,450	100.0%	24,495
81-3-5844-1200	Mar. 1970	3,352	42.3%	23,441
81-73-454-1131	Oct. 1988	3,000	100.0%	27,657
81-3-6388-9000	Jul. 2002	2,100	100.0%	24,156
81-3-5627-2311	Oct. 1974	1,654	100.0%	20,918
81-93-563-5100	Feb. 1999	1,500	100.0%	11,728
81-143-44-1693	Jun. 1954	1,500	85.0%	15,649
81-3-6867-2911	Jul. 1986	1,000	100.0%	610

Company	Address
Nippon Steel & Sumikin Stainless Steel Pipe Co., Ltd.	3-2 Okasato, Koga City, Ibaraki Pref., Japan
Nippon Steel & Sumikin Steel Wire Co., Ltd.	7 Nozomigaoka, Seki City, Gifu Pref., Japan
Nippon Steel & Sumikin Plant Co., Ltd.	1850 Minato, Wakayama City, Wakayama Pref., Japan
Nippon Steel & Sumikin Eco-Tech Corporation	1-18-1, Kyobashi, Chuo-ku, Tokyo, Japan
NS Preferred Capital Limited	P.O. Box 309GT, Uglund House, South Church Street, George Town, Grand Cayman, Cayman Islands
Nippon Steel & Sumikin Tubos do Brasil Ltda.	Rua Humaita, 275, 10 andar, parte 2, Rio de Janeiro, RJ, Brasil, CEP 22261-005
The Siam United Steel (1995) Co., Ltd.	9, Soi G5, Pakorn Songkrohraj Road, Huay Pong, Muang, Rayong 21150, Thailand
National Pipe Company Limited	P.O.Box 1099 Al-Khobar 31952, Saudi Arabia
Standard Steel, LLC	500 N Walnut Street, Burnham, PA 17009, U.S.A.
Nippon Steel & Sumitomo Metal U.S.A., Inc.	1251 Avenue of the Americas, Suite 2320, New York, NY 10020, U.S.A.
PT. PELAT TIMAH NUSANTARA TBK.	Krakatau Steel Bldg. 3rd Floor, Jl. Jendral Gatot Subroto Kav. 54, Jakarta 12950, Indonesia
Nippon Steel & Sumitomo Metal Australia Pty. Limited	Level 24 1 York Street SYDNEY NSW 2000 Australia
Nippon Steel & Sumikin Steel Processing (Thailand) Company Limited	64/5 Moo 4 Eastern Seaboard Industrial Estate, Tambol Pluakdaeng, Amphur Pluakdaeng, Rayong 21140, Thailand
Western Tube & Conduit Corporation	2001 East Dominguez Street, P.O.Box 2720, Long Beach, CA 90801-2720, U.S.A.

(¥ million, unless stated otherwise)

Phone	Established	Paid-in capital	Ratio of voting rights	Sales
81-280-98-2468	Jul. 2009	916	100.0%	10,843
81-575-25-6511	Jun. 2006	897	51.0%	12,701
81-73-451-1144	Feb. 1972	630	100.0%	67,442
81-3-6862-8700	Sep. 1970	500	85.1%	22,808
81-3-6867-2951	Oct. 2006	300,000	100.0%	5,897
55-21-3550-1570	Dec. 2010	BRL 2,002mln	100.0%	BRL 15mln
66-38-685-155	Jul. 1995	THB 9,000mln	58.0%	THB 18,717mln
966-3-882-5266	Aug. 1978	SR 200mln	51.0%	SR 486mln
1-717-248-4911	1795	USD 47mln	100.0%	USD 225mln
1-212-486-7150	Nov. 1972	USD 40mln	100.0%	USD 162mln
62-21-520-9883	Oct. 1982	USD 26mln	35.0%	USD 172mln
61-2-8036-6600	Jun. 1977	AUD 21mln	100.0%	AUD 571mln
66-38-954-435	Jan. 2013	THB 571mln	66.5%	THB 4,042mln
1-310-537-6300	Dec. 1964	USD 17mln	96.7%	USD 198mln

Company	Address
● Steelmaking (Affiliates)	
Godou Steel, Ltd.	8th Floor, Toyobo Bldg., 2-2-8, Dojimahama, Kita-ku, Osaka, Japan
Topy Industries, Limited	1-2-2, Osaki, Shinagawa-ku, Tokyo, Japan
Sanyo Special Steel Co., Ltd.	3007, Nakashima, Shikama-ku, Himeji City, Hyogo Pref., Japan
Kyoei Steel Ltd.	1-4-16, Dojimahama, Kita-ku, Osaka, Japan
Nippon Steel & Sumikin Bussan Corporation	8-5-27, Akasaka, Minato-ku, Tokyo, Japan
Nippon Denko Co., Ltd.	1-4-16, Yaesu, Chuo-ku, Tokyo, Japan
Nichia Steel Works, Ltd.	19, Nakahama-cho, Amagasaki City, Hyogo Pref., Japan
Sumitomo Precision Products Co., Ltd.	1-10 Fuso-cho, Amagasaki City, Hyogo Pref., Japan
NS United Kaiun Kaisha, Ltd.	21st and 22nd Floors, Otemachi First Square West Tower, 1-5-1, Otemachi, Chiyoda-ku, Tokyo, Japan
Osaka Titanium Technologies Co., Ltd.	1 Higashihama-cho, Amagasaki, Hyogo Pref., Japan
Nippon Coke & Engineering Co., Ltd.	3-3-3, Toyosu, Koto-ku, Tokyo, Japan
Japan Casting & Forging Corporation	46-59, Sakinohama, Nakabaru, Tobata-ku, Kitakyushu City, Fukuoka Pref., Japan
Krosaki Harima Corporation	1-1, Higashi Hamamachi, Yahata Nishi-ku, Kitakyushu City, Fukuoka Pref., Japan
Chuo Denki Kogyo Co., Ltd.	1-4-16, Yaesu, Chuo-ku, Tokyo, Japan
Daiwa Can Company	2-7-2, Marunouchi, Chiyoda-ku, Tokyo, Japan
Sanko Metal Industrial Co., Ltd.	4-13-23, Shibaura, Minato-ku, Tokyo, Japan
Sanyu Co., Ltd.	3-1-1, Kasuga Kitamachi, Hirakata City, Osaka, Japan
Usinas Siderúrgicas de Minas Gerais S.A.- USIMINAS	Rua Prof. Jose Vieira de Mendonca, 3.011-Engenho Nogueira, 31310-260-Belo Horizonte, Minas Gerais, Brasil
Vallourec & Sumitomo Tubos do Brasil Ltda.	Distrito Industrial de Jeceaba, s/n°, CEP 35498-000, City of Jeceaba, State of Minas Gerais, Brasil
Baosteel-NSC Automotive Steel Sheets Co., Ltd. UNIGAL Ltda.	Cold Rolling Comprehensive Building, Wei Wu Road, Baosteel, Baoshan District, Shanghai 201900, P.R. China
Companhia Nipo-Brasileira de Pelotizacao	Av. Pedro Linhares Gomes, 5431-A, Bairro Usiminas, Ipatinga, MG, CEP 35160-900, Brasil
Guangzhou Pacific Tinplate Co., Ltd.	Tubarao-Vitoria, Espirito Santo, Brasil
	No. 102, Youyi Road, Guangzhou Economic & Technological Development, Guangzhou City, P.R. China

(¥ million, unless stated otherwise)

Phone	Established	Paid-in capital	Ratio of voting rights	Sales
81-6-6343-7600	Dec. 1937	34,896	16.1%	130,997
81-3-3493-0777	Oct. 1921	20,983	20.5%	234,682
81-79-235-6003	Jan. 1935	20,182	15.3%	161,587
81-6-6346-5221	Aug. 1947	18,515	26.7%	174,694
81-3-5412-5001	Aug. 1977	12,335	37.1%	1,443,843
81-3-6860-6800	Jan. 1935	11,026	15.4%	54,408
81-6-6416-1021	Jun. 1952	10,720	24.3%	28,516
81-6-6482-8811	Jan. 1961	10,311	40.7%	45,031
81-3-6895-6400	Apr. 1950	10,300	34.1%	153,665
81-6-6413-9911	May 1997	8,739	23.9%	42,909
81-3-5560-1311	Jan. 1889	7,000	21.8%	108,955
81-93-884-0011	Jun. 1979	6,000	42.0%	21,661
81-93-622-7224	Oct. 1918	5,537	47.1%	101,005
81-3-6860-7340	Feb. 1934	3,630	38.3%	42,576
81-3-6212-9700	May 1939	2,400	33.4%	166,799
81-3-5446-5600	Jun. 1949	1,980	16.5%	33,049
81-72-858-1251	Jan. 1957	1,513	35.1%	15,693
55-31-3499-8000	Jan. 1958	BRL 12,150mln	29.2%	BRL 12,829mln
55-31-2141-5124	Jul. 2007	BRL 5,376mln	40.4%	BRL 1,371mln
86-21-2664-3526	Jul. 2004	RMB 3bln	50.0%	RMB 12.4bln
55-31-3829-4578	Jun. 1999	BRL 584mln	30.0%	BRL 373mln
55-27-3333-5179	Mar. 1974	BRL 432mln	31.4%	BRL 114mln
86-20-8221-3620	Dec. 1994	USD 36mln	27.3%	USD 206mln

Company	Address
●Engineering & Construction (Subsidiary)	
Nippon Steel & Sumikin Engineering Co., Ltd.	1-5-1, Osaki, Shinagawa-ku, Tokyo, Japan
●Chemical (Subsidiary)	
Nippon Steel & Sumikin Chemical Co., Ltd.	4-14-1, Sotokanda, Chiyoda-ku, Tokyo, Japan
●New Materials (Subsidiary)	
Nippon Steel & Sumikin Materials Co., Ltd.	7-16-3, Ginza, Chuo-ku, Tokyo, Japan
●System Solutions (Subsidiary)	
NS Solutions Corporation	2-20-15, Shinkawa, Chuo-ku, Tokyo, Japan
●Other (Affiliate)	
Sumco Corporation	1-2-1 Shibaura, Minato-ku, Tokyo, Japan

(¥ million)

Phone	Established	Paid-in capital	Ratio of voting rights	Sales
81-3-6665-2000	Feb. 2006	15,000	100.0%	314,174
81-3-5207-7600	Oct. 1956	5,000	100.0%	230,130
81-3-6853-6260	May 2006	3,000	100.0%	37,241
81-3-5117-4111	Oct. 1980	12,952	67.0%	179,856
81-3-5444-0808	Jul. 1999	136,607	27.8%	185,105

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• Yokohama Marketing Site

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Kanagawa Pref. 231-0005, Japan
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• Nagano Marketing Site

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● Osaka Office

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● Hokkaido Marketing Branch

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• Muroran Marketing Site

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● Tohoku Marketing Branch

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• Morioka Marketing Site

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• Kitakami Marketing Site

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• Fukushima Marketing Site

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● Niigata Marketing Branch

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● Ibaraki Marketing Branch

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● Nagoya Marketing Branch (Nagoya)

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2-21 Kozen-machi, Nagasaki City
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• Oita Marketing Site

1 Oaza-Nishinosu, Oita City
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• Minami-Kyushu Marketing Site

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• Okinawa Marketing Site

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[Tokyo Area]

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[Kainan Area]

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Hirohata Works

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Muroran Works

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Bar & Wire Rod Unit:

Kamaishi Works

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Pipe & Tube Unit:

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Railway, Automotive & Machinery Parts Unit:

Osaka Steel Works

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Osaka City, Osaka 554-0024, Japan
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Titanium & Specialty Stainless Steel Unit:

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