

December 3, 2014  
Nippon Steel & Sumitomo Metal Corporation

### Review of Our Equity Ratio for Kobe Steel

Nippon Steel & Sumitomo Metal Corporation and Kobe Steel, Ltd., through the cooperation, strengthened and expanded since 2001, among the three companies (the former Nippon Steel, the former Sumitomo Metals, and Kobe Steel), have been achieving expected results. For the sake of smooth and steady implementation of such cooperative measures in pursuing mutual benefits, the three companies have taken equity holdings in each other.

Now, in the light of our expanded equity ratio for Kobe Steel following the management integration of the former Nippon Steel and the former Sumitomo Metals in October 2012, and in accordance with various measures being pushed forward to strengthen competitiveness and to expand overseas business, while also taking account of the assets-reduction and other programs designed to improve our financial structure, we are going to sell about 50% of our 214,690,000 shares of stock in Kobe Steel so that our equity ratio reverts to somewhere near the level previous to our management integration.

It should be added that the cooperative relationship between our two companies shall remain unchanged, with cooperative measures to continue to bear results in the future.

#### Reference:

Kobe Steel also is scheduled to take a similar step with respect to its shares of stock in our company.

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