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Financial Results for 2Q, FY2012 (ending March 31, 2013) Investor Meeting

November 9, 2012

Katsuhiko Ota Managing Director

Nippon Steel & Sumitomo Metal Corporation ("NSSMC")



- 1. Financial Results for 1H, FY2012
- 2. Forecast for Financial Performance of FY2012
- 3. Progress of the Business Integration after the Merger
- 4. Reference



1. Financial Results for 1H, FY2012



Financial Results for 1H, FY2012 - NSC & SMI

		NSC	(A)		SMI (B)				NSSMC (A+B)		
(billion yen)	1Q	2Q	FY12 1H	1H (E)*1	1Q	2Q	FY12 1H	1H (E)*1	1Q	2Q	1H
Net Sales	960.6	957.6	1,918.2	1,950.0	341.9	351.7	693.6	720.0	1,302.5	1,309.3	2,611.8
Operating Profit/ Loss	(6.2)	3.6	(2.6)		(11.2)	26.9	15.7	13.0	(17.4)	30.5	13.1
Ordinary Profit/ (Loss)	9.2	10.2	19.5	10.0	(11.0)	21.8	10.8	10.0	(1.7)	32.0	30.3
NSC	(14.8)	(8.6)	(23.4)	(20.0)							
Others	24.1	18.9	43.0	30.0							
Special Profit (Loss)	(96.3)	(161.6)	(257.9)		(15.5)	(130.1)	(145.6)		(111.8)	(291.7)	(403.5)
Net Income (Loss)	(87.5)	(89.1)	(176.6)	(155.0)	(20.0)	(113.8)	(133.8)	(128.0)	(107.5)	(202.9)	(310.4)
[EPS(yen)]	[-13.9]	[-14.2]	[-28.1]	[-24.6]	[-4.3]	[-25.4]	[-29.3]	[-27.6]			
Interest-bearing Debt	1,383.3		1,382.1		1,200.6		1,263.9				
Debt-to-equity ration	0.78	'	0.85	,	1.75	'	2.53	•			

^{*1} Estimate as of Jul. 30, 2012 except Net income(loss). Net income(loss) estimate is as of Aug. 30, 2012.



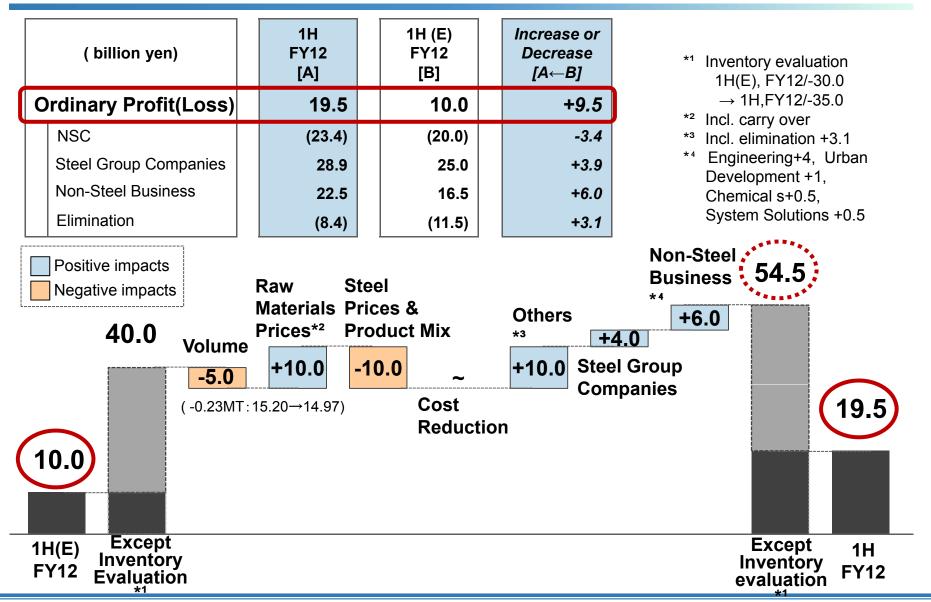
^{*2} Debt: Excluding lease obligations

NSC − Financial Highlights (2H, FY11→ 1H, FY12)

Ordinary Profit(Loss) NSC			[B]	Decrease [A←B]	
NSC		19.5	48.7	-29.2	
		(23.4)	(19.3)	-4.1	
Steel Group Companies		28.9	43.8	-14.9	*1 Inventory evaluation
Non-Steel Business		22.5	30.0	-7.5	$2H,FY11/0 \rightarrow 1H, FY12/-35.0$ *2 Incl. carry over
Elimination		(8.4)	(5.8)	-2.6	*3 Incl. elimination -2.6 *4 Engineering -5
Negative impacts F 48.7 48.7 Volume +15.0	+'	terials Produces*2 100.0 -100 4.41→14.97)	Reduction +25.0	Steel Grou Companie -15.0 ners	
2H Except Inventory FY11 Evaluation					Except 1H Inventory evaluation*1 FY12

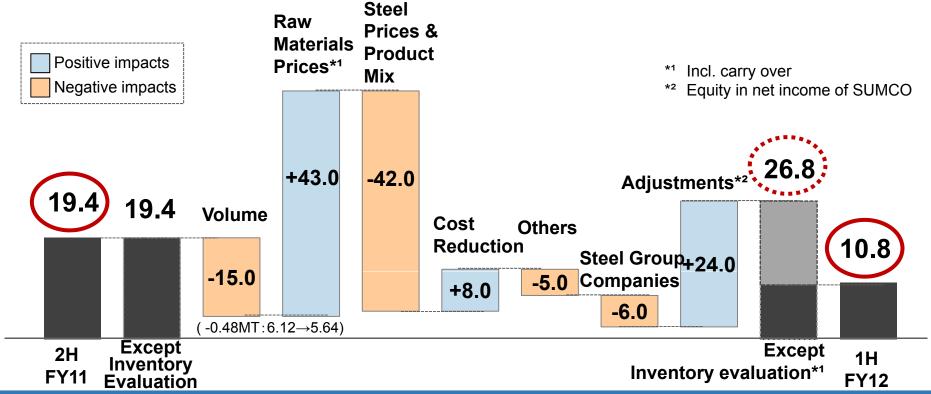


NSC—Financial Highlights (1H(E), FY12→1H, FY12)



SMI—Financial Highlights (2H, FY11→ 1H, FY12)

(billion yen)	1H FY12 [A]	2H FY11 [B]	Increase or Decrease [A←B]
Ordinary Profit(Loss)	10.8	19.4	-8.6
Steelmaking	9.4	42.5	-33.1
Adjustments	1.4	(23.1)	+24.5

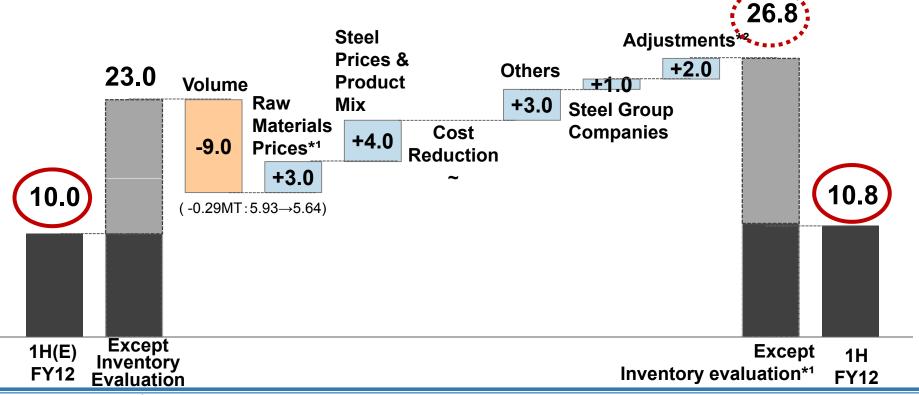




SMI—Financial Highlights (1H(E), FY12→ 1H, FY12)

(billion yen)	1H FY12 [A]	1H(E) FY12 [B]	Increase or Decrease [A←B]
Ordinary Profit(Loss)	10.8	10.0	+0.8
Steelmaking	9.4	10.0	-0.6
Adjustments	1.4	0	+1.4

^{*2} Equity in net income of SUMCO





^{*1} Incl. carry over

Overview of Non-Steel Business – 1H, FY12

[+39.9]

[+5.0]

	1H, FY12 <i>[Y</i> -o-Y <i>]</i>	Net Sales	Ordinary Profit
	Engineering and	139.4	7.8
	Construction	[+42.6]	[+7.7]
	Urban	33.9	4.9
	Development	[+5.9]	[+0.8]
B-//		93.3	3.5
	Chemicals	[-7.6]	[-3.7]
	New Materials	22.0	0.4
9612	New Materials	[-6.5]	[-0.1]
	System	81.7	5.7
	Solutions	[+5.4]	[+0.3]
	Total of		
	Total of Non-Steel	370.5	22.5

Reviev	v
Increase both in sales ar result of risk control abo projects and cost reduct	out running
Increase both in sales ar result of the stable cond	<u>-</u>
Decline both in sales and sluggish sales in whole huge repair cost despite hike of coal chemical.	businesses and
Secured profit in line wit FY11 despite of impacts slack business and decl the shift from gold wire t	from strong yen, ine sales due to
Increase both in sales ar in services for industrial steel and telecommunica	/distribution,



Business

Special Profit / Loss

- **≻NSC** posted;
 - Impairment losses of ¥-139.2bn, mainly on assets for business in Hirohata/ Sakai Works.
 - Loss on sales of securities of ¥-94bn, mainly due to the SMI's shares owned by NSC.
- **≻SMI** posted;
 - Special loss of ¥-145.6, mainly due to impairment losses on fixed assets in Sumikin Iron & Steel Co., Ltd. *1

(billion yen)

	NSC						
1H FY12 [A]	1H (E) FY12 s of Jul. 30) [B]	Increase or Decrease [A←B]					

SMI							
1H	1H (E)	Increase					
FY12	FY12	or					
	(as of Jul. 30)	Decrease					
[C]	[D]	[C←D]					

	Loss on impairment of fixed assets
	Loss on sales of investments in securities
	Loss on valuation of investments in securities
S	pecial Profit (Loss)

(139.2)	-	-139.2
(94.0)	-	-94.0
(24.6)	(96.3)	+71.7
(257.9)	(96.3)	-161.6

(121.9)	-	-121.9
-	-	_
(23.6)	(15.5)	-8.1
(145.6)	(15.5)	-130.0



^{*1} Consolidated subsidiary which holds upstream facilities in Wakayama Works All output figures in this presentation are metric tons.

+139.4

Consolidated Balance Sheets (3E, CY2012→ 9E, CY2012)

Net assets was declined along with the decrease in fixed assets due

to impairment losses, etc.										
		NSC (A)			SMI (B)			NSSMC (A+B)		
(billion yen)	20	2012		2012		Increase	2012		Increase	
	3E	9E	or Decrease	3E	9E	or Decrease	3E	9E	or Decrease	
[Asset]	[Asset]									
Current Assets	1,703.5	1,623.9	-79.6	658.0	611.8	-46.2	2,361.5	2,235.7	-125.8	
Fixed Assets	3,221.2	3,052.5	-168.7	1,728.0	1,607.1	-120.9	4,949.2	4,659.6	-289.6	
Total Assets	4,924.7	4,676.4	-248.3	2,386.1	2,218.9	-167.2	7,310.8	6,895.3	-415.5	

1,263.9

2.53

+91.8

+0.87

2,506.6

[Liabilities and Net Assets]

Interest-bearing Debt

Debt-to-equity ratio

	Current liabilities	1,336.2	1,308.6	-27.5	691.0	714.7	+23.6	2,027.2	2,023.3	-3.9
	Long-term liabilities	1,241.1	1,228.6	-12.5	933.6	951.4	+17.8	2,174.7	2,180.0	+5.3
To	tal Liabilities	2,577.3	2,537.3	-40.0	1,624.6	1,666.2	+41.6	4,202.0	4,203.5	+1.5
Ne	et Assets	2,347.3	2,139.1	-208.2	761.4	552.7	-208.7	3,108.8	2,691.8	-417.0
	Equity Capital	1,828.9	1,631.8	-197.1	709.3	500.1	-209.2			

+*47.6* 1,172.1

1.65

+0.12

All output figures in this presentation are metric tons. \odot 2012 NIPPON STEEL & SUMITOMO METAL CORPORATION All Rights Reserved.

1,334.5

0.73

1,382.1

0.85



2.646.0

Interim Dividend Payout

- NSC's interim dividend: ¥0/ share
 In accordance with the basic profit distribution policy, NSC sincerely regrets to announce that it will forego the first-half (interim) dividend in FY2012.
- SMI's interim dividend: ¥0/ share
 SMI sincerely regrets to announce that it decided to forego
 the first-half (interim) dividend in FY2012.
- NSSMC's year-end dividend forecast for FY2012

 We expect to disclose our plan at the third quarter FY2012 earnings announcement.

2. Forecast for Financial Performance of FY2012



NSSMC intends to secure profitability of 2H, FY12 at least at the same level as 1H, FY12 (Ordinary profit: approx. ¥30.0bn).

It's too difficult to recognize the magnitude of the impacts from the following uncertain business climate and the upturn timing.

- Global economy's deceleration
- The sluggish China-related business



Merger Accounting

NSC - 9E, 2012

(billion yen)

Interest-bearing Debt	1,382.1
Equity Capital	1,631.8

Debt-to-equity ratio 0.85

SMI -9E, 2012

(billion yen)

Interest-bearing Debt	1,263.9
Equity Capital	500.1

Debt-to-equity ratio 2.53

Integration of terms of raw materials settlement, etc.

Cf) Additional Capital due to the merger

Shares delivered 3.2 bn shaeres × 158yen/share	505.7
Treasury shares	-65.2
Total	440.4

NSSMC — Oct. 1, 2012

(billion yen)

Interest-bearing Debt	2,700.0
Equity Capital	2,070.0

ox.1.3
(

Valuation of goodwill about the merger

We expect to disclose the details at the 3Q, FY2012 earnings announcement.

	SMI's equity capital on 9E [book value]	500.0
	SMI's assets and liabilities measured at market value <under calculation=""></under>	-α
S	MI's net assets at current price [A]	500.0 – α
С	onsideration for acquisition [B]	506.0
Р	ositive goodwill [B - A]	Approx. $6.0 \pm \alpha$

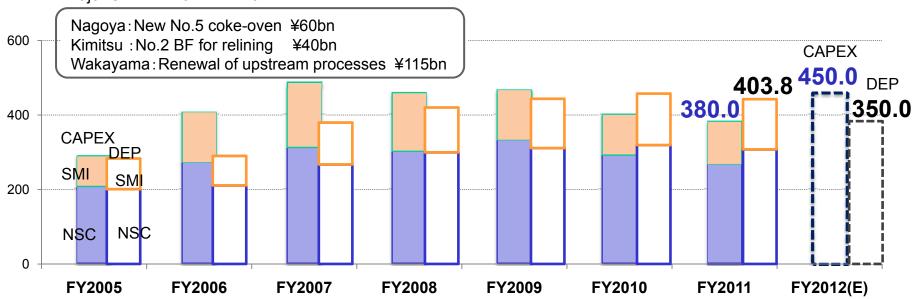


CAPEX and **Depreciation**

(billion yen, consolidated basis)

NSSMC (Upper : NSC Lower : SMI)	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012 outlook
	285.0	405.0	490.0	460.0	465.0	400.0	380.0	450.0
CAPEX	(205.0)	(270.0)	(310.0)	(300.0)	(330.0)	(290.0)	(265.0)	
	(82.6)	(135.8)	(178.8)	(159.1)	(136.6)	(109.9)	(115.7)	
	258.5	264.7	346.5	383.5	404.8	417.7	403.8	350.0
Depreciation	(183.3)	(192.5)	(244.0)	(273.7)	(284.0)	(291.5)	(280.9)	
	(75.2)	(72.2)	(102.5)	(109.8)	(120.8)	(126.2)	(122.9)	

Major CAPEX Plan in FY2012





Overseas Major Business Investment Update

%: NS	SMC investment ratio	Investment Amount	Major facilities	Production Capacity	FY11	FY12	FY13	FY14	FY15
	TENIGAL (Mexico) 49%	Approx. 300 million\$	CGL	0.4million tons/y			*	CY13	ı
Auto	JV with TATA (India) 49%	Approx. ¥ 40 bn	CAPL	0.6million tons/y			*	FY13	
	NSGT (Thailand) 100%	Approx. 300 million\$	CGL	0.36million tons/y			★ 1	3/Oct.	
Const-	NSBS: JV with (Singapore, etc.) 50%	BSL 554 million\$	CGL, etc	1.40million tons/y-CGL		*	13/3E	Completic equity inv	estment
ruction	CSVC (Vietnam) 30%	¥ 11.5 bn (JV total)	CDCM	1.20million tons/y		*	FY12		
	NS Pipe Mexico (Mexico) 55%	Approx. 39 Million\$	Electric- resistance welded pipe, etc.	0.02million tons/y			★ 13	/Jun.	
Pipe & Tube	VSB (Brazil) 40%	5.4bnBRL (VSB's capital)	Seamless Pipe, etc	0.6million tons/y-SML		*	FY12 S	Start-up Bl	=
	WSP Houston OCTG (USA) 100%	43 million\$	Heat treatment, Threading of OCTG, e	0.07million tons/y					FY15 pduction on ercial bases



3. Progress of the Business Integration after the Merger

Overachievement of the Synergy Target at an Early Stage

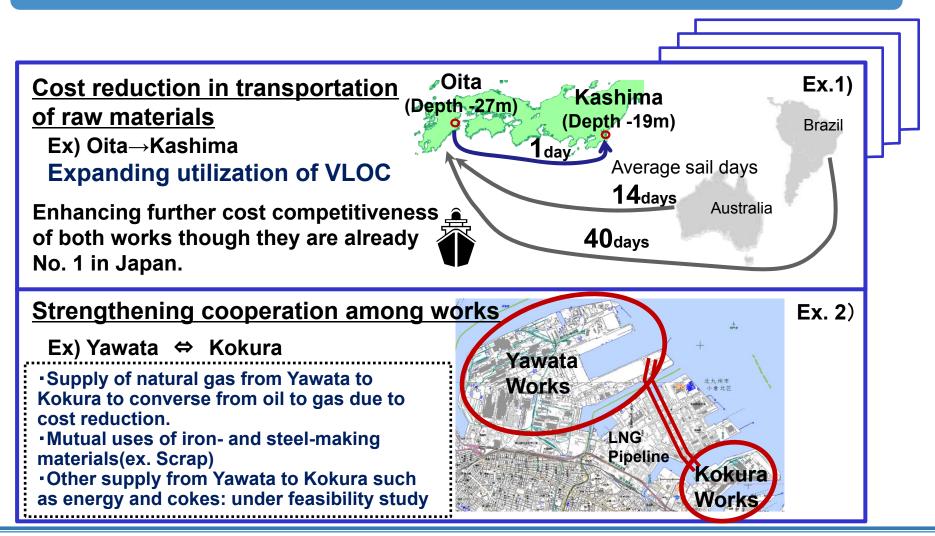
Overachievement NSSMC aims to overachieve the synergy target from ¥150bn to ¥200bn per annum. **Synergies** realized after completion of investment **Acceleration Synergies** Oct. 2012 realized Merger without any investment **2H** 2013 2014 2015



2012

Case of the synergies realized in 2H, FY2012

The synergy target in 2H, FY2012: approx. ¥10bn



Asset Compression for Improvement of Financial Strength

NSSMC intends to generate cash of ¥300bn by compressing overlapped assets between NSC and SMI, etc to strengthen balance sheet and apply to global investment.

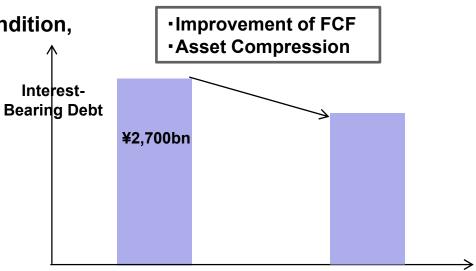
Cf) Debt-to-Equity Ratio as of Oct. 1, 2012: approx. 1.3

→ Aim to achieve substantial financial soundness appropriate to single A bond rating at an early stage

■ Reduction in Working Capital

--- Uniformity of Sale/ Purchase condition, Reduction of inventory assets

- Sales of Assets
- Improving efficiency of group companies' capitals
- Other countermeasures





The Progress of Mergers among Group Companies

- ➤ Advance in the business integration among group companies
- **≻**Establish the strong NSSMC group

Release

Merger Date

■ Pipeline - Merger

(Jul. 26, 2012)

Oct. 1, 2012

Nippon Steel Pipeline Co., Ltd./ Sumitomo Metal Pipeline and Piping, Ltd.

→ Nippon Steel & Sumikin Pipeline & Engineering Co. Ltd

■ Logistic Services – Integration and Reorganization

(Sep. 5, 2012)

Apr. 1, 2013

Nippon Steel Logistics Co., Ltd./ Sumitomo Metal Logistics Services Co., Ltd.

→ Nippon Steel & Sumikin Logistics Co., Ltd.

■ Bar & Wire Processing in Thailand – Merger

(Oct. 2, 2012)

Jan., 2013

Steel Processing(Thailand) Co., Ltd./ Nippon Steel Bar & CH Wire(Thailand) Co., Ltd.

■ Technology Research – Merger

(Oct. 3, 2012)

Apr. 1, 2013

Nippon Steel Techno research Co., Ltd.(incl. 5 group companies)/ Sumitomo Metal Technology Co., Ltd.

→ Nippon Steel & Sumikin Technology Co., Ltd.

■ Design/construction/maintenance – Merger

(Sep. 28, 2012)

Oct. 1, 2013

Taihei Kogyo Co., Ltd./ Nittetsu Elex Co., Ltd. → Nippon Steel & Sumikin Tex Engineering Co., Ltd.



Patent Asset Value Ranking^{*}

- NSSMC is the No.1 holder the significant patent assets.
- We intend to develop new technologies to meet customers' higher requirements through our unique technologies.

	FY2011(Stee	el & Metal Sector)			
Rank	Names	Score of Patent Assets(pt)	The Number of Patents		
1 (1) (6)	NSSMC (NSC) (SMI)	73,158 (58,349) (14,809)	1,685 (1,291) (394)		
2	JFE Steel	26,791	1,080		
3	Sumitomo Electric	26,343	907		
4	Furukawa Electric	25,742	631		
5	Kobe Steel	15,701	623		

	FY2010 (Stee	l & Metal Secto	r)		
Rank	Names	Score of Patent Assets(pt)	The Number of Patents		
1	NSC	44,181	1,074		
2	Sumitomo Electric	22,336	650		
3	Kobe Steel	19,662	618		
4	JFE Steel	18,484	843		
5	Furukawa Electric	17,661	496		
6	SMI	15,200	369		

(Target Patents: registered patents from Apr. 1, 2010 to Mar.31, 2011)

(Target Patents: Registered patents from Apr. 1, 2011 to Mar. 31, 2012)

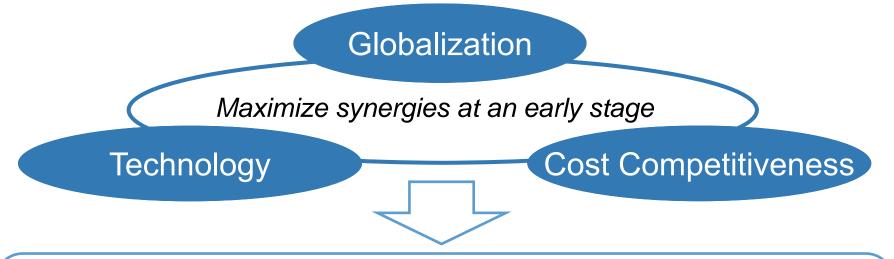
^{*} This ranking is announced by Patent Result Co.,. This company has independently conducted evaluation of patents from quantity and quality.

(Source : Patent Result Co.,)



Policy of Planning the Mid-Term Plan

➤ Develop the mid-term plan to create the best steelmaker with world-leading capabilities.



- Pursue for sustainable growth by adhering to long-term strategy.
- Execute the major initiatives as the action plan over 2-3 years to survive global stiff competition.

NSSMC intends to announce the mid-term plan in FY2012



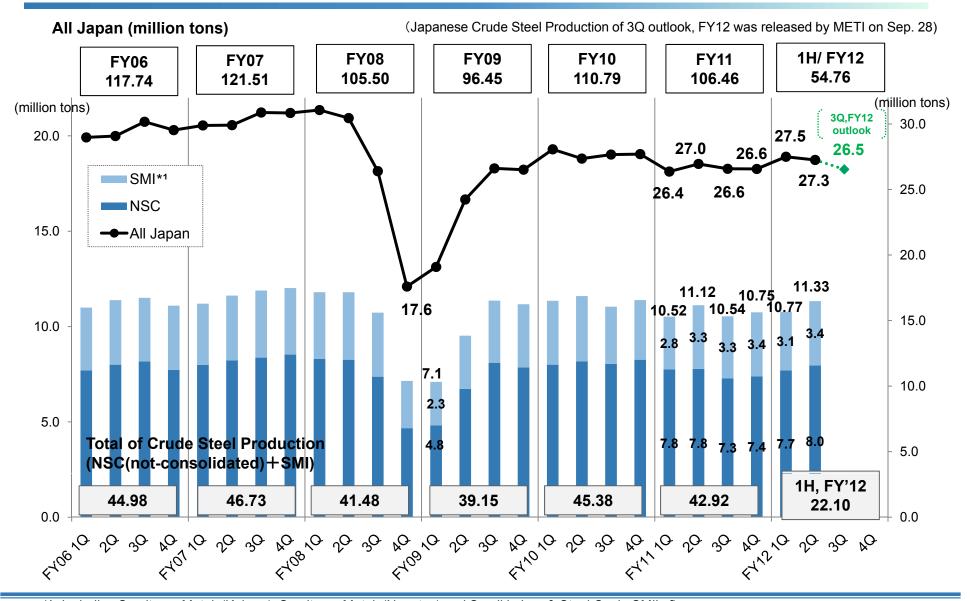
4. Reference



1) Steel Market Data



Japanese Crude Steel Production (Quarterly Trend)



^{*1} Including Sumitomo Metals(Kokura), Sumitomo Metals(Naoetsu) and Sumikin Iron & Steel Co. in SMI's figure All output figures in this presentation are metric tons.



Overview of NSSMC's Operation — ①

			FY2011		1	FY2012 outlook			Increase or Decrease			
(million tons)	1H	3Q	4Q	2H		1Q	2Q(E) as of 30, Jul.	2Q	1H(E) as of 30, Jul.	1H	2H/11FY → 1H/12FY	1H(E) → 1H
Pig-iron production *2	21.80	10.84	10.70	21.54	43.33	10.80	[11.57]	11.33	[22.40]	22.13	+0.59	-0.27
NSC	15.79	7.57	7.41	14.98	30.77	7.78	[8.20]	8.01	[16.00]	15.79	+0.81	-0.21
SMI	6.01	3.27	3.29	6.56	12.56	3.02	[3.37]	3.32	[6.40]	6.34	-0.22	-0.06
Consolidated Crude Steel Production	22.81	11.16	11.40	22.56	45.37	11.39	[12.14]	11.94	[23.54]	23.34	+0.78	-0.20
NSC	16.61	7.85	7.98	15.83	32.44	8.29	[8.60]	8.51	[16.90]	16.81	+0.98	-0.09
SMI	6.20	3.31	3.42	6.73	12.93	3.10	[3.54]	3.43	[6.64]	6.53	-0.20	-0.11
Non-consolidated Crude Steel Production	21.64	10.54	10.75	21.28	42.92	10.77	[11.48]	11.33	[22.25]	22.10	+0.82	-0.15
NSC	15.53	7.29	7.39	14.67	30.20	7.70	[8.00]	7.95	[15.70]	15.66	+0.99	-0.04
SMI	6.11	3.25	3.36	6.61	12.72	3.07	[3.48]	3.38	[6.55]	6.44	-0.17	-0.11
Steel Shipments	19.80	10.19	10.35	20.53	40.33	10.24	[10.85]	10.36	[21.13]	20.61	+0.08	-0.52
NSC	14.68	7.20	7.21	14.41	29.09	7.46	[7.70]	7.50	[15.20]	14.97	+0.56	-0.23
SMI	5.12	2.99	3.14	6.12	11.24	2.78	[3.15]	2.86	[5.93]	5.64	-0.48	-0.29
Seamless Pipe Shipments *3	0.47	0.26	0.26	0.52	0.99	0.24	[0.28]	0.27	[0.52]	0.51	-0.01	-0.01

^{*1} Including Sumitomo Metals(Kokura), Sumitomo Metals(Naoetsu) and Sumikin Iron & Steel Co. in SMI's figure



^{*2} NSC: Including Hokkai Iron & Coke Corporation's pig-iron production *3 Only SMI's shipment volume All output figures in this presentation are metric tons.

1H(E), FY12

1H, FY12

-2.2

-0.5

-1

Overview of NSSMC's Operation — 2

	FY2011						FY2			Increase o			
	1Н	3Q	4Q	2H		1Q	2Q(E) as of Jul. 30	2Q	1H(e) as of Jul. 30	1H	2H,FY → 1H, FY	11	ease 1H(E) FY12 → 1H, FY
Average Steel So	elling Pr	ice (thou	usand ye	en/ ton)									
NSC	87.8	87.6	81.5	84.5	86.2	80.0	[79]	75.6	[80]	77.8	-(6.7	-2
SMI	106.0	103.1	99.8	101.4	103.5	94.7	[95]	94.4	[95]	94.5	-(6.9	-0
Steel Export Ra	atio (val	ue basi	s) (%)										
NSC	41	37	38	37	39	42	[41]	42	[42]	42		+5	
SMI	45	40	43	42	43	46	[48]	45	[47]	46		+4	
Exchange Rate (¥/\$)	80	78	78	78	79	81	[80]	79	[80]	80		+2	



^{*1} Including Sumitomo Metals(Kokura), Sumitomo Metals(Naoetsu) and Sumikin Iron & Steel Co. in SMI's figure All output figures in this presentation are metric tons.

Key Indicators of Customers' Demand

			FY2011		FY2012			
	1H	3Q	4Q	2H		1Q	2Q	1H
Housing Starts (million houses)	0.43	0.21	0.20	0.41	0.84	0.22	0.23	0.44
Non-residential Construction Starts (million m³)	24.95	11.51	11.07	22.58	47.52	12.57	13.36	25.93
Finished Auto Production (million cars)	3.90	2.59	2.77	5.36	9.27	2.47	2.43	4.91
Finished Auto Exportation (million cars)	1.98	1.37	1.27	2.64	4.62	1.22	1.15	2.37
Overseas Production (million (Japanese 8 companies)	6.04	3.33	3.98	7.31	13.35	3.97	3.66	7.63
Large & Middle size Shovel Production (thousand units)	33	23	22	45	78	20	19	39
Metal Machine Tool Production (thousand tons)	222	114	118	232	454	103	112	215
Forklift Production (thousand units)	59	31	29	59	118	28	29	57
New Ship Keel Laying (m. gross tons)	8.76	4.28	4.11	8.39	17.15	3.60	3.45	7.05

Increase o	r Decrease
2H/11→ 1H/12	1H/11 → 1H/12
+0.03	+0.01
+3.35	+0.98
-0.46	+1.00
-0.27	+0.38
+0.32	+1.59
-5	+5
-17	-7
-2	-2
-1.34	-1.71

Rig Count		CY06	CY07	CY08	CY09	CY10	CY11	The	Latest
USA		1,649	1,768	1,879	1,089	1,546	1,875	1,800	(Nov.2, 2012)
	Deep well (≧15,000ft)	225	222	283	249	249	395	286	(Aug., 2012)
International (except N. America, Russia and China)		925	1,005	1,079	997	1,094	1,167	1,226	(Sep., 2012)

(Source : Various Data, Baker Hughes, Smith international, NSSMC estimates)

All output figures in this presentation are metric tons.



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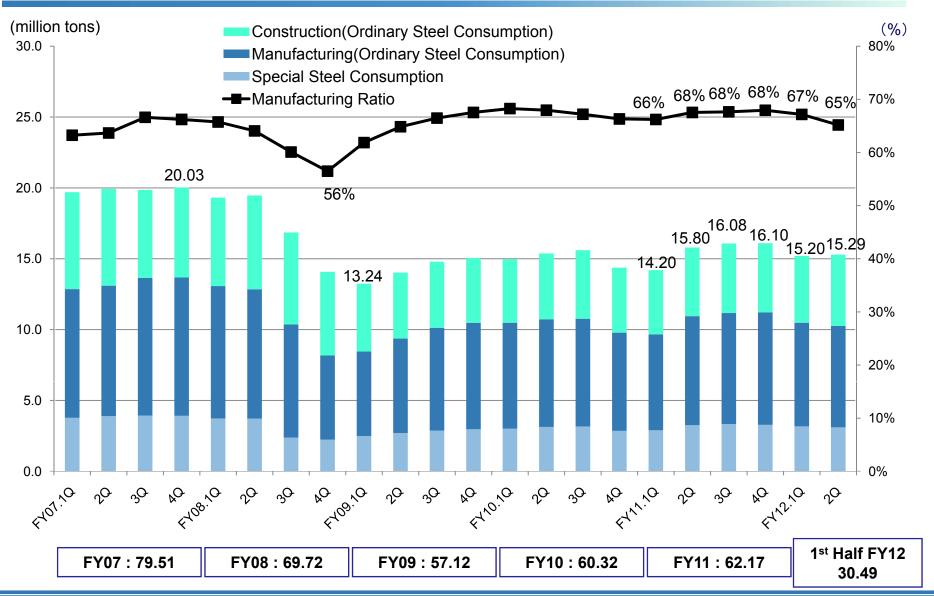
Domestic Steel Consumption by Industrial Sector

(Million ton)				FY2011				FY2012			ase or rease
	(Million ton)	1H	3Q	4Q	2H		1Q	2Q	1H	2H/11→ 1H/12	1H/11 → 1H/12
Crude Steel Production in Japan		53.32	26.58	26.57	53.15	106.46	27.50	27.26	54.76	+1.61	+1.44
Domestic Steel Consumption (A + B)		29.99	16.08	16.10	32.18	62.17	15.20	15.29	30.49	-1.69	+0.49
	Manufacture's Share (%)	66.9	67.6	67.9	67.8	67.4	67.2	65.2	66.2	-1.6	-0.7
Or	dinary (A)	23.85	12.75	12.82	25.57	49.41	12.03	12.18	24.21	-1.36	+0.37
	Construction	9.38	4.91	4.89	9.80	19.18	4.71	5.03	9.74	-0.06	+0.36
	Manufacturing	14.46	7.83	7.93	15.77	30.23	7.31	7.16	14.47	-1.30	~
	Shipbuilding	2.85	1.38	1.33	2.71	5.56	1.16	1.11	2.27	-0.44	-0.58
	Automotive	5.07	3.02	3.22	6.24	11.31	2.92	2.86	5.78	-0.46	+0.71
	Industrial Machine	2.47	1.33	1.27	2.60	5.06	1.23	1.20	2.42	-0.17	-0.04
	Electric Machine	1.59	0.78	0.80	1.58	3.18	0.78	0.76	1.54	-0.05	-0.05
Sp	ecialty (B)	6.15	3.33	3.28	6.61	12.76	3.17	3.11	6.28	-0.34	+0.13
Ste	eel Import	2.90	1.80	1.54	3.34	6.24	1.46	1.50	2.96	-0.38	+0.06
Ste	eel Export	18.76	8.40	9.30	17.70	36.46	9.93	9.84	19.77	+2.07	+1.01

(Source : Various Data, NSSMC estimates)

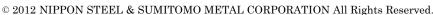


Domestic Steel Consumption Trend



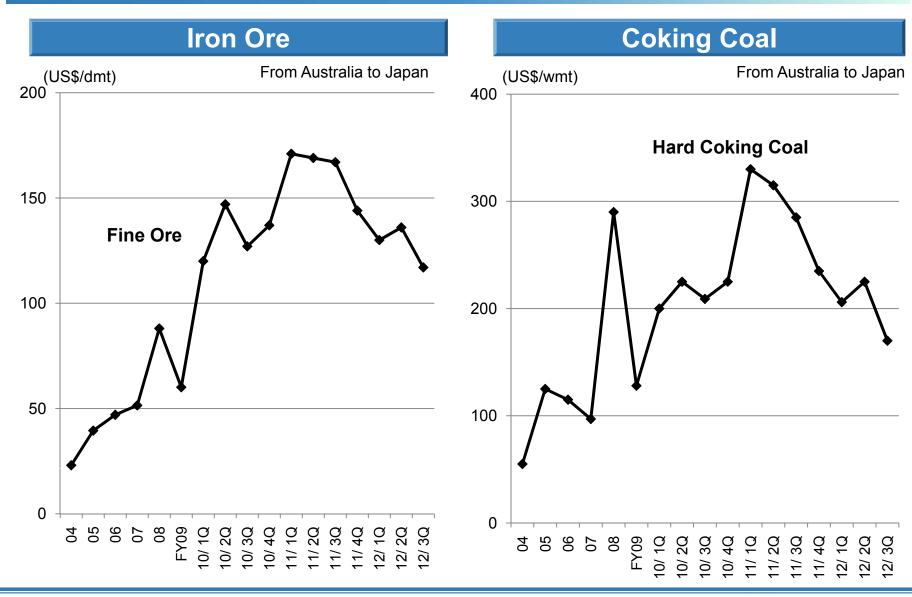
(Source : Various data, NSSMC estimates)

All output figures in this presentation are metric tons.





Iron Ore & Coking Coal Price Trend





2) Other Market Data

GDP Trend

<Released on Oct. 9, 2012 by IMF>

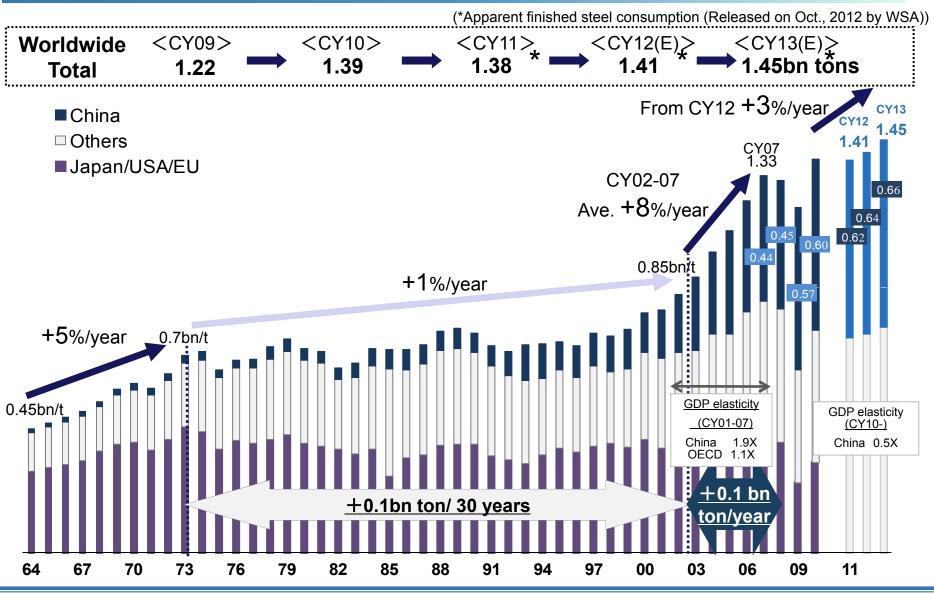
Former Projection (July 16, 2012)

		2005	2006	2007	2008	2009	2010	2011
W	orld Total	4.4	5.1	5.2	3.0	-0.5	5.3	3.8
	Developed Countries	2.6	3.0	2.7	0.5	-3.4	3.2	1.6
	USA	3.1	2.8	2.1	0.4	-2.6	3.0	1.8
	EU27	1.6	2.8	2.7	0.6	-4.1	1.9	1.4
	Japan	apan 1.9		2.3	-1.2	-6.3	4.4	-0.8
	Developing Countries	7.1	7.9	8.3	6.1	2.7	7.5	6.2
	China	10.4	11.6	13.0	9.6	9.2	10.4	9.2
	India	9.1	9.8	9.4	7.3	6.8	10.6	6.8
	ASEAN5*	5.5	5.7	6.3	4.7	1.7	7.0	4.5
	Russia	6.4	7.4	8.1	5.6	-7.8	4.3	4.3
	Brazil	3.2	3.8	5.7	5.1	-0.6	7.5	2.7

201 outlo	_	2013 outlook					
(3.5)	3.3	(3.9)	3.6				
(1.4)	1.3	(1.9)	1.5				
(2.0)	2.2	(2.3)	2.1				
(-0.3)	-0.4	(0.7)	0.2				
(2.4)	2.2	(1.5)	1.2				
(5.6)	5.3	(5.9)	5.6				
(8.0)	7.8	(8.5)	8.2				
(6.1)	4.9	(6.5)	6.0				
(5.4)	5.4	(6.1)	5.8				
(4.0)	3.7	(3.9)	3.8				
(2.5)	1.5	(4.6)	4.0				



Trend of Worldwide Steel Demand



(Source: World Steel Association)



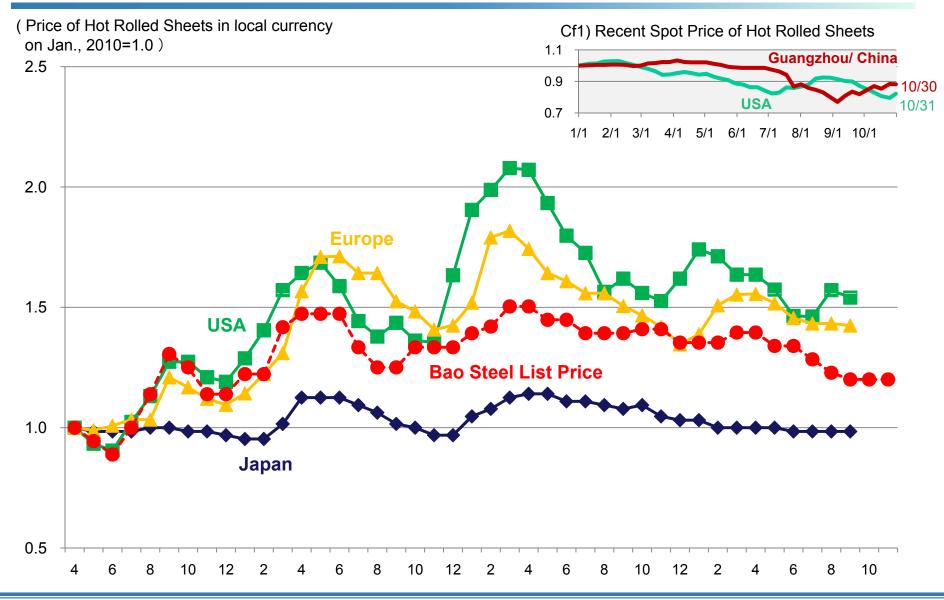
World Crude Steel Production

(million			C	Y2011					CY20	12 (A)		CY2012 Annual rate
tons)	7	8	9	7-9	10-12			7	8	9	7-9	conversion (A*12/9)
World	127.2	125.0	123.6	375.8	356.5	1,490.1		129.7	123.7	123.6	377.1	1,518.3
Total (y-o-y)	+11.3%	+10.3%	+9.9%	+10.5%	+3.0%	+5.4%		+2.0%	-1.0%	+0.0%	+0.3%	+1.9%
Japan	9.2	8.9	8.9	27.0	26.6	107.6		9.3	9.2	8.8	27.3	108.4
(y-o-y)	-0.8%	+0.1%	-3.8%	-1.5%	-4.0%	-1.8%		+1.2%	+3.4%	-1.0%	+1.0%	+0.8%
Korea	5.7	5.5	5.5	16.7	17.8	68.5		5.9	5.7	5.6	17.2	69.7
(y-o-y)	+20.5%	+18.6%	+17.2%	+18.8%	+12.4%	+17.3%		+4.4%	+2.8%	+1.8%	+3.0%	+1.8%
USA	7.4	7.5	7.2	22.1	21.8	86.2		7.4	7.5	7.0	22.0	90.2
EU27	15.0	12.7	15.0	42.7	42.1	177.4		14.2	12.2	14.1	40.5	172.4
Russia	5.7	5.9	5.8	17.3	17.4	68.7		5.9	5.8	6.2	17.9	72.1
Brazil	3.1	3.0	2.8	8.9	8.3	35.2		3.0	2.8	2.8	8.7	34.7
India	6.2	6.2	6.0	18.3	18.3	72.2		6.6	6.4	6.2	19.1	74.2
China	59.2	59.7	56.7	175.6	156.7	683.3	1	61.7	58.7	58.0	178.3	712.8
(y-o-y)	+15.3%	+15.6%	+18.3%	+16.4%	+3.3%	+8.9%		+4.2%	-1.7%	+0.6%	+1.1%	+4.3%

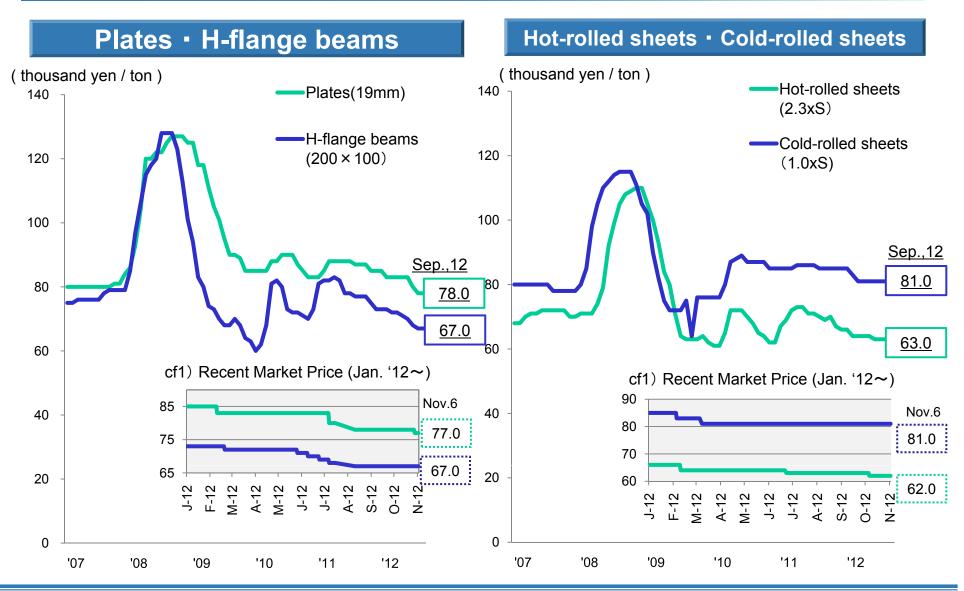
^{*1} The Total of 62 countries
All output figures in this presentation are metric tons.
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Market Trend of Hot Rolled Sheets Price



Domestic Steel Market Trend



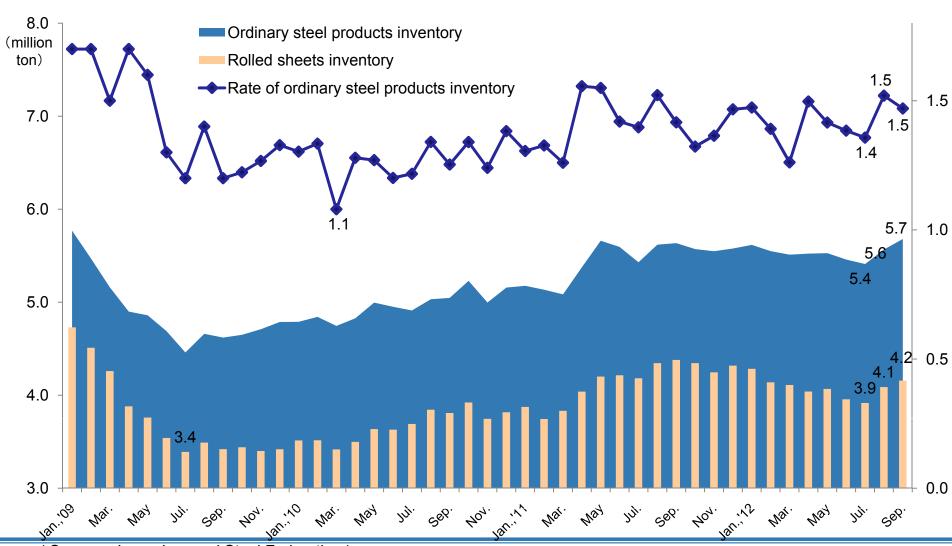
(Source : Japan Metal Daily/ Monthly / Tokyo low price, Wholesaler quoted market price) All output figures in this presentation are metric tons.



Domestic Trend of Steel Inventory Quantity

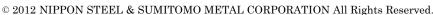
Rolled Sheets* Inventory

* Hot-rolled, Cold-rolled and Coated sheets



(Source: Japan Iron and Steel Federation)

All output figures in this presentation are metric tons.

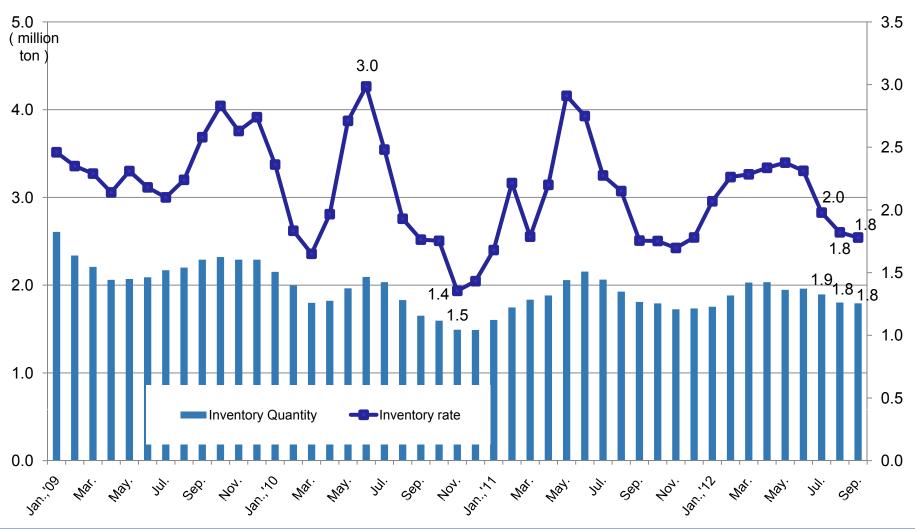




Domestic Trend of Steel Inventory Quantity

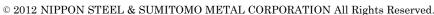
H-flange beams* Inventory

Inventories of distributors dealing with H-flange beams manufactured by NSSMC



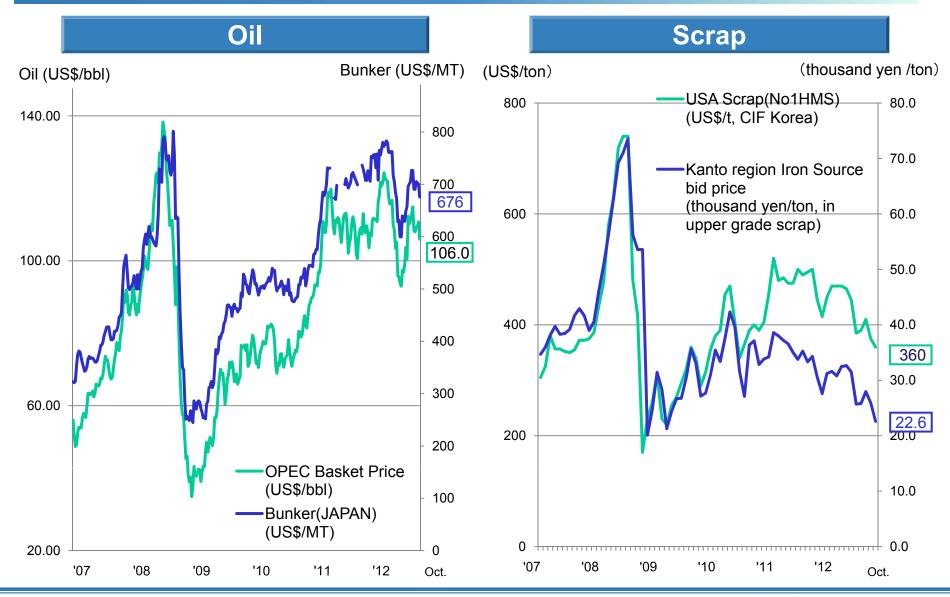
(Source : Japan Iron and Steel Federation)

All output figures in this presentation are metric tons.



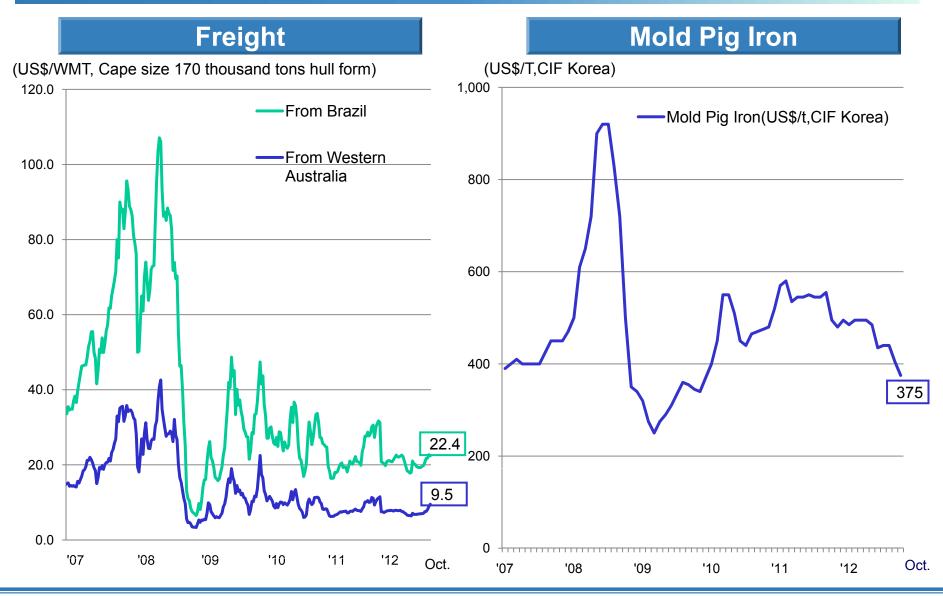


Market Trend <Oil·Scrap>





Market Trend <Freight·Mold Pig Iron>





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