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# Financial Results for 3Q, FY2012 (ending March 31, 2013) **Investor Meeting**

February 14, 2013

Katsuhiko Ota **Managing Director** 

Nippon Steel & Sumitomo Metal Corporation ("NSSMC")



NIPPON STEEL & SUMITOMO METAL CORPORATION

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- 1. Forecast for 2H, FY2012
- 2. Reference



#### 1. Forecast for 2H, FY2012



## **Overview of Forecast for 2H, FY2012**

#### Supply and Demand for 2H, FY2012

- We expect the demand from manufacturing sector, mainly shipbuilders and autos, to decline approx. -3% HoH.
- The effect of emergency economic package and yen depreciation will bolster steel consumption in Japan in FY 2013.
- Our steel prices will pick up from FY2013 along with the gradual uptrend in global steel prices.

#### NSSMC's steps toward improvement in performance in 2H, FY2012

- Although firm demand for exports will offset slowing demand from manufacturing sector in Japan, we expect shipments to decrease HoH by 0.3 MT.
- The ordinary cost reduction : ¥30bn (YoY Improvement of ¥130bn) The effect of synergy: ¥10bn
  - Both the ordinary cost reduction and the synergy in the merger are in line with the last guidance as of Nov.9, 2012.

#### Guidance for 2H, FY2012

- Ordinary Profit: ¥40bn (Revise up by ¥10bn from the last guidance as of Nov.9, 2012)
- Net income: ¥35bn.
- Year-end dividend of FY12 : ¥1.0 per share

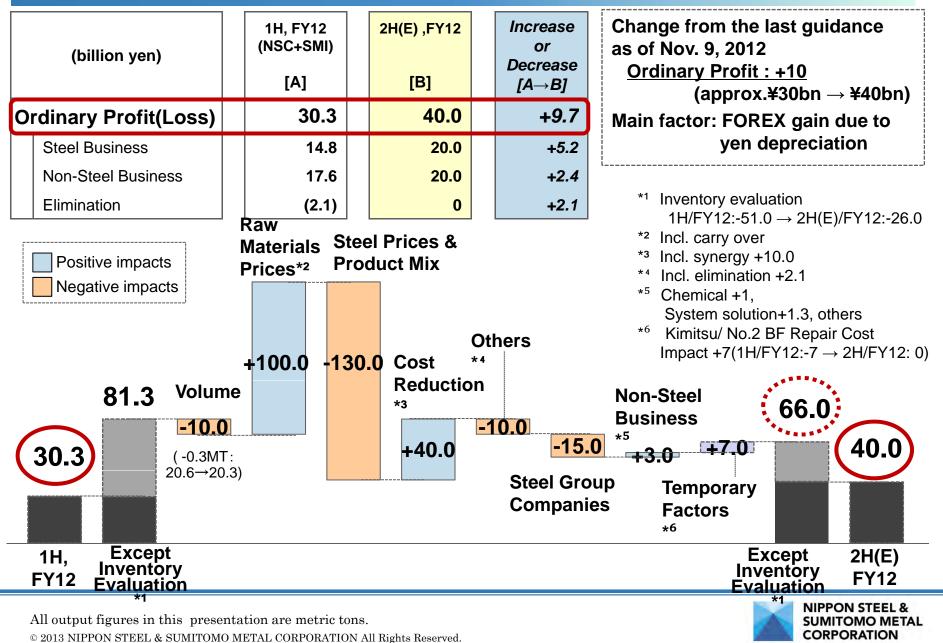


#### **Forecast for FY2012**

				NS	SMC				Increase or Decrease		
(billion yen)							FY12	FY12	1H/FY12		
(Simon yen)	NSC	SMI	1H			2H(E)	(E)	(E)	→ 2H(E)	%	
	[A]	[B]	FY12 [C (A+B)]	3Q	4Q(E)	FY12 [D]	[C+D]	[A+D]	/FY12 [C→D]		
Net Sales	1,918.2	693.6	2,611.8	1,154.4	1,245.6	2,400.0	5,000.0	4,300.0	-211.8	-8%	
Ordinary P <u>rofit/ (Loss</u> )	19.5	10.8	30.3	12.5	27.5	40.0	70.0	60.0	+9.7	+32%	
Steel	5.4	9.4	14.8	3.7	16.3	20.0	35.0	25.0	+5.2	+35%	
Non-Steel	17.6	-	17.6	12.3	7.9	20.0	37.5	37.5	+2.4	+14%	
Elimination	(3.5)	1.4	(2.1)	(3.5)	3.5	0	(2.5)	(2.5)	+2.1	-	
Net Income (Loss)	(176.6)	(133.8)	(310.4)	24.7	10.3	35.0		(140.0)			
[EPS(yen)]	[-28.1]	[-29.3]		[2.7]	[1.1]	[3.9]			-		
Interest-bearing Debt	1,382.1	1,263.9	2,646.0	2,596.4							
Debt-to-equity Rat	io <b>0.85</b>	2.53		1.20	1						



#### Change in Consolidated Ordinary Profit [1H, FY12(NSC+SMI)→2H(E), FY12]



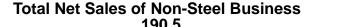
## **FY12 Forecast by Non-Steel Business Segment**

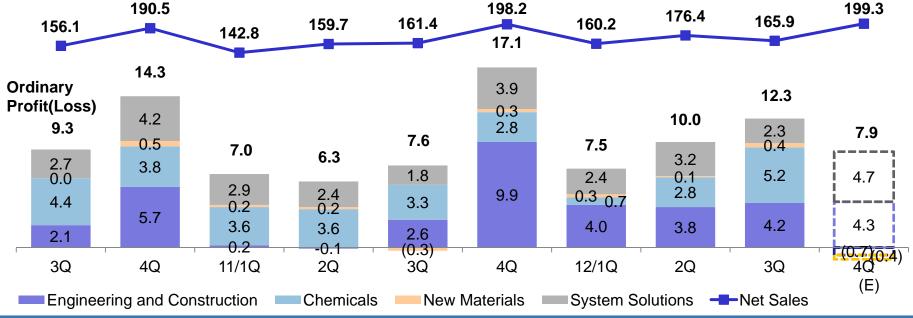
	Forecast for FY12 (billion yen) [ YoY ]	Net Sales	Ordinary Profit	FY12 Outlook
	Engineering and	300.0	16.5	YoY increase both in sales and profit as a result of risk control about running
	Construction	[+51.1]	[+3.8]	projects and cost reduction.
K.	Chomicalo	185.0	8.0	YoY decrease both in sales and profit due to sluggish sales in coal chemical and functional materials, and a beauty repair
	Chemicals	[-12.6]	[-5.5]	functional materials, and a heavy repair cost despite of margin recovery by yen depreciation and rising benzene prices.
	New Materials	40.0	0.5	Ordinary profit in line with the level of FY11 despite of impacts from yen appreciation, slack business and
		[-14.2]	[-0.1]	declining sales due to a shifting trend from gold wire to cheaper copper wire.
	System	170.0	12.5	YoY increase both in sales and profit, mainly in services for Mfg. /distribution/
	Solutions	[+8.5]	[+1.3]	Govt. and in business solutions for steel and telecom. sectors.
	Total of Non-Steel	695.0	37.5	
	Business	[+32.6]	[-0.6]	



## **Ordinary Profit by Non-Steel Business Segment**

( billion yen )	3Q/10	4Q	1Q/11	2Q	3Q	4Q	1Q/12	2Q	3Q	4Q(E)
Engineering and Construction	2.1	5.7	0.2	-0.1	2.6	9.9	4.0	3.8	4.2	4.3
Chemicals	4.4	3.8	3.6	3.6	3.3	2.8	0.7	2.8	5.2	-0.7
New Materials	0.0	0.5	0.2	0.2	-0.3	0.3	0.3	0.1	0.4	-0.4
System Solutions	2.7	4.2	2.9	2.4	1.8	3.9	2.4	3.2	2.3	4.7
otal of Ordinary Profit (Loss)	9.3	14.3	7.0	6.3	7.6	17.1	7.5	10.0	12.3	7.9





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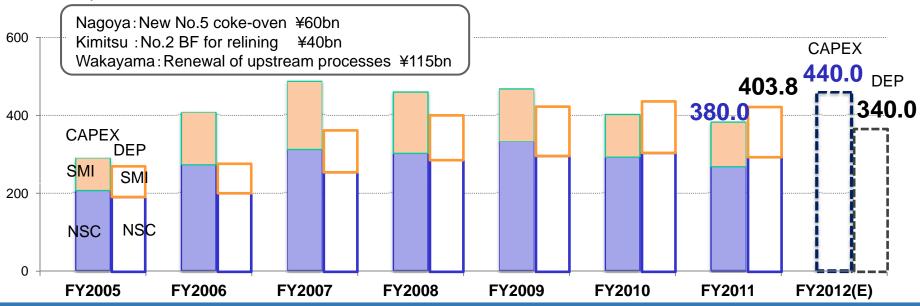
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#### **Consolidated CAPEX and Depreciation**

NSSMC (Upper : NSC Lower : SMI)	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012 (E)
	285.0	405.0	490.0	460.0	465.0	400.0	380.0	440.0
САРЕХ	(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	340.0
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)	

(billion yen, consolidated basis)

Key CAPEX Plan in FY2012



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 Dividend forecast for FY2012: Year-end ¥1.0 per share (Consolidated dividend payout ratio for 2H, FY2012: approx. 25.0%)
[Background]
NSSMC's consolidated net profit forecast for 2H, FY2012: ¥35.0bn
The gradual uptrend in the business climates

#### [Cash Dividend Policy]

Consolidated dividend payout ratio target :approx. 20%

Factors to be considered to return the profit to shareholders include;

- -capital requirements for investments to raise corporate value,
- our performance forecast,
- -consolidated and non-consolidated balance sheets.

#### **Financial Results for 3Q, FY2012**



## **Financial Results for 3Q, FY2012**

( billion yen)	NS [/	-	_	SMI [B]		SMC ⊦B]	NSSMC	Increase or D [C-D]	
	2Q	1H FY12	2Q	1F FY12	2Q [C]	1H FY12	3Q [D]	2Q [C] → 3Q	%
Net Sales	957.6	1,918.2	351.7	693.6	1,309.2	2,611.8	1,154.4	-154.8	-12%
Operating Profit (Loss)	3.6	(2.6)	26.9	15.7	30.5	13.1	(3.3)	-33.8	-
Ordinary Pr <u>ofit (Loss)</u>	10.2	19.5	21.8	10.8	32.1	30.3	12.5	-19.6	-61%
Steel	(1.1)	5.4	21.0	9.4	19.9	14.8	3.7	-16.2	-81%
Non-Steel	10.0	17.6	-	-	10.0	17.6	12.3	+2.3	+23%
Elimination <sup>*1</sup>	1.3	(3.5)	0.8	1.4	2.1	(2.1)	(3.5)	-5.6	-
Special Profit (Loss)	(161.6)	(257.9)	(130.1)	(145.6)	(291.7)	(403.5)	28.9	+320.6	-
Net Income	(89.1)	(176.6)	(113.8)	(133.8)	(202.9)	(310.4)	24.7	+227.6	-
<b>(Loss)</b> [EPS(yen)]	[-14.2]	[-28.1]	[-25.4]	[-29.3]			[2.7]	Including the Re	versal of L
nterest-bearing Debt		1,382.1		1,263.9		2,646.0	2,596.4	on Valuation of In Securities: 24.6	
	ebt-to-equity Ratio		4	2.53	4	2.53	1.20	L	

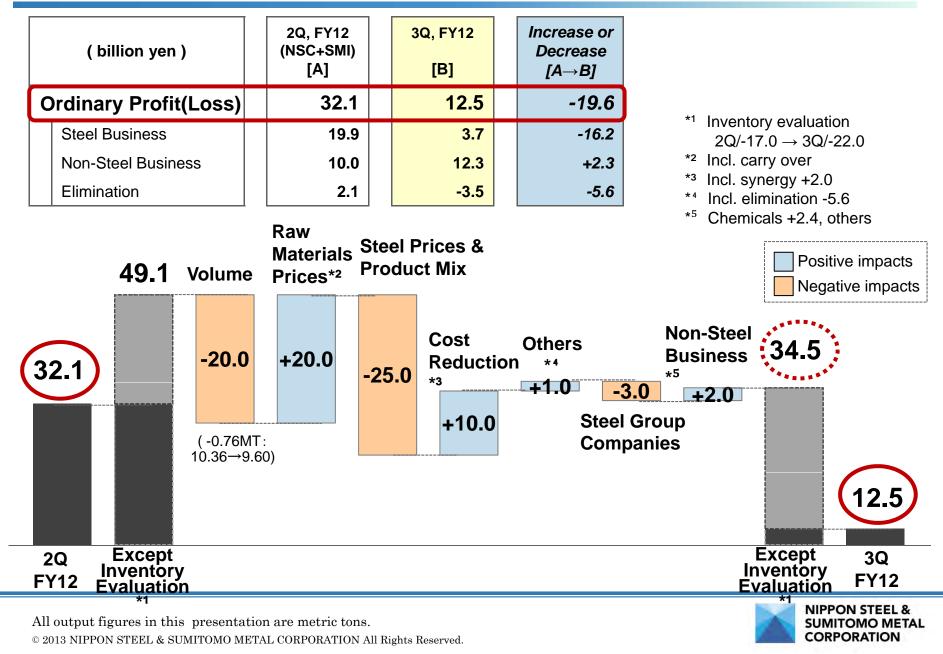
\*1 Incl. urban development and SUMCO

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# Change in Consolidated Ordinary Profit [2Q, FY12(NSC+SMI) $\rightarrow$ 3Q, FY12]



## Valuation of Goodwill related to the Merger

- Positive goodwill related to the merger : ¥34.0bn
- Depreciation of the goodwill: approx. ¥3.4bn/ year
  - (Depreciation period: 10 years)

	(	( billion yen	)
SMI's equity capital as of Sep. 30, [book value]	2012	500.1	
SMI's treasury shares		19.2	
SMI's goodwill		-13.5	
SMI's assets and liabilities measured market value	red at	-32.3	••• accrued pension cost, etc
SMI's net assets at current price	Α	473.5	
Consideration for acquisition	В	507.6	••• 1) Delivered shares: ¥505.7bn
Positive goodwill	B-A	34.0	<ul><li>(3.2bn shares X ¥158/shares)</li><li>2) Expense for the acquisition</li></ul>
SMI's goodwill		13.5	: ¥2bn



## Consolidated Balance Sheets (Mar.31, 2012→ Dec. 31, 2012)

#### BS on 12E, 2012 : Total Assets ¥6,815.1bn, D/E 1.20

	FY2011			FY2012				Increase or Decrease		
( billion yen )	NSC	SMI	Mar.31 [A]	NSC	SMI	Sep. 30	Dec. 31 [B]	[A <i>→B</i> ]	%	

#### [Asset]

	Current Assets	1,703.5	658.0	2,361.5	1,623.9	611.8	2,235.7	2,094.3	-267.2	-11%
	Fixed Assets	3,221.2	1,728.0	4,949.2	3,052.5	1,607.1	4,659.6	4,720.8	-228.4	-5%
Tot	al Assets	4,924.7	2,386.1	7,310.8	4,676.4	2,218.9	6,895.3	6,815.1	-495.7	-7%

#### [Liabilities and Net Assets]

	Current Liabilities	1,336.2	691.0	2,027.2	1,308.6	714.7	2,023.3	1,907.7	-119.5	-6%
	Long-term Liabilities	<sup>5</sup> 1,241.1	933.6	2,174.7	1,228.6	951.4	2,180.0	2,211.0	+36.3	+2%
Tot	al Liabilities	2,577.3	1,624.6	4,202.0	2,537.3	1,666.2	4,203.5	4,118.7	-83.3	-2%
Net	t Assets	2,347.3	761.4	3,108.8	2,139.1	552.7	2,691.8	2,696.3	-412.5	-13%
	Equity Capital	1,828.9	709.3		1,631.8	500.1		2,164.8		
	neet beering Debt	4 004 5	*1	0 500 0	4 000 4	4 000 0	0.040.0			- 40/

Interest-bearing Debt	1,334.5	1,172.1 <sup>*1</sup>	2,506.6	1,382.1	1,263.9	2,646.0	(	2,596.4	+89.8	+4%	
Debt-to-equity Ratio	0.73	1.65		0.85	2.53			1.20			-

\*1 Debt: Excluding lease obligations



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#### Topics



## **Impact from External Factors on the Steel Demand**

#### Extra budget due to emergency economic package

- Estimated steel demand : approx. <u>0.50-0.65MT/year+ $\alpha$ </u> (source: JISF)
- The risk factor: Time lag of the demand due to delays of constructions by a shortage of labor and city planning

#### Extra budget due to reconstruction from Tohoku earthquake

- Estimated steel demand from reconstruction budget of public works in FY12
  - : approx. 0.83MT/year (public works 0.65MT+ temporary housing and others 0.18MT)
- Civilian steel demand: <u>approx.1MT/year (housing: approx. 0.50MT+other demand:</u> <u>approx. 0.40MT+civil engineering: approx.0.10MT</u>) (source: JISF)

#### Yen depreciation

 Real GDP in Japan will be bolstered +0.2%/ year by 10% yen depreciation (source: Govt. of Japan)

#### > A rush ahead of consumption tax hike



## **Update of Major Overseas Business Investment**

%: N	NSSMC investment ratio	Investment Amount	Major facilities	Production Capacity	FY1 2	FY13	FY14	FY15
	TENIGAL (Mexico) 49%	Approx. 300 million\$	CGL	0.4million tons/y		*	CY13	
Auto	JV with TATA (India) 49%	Approx. ¥ <b>40</b> bn	CAPL	<b>0.6</b> million tons/y		*	FY13	
	(Thailand) 100%	Approx. 300 million\$	CGL	0.36million tons/y		* ·	I 3/Oct.	
Const-	NSBS: JV with BSL (Singapore, etc.) 50%	554 million\$	CGL, etc	1.40million tons/y-CGL	*	13/End of Mar.	JV Esta	blishment
ruction	CSVC (Vietnam) 30%	¥ <b>115</b> bn (JV total)	CDCM	<b>1.20</b> million tons/y	*	FY12		
Contai- ner	<b>WINSteel</b> (China) 50%	Approx. ¥ <b>23</b> bn	ETL, etc	<b>0.40</b> million Tons/y		*	'13/Sep[ 	Dec.
	NS Pipe Mexico(Mexico) 55%	Approx. 39 Million\$	Electric- resistance welded pipe, e	0.024 tc. million tons/y		<b>★</b> 13,	l /Jun. l	
Pipe & Tube	VSB (Brazil) 40%	<b>5.4</b> bnBRL (VSB's capital)	Seamless Pipe, etc	<b>0.6</b> million tons/y-SML	Ramp	ing up		
	Southern Tube OCTG (USA) 100%	43 million\$	Heat treatment Threading of OCTG, etc.	0.07million tons/y		Productior	ı on comm	FY15 ercial base



#### The Progress of Business Integration among Group 19 Companies

NSSMC intend to advance in business integration among group companies and achieve the synergy target acceleratedly.

	Release	Merger & Integration Date
Steel Plate Processing Business -Merger	( Jan. 18, '13 )	Apr. 01, '13
High-tension Bolt Business – Integration	( Nov. 29, '12)	Jan. 04, '13
Technology Research - Merger	( Oct. 03, '12 )	Apr. 01,'13
Bar & Wire Processing Business in Thailand – Merger	( Oct. 02, '12 )	Jan., '13
Design/ Construction/ Maintenance - Merger	( Sep. 28, '12)	Oct. 01, '13
Logistic Services – Integration and Reorganization	( Sep. 05, '12 )	Apr. 01,'13
Pipeline Construction - Merger	( Jun. 26, '12 )	Oct. 01, '12

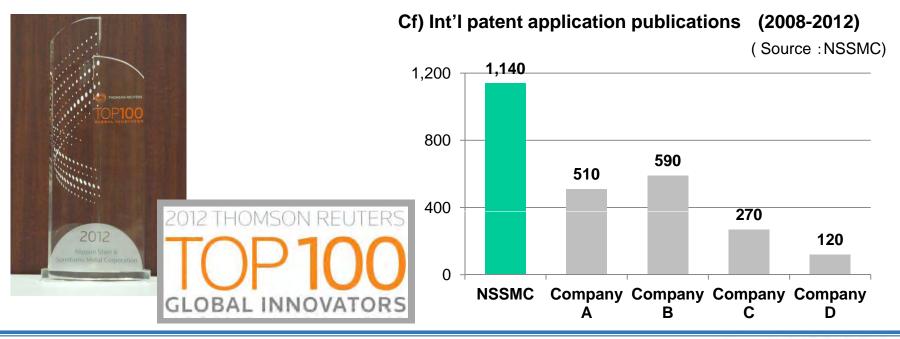
※ Sumikin Bussan Corp. and Nippon Steel Trading Co., Ltd. announced the agreement on the consideration of the business integration, targeted for Oct. 1, 2013 [Released on Feb. 7, 2013]



# 2012 Thomson Reuters Top 100 Global Innovator Award

• NSSMC has received a "Thomson Reuters 2012 Top 100 Global Innovator Award" as the only company selected from the global metal refining industry including steel.

•We aggressively promote R&D activities, protect and utilize our intellectual property and earnestly support our global business development.



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#### 4. Reference



#### 1) Steel Market Data



## **Key Indicators of Customers' Demand**

		FY2011	l		I	FY2012(E	Ξ)		Increase o	or Decrease		
	1H	2H		1H	3Q	4Q(E)	2H(E)		1H/FY12→ 2H/FY12	FY11→ FY12(E)		
Housing Starts (million houses)	0.43	0.41	0.84	0.44	0.24	0.20	0.44	0.88	~	+0.04		
Non-residential ConstructionStarts(million m³)	24.95	22.58	47.52	25.93	13.19	10.85	24.04	49.96	-1.89	+2.44		
Public works order (bn yen)	2,555	3,651	6,206	3,020	1,710	2,208	3,918	6,937	+898	+732		
Finished Auto Production (million cars)	3.90	5.36	9.27	4.91	2.26	2.39	4.65	9.56	-0.25	+0.29		
Finished Auto Exportation (million cars)	1.98	2.64	4.62	2.37	1.17	1.16	2.33	4.69	-0.04	+0.07		
Overseas Production (Japanese 8 companies)(million cars)	6.04	7.31	13.35	7.63	3.66							
Large & Middle size Shovel Production (thousand units)	33	44	78	38	18	18	35	74	-3	-4		
Metal Machine Tool Production (thousand tons)	222	232	454	214	93	91	184	398	-30	-56		
New Ship Keel Laying (m. gross tons)	8.76	8.39	17.15	7.05	3.30	3.15	6.45	13.50	-0.60	-3.65		
Rig Count CY	07 C	Y08	CY09	CY10	CY	11 C`	Y12	The	Latest			
USA 1,	768	1,879	1,089	1,546	6 1,8	375 1	,919	1,759	1,759 (Feb. 8, 2			
Deep well (≧15,000ft)	222	283	249	249	9 3	395	324	324	(Dec., 2012)			
International (except N. America, Russia and China)	005	1,079	997	1,094	4 1,1	167 1	,234	1,279	(Jan., 2	2013)		

(Source: Baker Hughes, Smith international, NSSMC estimates) All output figures in this presentation are metric tons. © 2013 NIPPON STEEL & SUMITOMO METAL CORPORATION All Rights Reserved.



# **Domestic Steel Consumption by Industrial Sector**

			FY2011				FY2012			Increase or	Decrease
	(Million ton)	1H	2H		1H	3Q	4Q(E)	2H(E)		1H/FY12→ 2H(E)/FY12 -5% -2.74 -0% -0.02 +0% +0.10	FY11 → FY12(E)
-	Crude Steel Production	53.32	53.15	106.46	54.76	25.91	26.11	52.02	106.78		+0.32
	Domestic Steel Consumption (A + B)	29.99	32.18	62.17	30.50	15.33	15.16	30.49	60.99		-1.18
	Manufacture's Share (%)	66.9	67.8	67.4	66.1	63.2	64.6	63.9	65.0	-2.3	-2.4
0	Ordinary (A)	23.85	25.57	49.41	24.23	12.24	12.08	24.32	48.55		-0.86
	Construction	9.38	9.80	19.18	9.76	5.34	5.09	10.43	20.19	+7% +0.67	+1.01
	Manufacturing	14.46	15.77	30.23	14.47	6.91	6.99	13.90	28.36	-4% -0.57	-1.87
	Shipbuilding	2.85	2.71	5.56	2.27	1.06	0.99	2.05	4.32	-0.22	-1.24
	Automotive	5.07	6.24	11.31	5.77	2.71	2.83	5.54	11.32	-0.23	+0.01
	Industrial Machine	2.47	2.60	5.06	2.43	1.17	1.16	2.33	4.76	-0.10	-0.30
	Electric Machine	1.59	1.58	3.18	1.54	0.69	0.75	1.44	2.98	-0.10	-0.20
S	Specialty (B)	6.15	6.61	12.76	6.27	3.09	3.08	6.16	12.43	-2% -0.11	-0.33
S	Steel Imports	2.90	3.34	6.24	2.95	1.65					
S	Steel Exports	18.76	17.70	36.46	19.92	9.41					

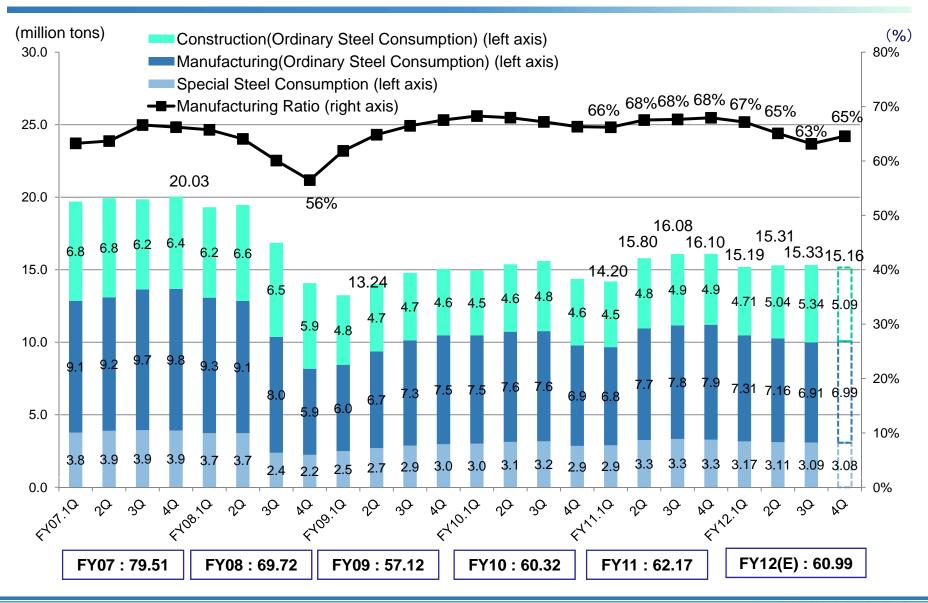
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(Source : NSSMC estimates)

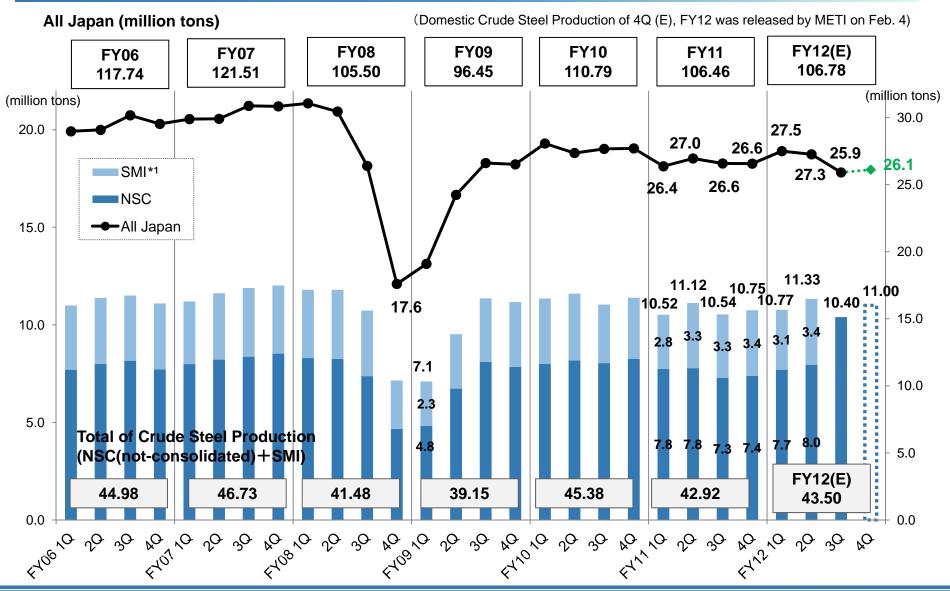


## **Domestic Steel Consumption Trend**





## **Domestic Crude Steel Production Trend**



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

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# **Overview of NSSMC's Operation**<sup>\*†</sup> - (1)

			FY2011		1		FY2		ase or ease			
( million tons)	1H	3Q	4Q	2H	[A]	1H [B]	3Q	4Q(E)	2H(E) [C]	[D]	B→C	A→D
Pig-iron production *2	21.80	10.84	10.70	21.54	43.33	22.13	10.62	11.10	21.70	43.80	-0.43	+0.47
NSC	15.79	7.57	7.41	14.98	30.77	15.79						
SMI	6.01	3.27	3.29	6.56	12.56	6.34						
Consolidated Crude Steel Production	22.81	11.16	11.40	22.56	45.37	23.34	11.01	11.60	22.60	45.90	-0.74	+0.53
NSC	16.61	7.85	7.98	15.83	32.44	16.81						
SMI	6.20	3.31	3.42	6.73	12.93	6.53						
Non-consolidated Crude Steel Production	21.64	10.54	10.75	21.28	42.92	22.10	10.40	11.00	21.40	43.50	-0.70	+0.58
NSC	15.53	7.29	7.39	14.67	30.20	15.66			$\nearrow$			
SMI	6.11	3.25	3.36	6.61	12.72	6.44						
Steel Shipments	19.80	10.19	10.35	20.53	40.33	20.61	9.60	10.70	20.30	40.90	-0.31	+0.57
NSC	14.68	7.20	7.21	14.41	29.09	14.97						
SMI	5.12	2.99	3.14	6.12	11.24	5.64						
Seamless Pipe Shipments	0.50	0.28	0.28	0.56	1.06	0.53	0.27	0.27	0.54	1.07	+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

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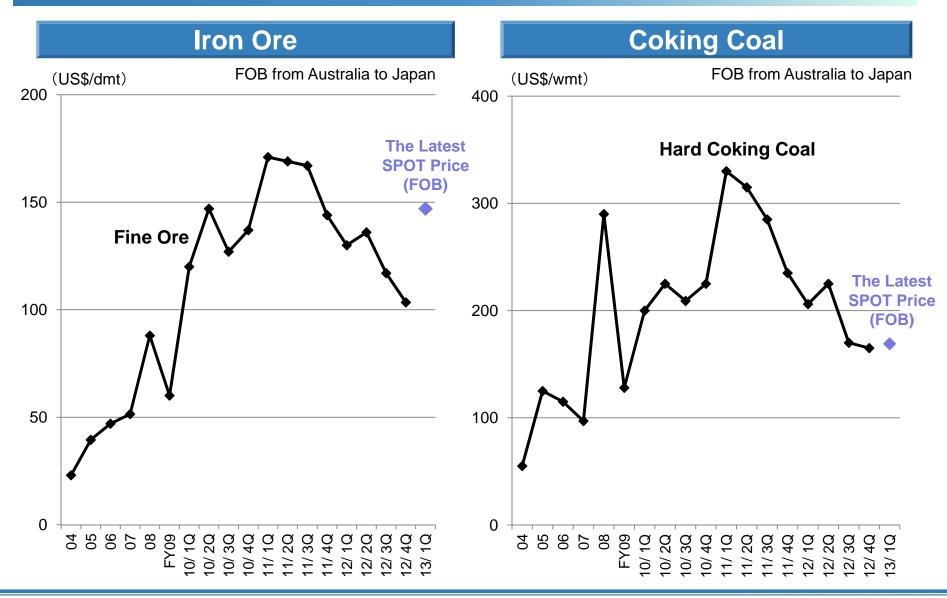
# **Overview of NSSMC's Operation**<sup>\*1</sup>-(2)

			FY2011				FY	2012 out	look			Increa Decr	
		1H	2H		1Q	2Q	1H	3Q	4Q(E)	2H(E)		B→C	
				[A]			[B]			[C]	[D]	B→C	A→D
Ave	erage Steel Sell	ling Pric	e (thous	and yen	/ ton)								
NS	SMC	92.5	89.5	91.0	84.0	80.8	82.4	78.1	77	78	80	-4	-11
	NSC	87.8	84.5	86.2	80.0	75.6	77.8		$\nearrow$				
	SMI	106.0	101.4	103.5	94.7	94.4	94.5						
Ste	el Export Rat	io (valu	e basis)	(%)									
NS	SMC	42	39	40	43	43	43	43	47	45	44	+1	+4
	NSC	41	37	39	42	42	42		$\nearrow$				
	SMI	45	42	43	46	45	46						
FO	REX (¥/\$)	80	78	79	81	79	80	80	90	85	82	+5	+3

\*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.
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#### **Iron Ore & Coking Coal Price Trend**



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#### 2) Other Market Data



# **GDP Trend** <Released on Jan. 23, 2013 by IMF>

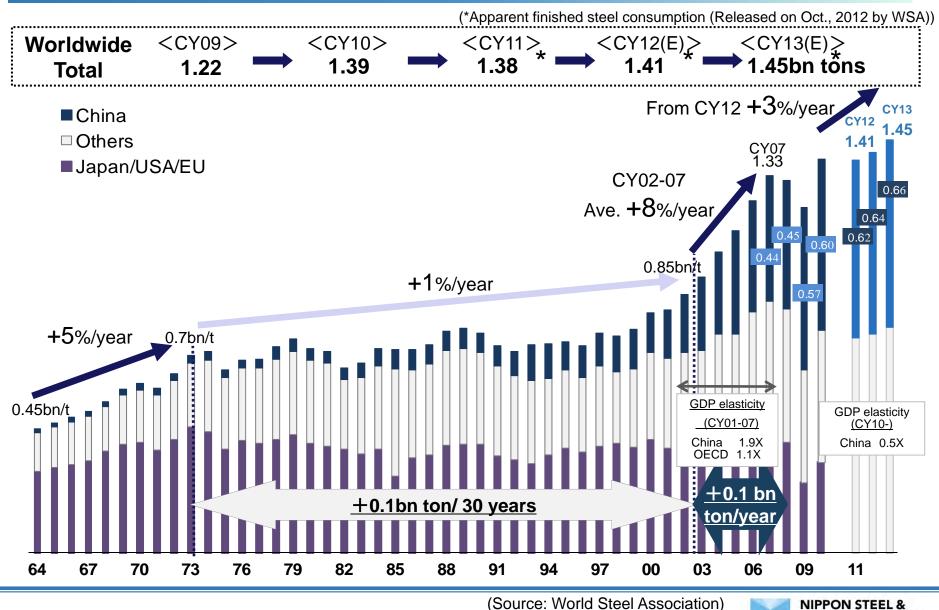
				[	r		I	()	: Οι	itlook a	s of Oct.	9, 201
	2006	2007	2008	2009	2010	2011	2012	c	2013 outlook		201 outlo	
World Total	5.1	5.2	3.0	-0.5	5.3	3.9	3.2	(3	.6)	3.5	(4.1)	4.1
Developed Countries	3.0	2.7	0.5	-3.4	3.2	1.6	1.3	(1	5)	1.4	(2.3)	2.2
USA	2.8	2.1	0.4	-2.6	3.0	1.8	2.3	(2	1)	2.0	(2.9)	3.0
EU27	2.8	2.7	0.6	-4.1	1.9	1.4	-0.4	(0	.2)	-0.2	(1.2)	1.0
Japan	2.4	2.3	-1.2	-6.3	4.4	-0.6	2.0	(1	2)	1.2	(1.1)	0.7
Developing Countries	7.9	8.3	6.1	2.7	7.5	6.3	5.1	(5	6)	5.5	(5.9)	5.9
China	11.6	13.0	9.6	9.2	10.4	9.3	7.8	(8	.2)	8.2	(8.5)	8.5
India	9.8	9.4	7.3	6.8	10.6	7.9	4.5	(6	0)	5.9	(6.4)	6.4
ASEAN5*	5.7	6.3	4.7	1.7	7.0	4.5	5.7	(5	8)	5.5	(5.7)	5.7
Russia	7.4	8.1	5.6	-7.8	4.3	4.3	3.6	(3	.8)	3.7	(3.9)	3.8
Brazil	3.8	5.7	5.1	-0.6	7.5	2.7	1.0	(4	0)	3.5	(4.2)	4.0

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(Source : IMF)



#### **Worldwide Steel Demand Trend**





NIPPON STEEL & SUMITOMO METAL CORPORATION

#### **World Crude Steel Production**

(million			CY20	11	1		M- M				
tons)	10	11	12	10-12		10	11	12	10-12		ΥοΥ
World	124.6	115.8	118.4	358.8	1,529.2	126.1	121.7	121.3	369.1	1,547.8	+18.6
Total <i>(YoY)</i>	+6.8%	+1.6%	+2.9%	+3.8%	+6.8%	+1.3%	+5.1%	+2.4%	+2.9%	+1.2%	
Japan	9.5	8.7	8.4	26.6	107.6	8.8	8.5	8.6	25.9	107.2	-0.4
(YoY)	-0.3%	-3.2%	-8.4%	-3.9%	-1.8%	-6.7%	-2.3%	+2.0%	-2.5%	-0.4%	
Korea	6.1	5.8	6.0	17.9	68.5	5.8	5.6	5.8	17.2	69.3	+0.8
(YoY)	+16.7%	+11.4%	+7.4%	+11.7%	+16.3%	-4.9%	-2.7%	-3.4%	-3.7%	+1.2%	
USA	7.2	7.0	7.5	21.7	86.4	6.9	6.7	7.1	20.7	88.6	+2.2
EU27	15.2	14.3	12.3	41.7	177.7	14.2	13.5	12.0	39.7	169.4	-8.3
Russia	5.8	5.6	6.0	17.3	68.9	6.4	5.5	5.8	17.8	70.6	+1.7
Brazil	2.9	2.8	2.7	8.4	35.2	3.2	2.8	2.6	8.6	34.7	-0.5
India	6.2	6.0	6.3	18.5	73.6	6.5	6.4	6.6	19.5	76.7	+3.1
China	55.7	50.6	53.5	159.8	694.8	59.1	57.5	57.7	174.2	716.5	+21.7
(YoY)	+11.8%	+1.1%	+3.3%	+5.4%	+8.8%	+6.0%	+13.7%	+7.7%	+9.0%	+3.1%	

\*1 Total of 62 countries

All output figures in this presentation are metric tons.

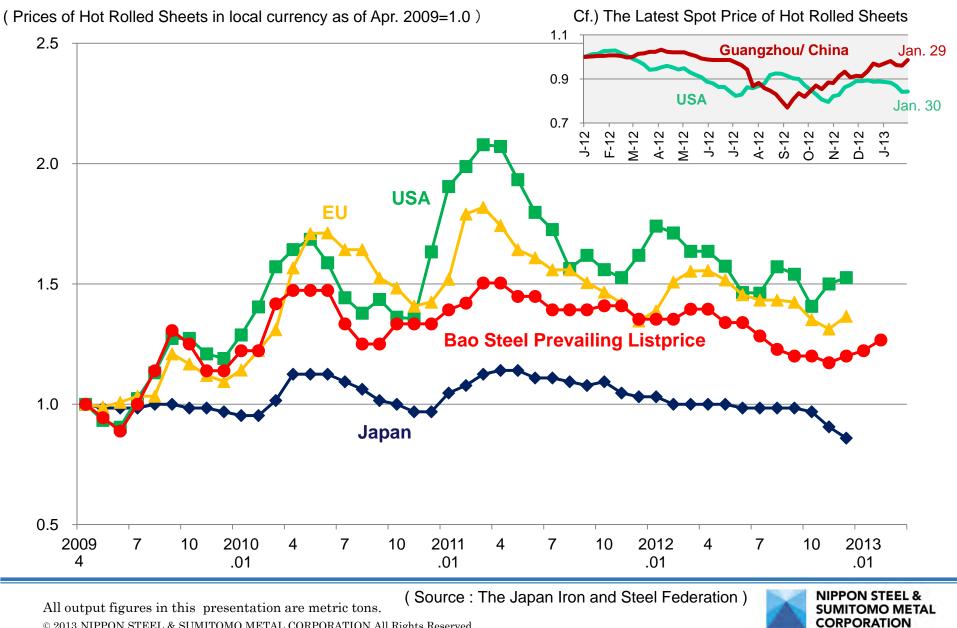
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(Source : World Steel Association)



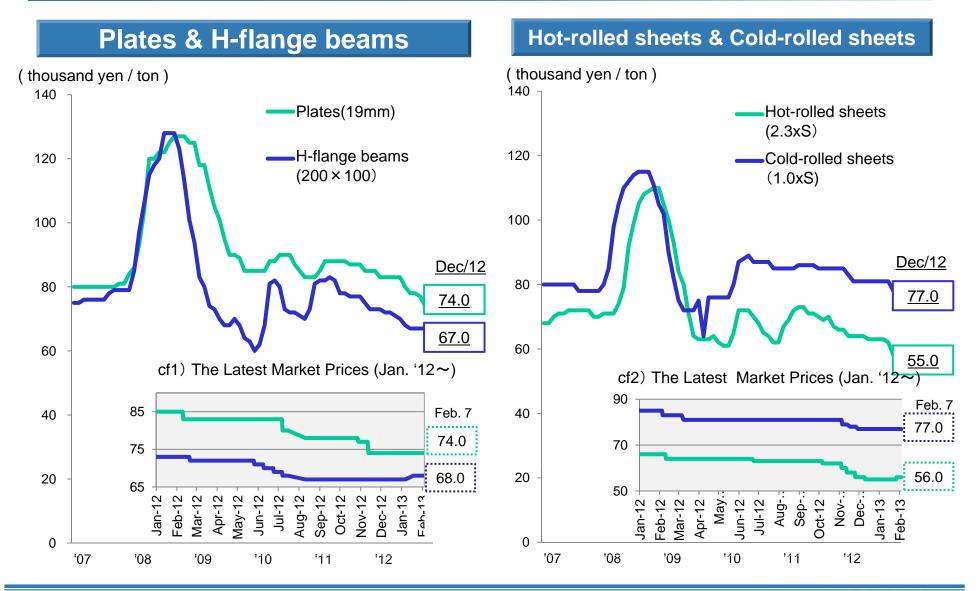
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## **Hot Rolled Sheets Prices by Region**



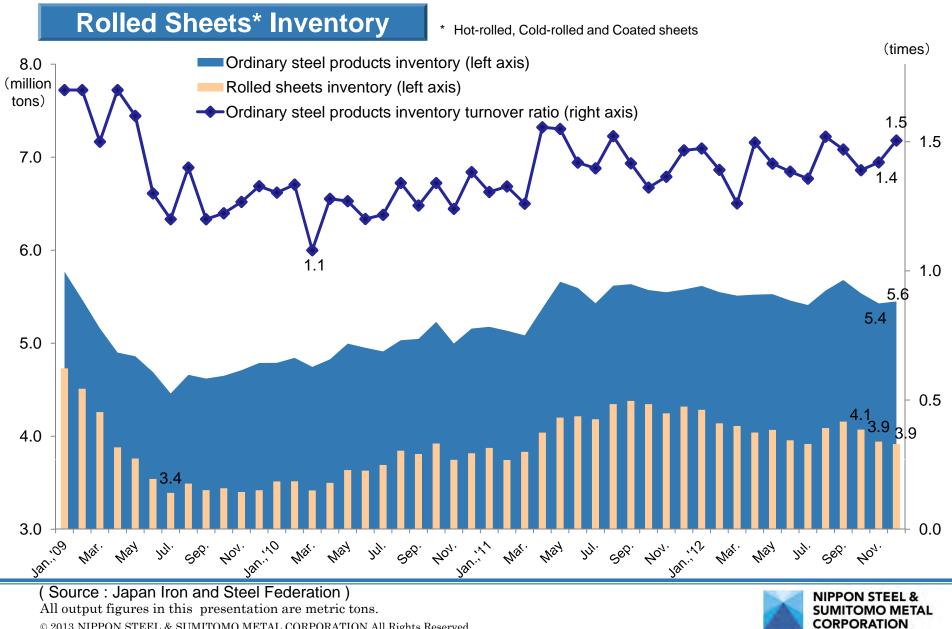
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#### **Domestic Steel Products Prices**





#### **Domestic Steel Inventory Trend**

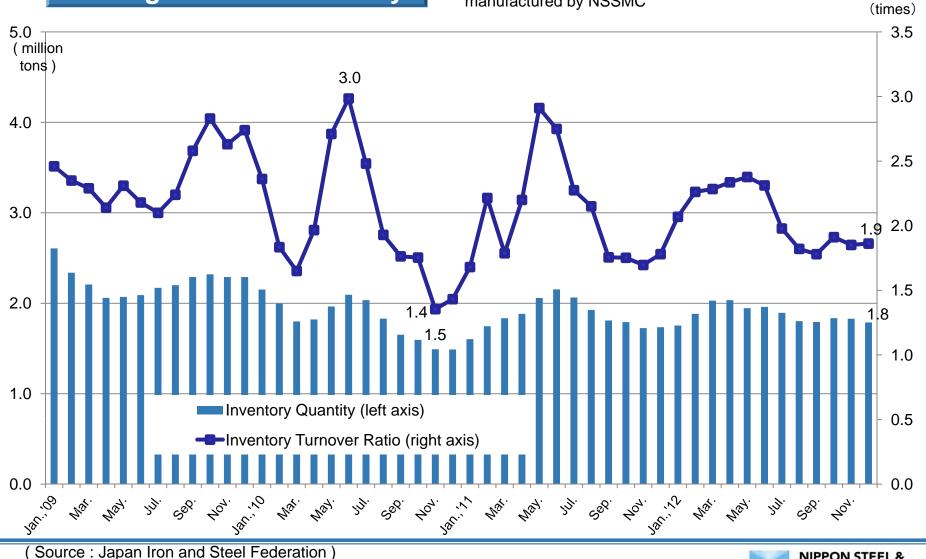


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#### **Domestic Steel Inventory Trend**



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



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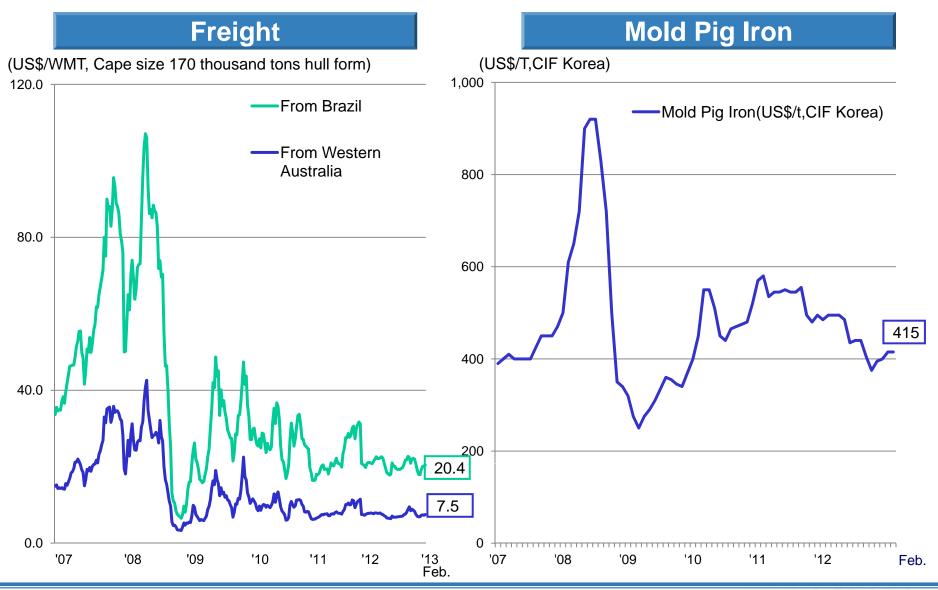


#### Market Trend < Crude Oil & Scrap>

**Crude Oil** Scrap (US\$/ton) (thousand yen/ton) Arabian Light Crude (US\$/bbl) Bunker (US\$/MT) 900.0 800 80.0 USA Scrap(No1HMS) 140.0 (US\$/t, CIF Korea) (left axis) 800.0 70.0 705 700.0 Iron Scrap Bid Prices in Kanto Region 112.4 600 60.0 (thousand ven/ton, in terms of 600.0 high grade scrap)(right axis) 100.0 50.0 500.0 415 400 40.0 400.0 32.5 30.0 300.0 60.0 200 20.0 200.0 Arabian Light Crude (left axis) 10.0 100.0 Bunker (right axis) 20.0 0.0 0 0.0 2013 Feb. 2013 Feb. 2007 2008 2009 2010 2008 2009 2010 2011 2011 2012 2007 2012



#### Market Trend <Freight & Mold Pig Iron>





## **FOREX Trend**





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