5401: JP NSSMY: ADR (US)

# Financial Results for 2Q, FY2013 (ending March 31, 2014) Investor Meeting

October 30, 2013

#### **Katsuhiro Miyamoto**

**Executive Officer, Head of Div., Accounting & Finance Div.** 

#### Nippon Steel & Sumitomo Metal Corporation ("NSSMC")

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- 1. Financial Results for 1H, FY2013
- 2. Forecast for FY2013
- 3. The Progress of Mid-Term Management Plan
- 4. Reference



#### 1. Financial Results for 1H, FY2013



#### **Overview of FY2013/1H Performance**

#### Supply and Demand over FY2013/1H

- Domestic demand:
  - Uptrend in the civil engineering & construction sectors underpinned by ongoing reconstruction demand and the effects of economic policies
  - Growth in manufacturing sector as a result of the recovery in capital investment and improving business confidence
- Exports climate: Rally along with a gradual recovery of the global economy and a correction in the value of the yen
- Global steel prices: Remained sluggish due to the continuous stagnant demand for steel materials caused by persistent strong supply pressure from Chinese steelmakers

#### **NSSMC's initiatives**

- •Crude steel production: FY12/2H 21.45MT  $\rightarrow$  FY13/1H 23.02MT (+1.58MT, HoH)<sup>\*1</sup>
- ●Steel shipments: FY12/2H 20.37MT → FY13/1H 20.97MT(+0.60MT, HoH)\*1
- •Further advancing financial improvement in cost reduction, merger synergy and asset compression according as the Mid-term management plan \*1 Non-consolidated volume including
- Steady start-up of overseas JVs

NIPPON STEEL & SUMIKIN KOUTETSU WAKAYAMA

#### Highlights of earnings for FY2013/1H

[FY2013/1H] •Ordinary profit: ¥173.6bn (¥+23.6bn)<sup>\*2</sup> ●Net income: ¥115.5bn (¥+15.5bn) \*2 Interim dividend: ¥2.0/ share [FY2013 guidance] ●Net sales: ¥340bn (¥+40bn) \*2

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**\*2** (): Guidance as of Jul. 31, 2013



### **FY2013/1H Financial Results**

		FY	′12			FY	<b>′13</b>		Cha	nge
(JPY bn)	1H <sup>*1</sup> [A]	2H [B]	*1 FY12 [A+B]	FY12 (1H of NSC +[B])	1Q	2Q	1H	*2 1H(E)	12/2H vs. 13/1H	13/1H(E) vs. 13/1H
Net Sales	2,611.8	2,471.6	5,083.5	4,389.9	1,286.8	1,387.7	2,674.5	2,700.0	202.9	-25.5
Operating Profit	13.1	22.7	35.8	20.1	56.0	83.2	139.2		116.5	
Ordinary Profit	30.3	57.3	87.7	76.9	86.4	87.2	173.6	150.0	116.3	23.6
Steel	14.8	36.0	50.9	41.5	75.7	82.5	158.2	135.0	122.2	23.2
Non-Steel	17.6	22.9	40.6	40.6	10.1	5.9	16.1	17.0	-6.8	-0.9
Adjustment	(2.1)	(1.6)	(3.8)	(5.2)	0.5	(1.2)	(0.7)	(2.0)	0.9	1.2
Special Profit (Loss)	(403.5)	44.0	(359.5)	(213.9)	15.6	0.9	<sup>*3</sup> 16.5		-27.5	
Net Income (Loss)	(310.4)	52.0	(258.4)	(124.5)	63.3	52.1	115.5	100.0	63.5	15.5
[EPS]		[5.7]		[-16.2]	[7.0]	[5.7]	[12.7]	[11.0]	[+7.0]	[+1.7]
Interest-bearing Debt	2,646.0			2,543.0	2,496.8		2,434.2		-108.7	
D/E Ratio     1.06     1.02     0.96     -0.1       *1 Figures for 1H, FY2012: The total of NSC+SMI     *2 Forecast as of Jul. 31, 2013     0.96     -0.1										

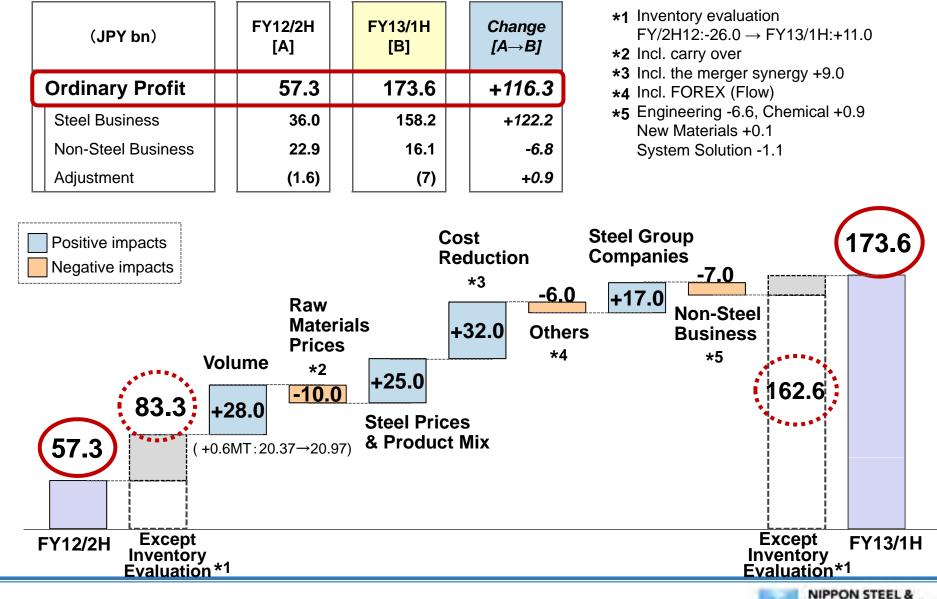
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Loss on inactive facilities -14.5



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#### Change in Consolidated Ordinary Profit [FY12/2H→FY13/1H]



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#### Change in Consolidated Ordinary Profit [FY13/1H (E)→ FY13/1H(A)]

(JPY bn)	FY13/ 1H(E)* [A]	FY13/ 1H(A) [B]	Change [A→B]
Ordinary Profit	150.0	173.6	+23.6
Steel Business	135.0	158.2	+23.2
Non-Steel Business	17.0	16.1	-0.9
Adjustment	(2.0)	(7)	+1.3

- \*1 Inventory evaluation
  - FY13/ 1H(E):+12.0  $\rightarrow$  FY13/1H(A):+11.0
- \*2 Incl. FOREX (Stock)
- **\*3** Engineering -0.4, New Materials +0.1 System Solution -0.7



#### **Consolidated Balance Sheets**

#### BS as of Sep. 30, 2013: Total Assets ¥7,028.9bn, D/E Ratio 0.96

	( IBV bp)	FY12	FY13	Chan	ge
	( JPY bn)	Mar. 31	Sep. 30	НоН	%
[ A	sset ]				
	Current Assets	2,110.7	2,127.6	16.9	+1%
	Fixed Assets	4,978.7	4,901.2	-77.4	-2%
Tota	al Assets	7,089.4	7,028.9	-60.5	-1%
【Lia	abilities and Net Assets 】				
	Current Liabilities	1,981.1	1,863.9	-117.1	-6%
	Long-term Liabilities	2,170.0	2,092.2	-77.8	-4%
Tota	al Liabilities	4,151.2	3,956.1	-195.0	-5%
Net	Assets	2,938.2	3,072.7	134.4	+4%
	Equity Capital	2,394.0	2,523.6	129.5	+5%
Inte	rest-bearing Debt	2,543.0	2,434.3	-108.7	-4%
Deb	ot-to-equity Ratio	1.06	0.96	-0.10	

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>NSSMC has decided to distribute a dividend at the end of the 2Q quarter (interim) of ¥2.0 per share.

NSSMC plans to determine and announce the forecast of year-end dividend distribution amount at the 3Q result briefing.

#### [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,
- performance forecast,
- -consolidated and non-consolidated balance sheets.



#### 2. Forecast for FY2013



## **Forecast for FY2013**

# Ordinary profit guidance: > FY2013/2H: The same level as FY2013/1H, ¥170 bn

> FY2013: Secure ¥340 bn

			FY	12			FY13		Cha	ange
	(JPY bn)	1H *1 (NSC+ SMI)	2H	FY12 <sup>*1</sup> [A]	FY12 (1H of NSC +2H)	1H	2H(E)	FY13 (E) [B]	FY13/1H vs. FY13/2H(E)	FY12[A] vs. FY13(E) [B]
N	et Sales	2,611.8	2,471.6	5,083.5	4,389.9	2,674.5	2,775.5	5,450.0	101.0	366.5
Or	dinary Profit	30.3	57.3	87.7	76.9	173.6	166.4	340.0	-7.2	252.3
	Steel	14.8	36.0	50.9	41.5	158.2	146.8	305.0	-11.4	254.1
	Non-Steel	17.6	22.9	40.6	40.6	16.1	24.5	40.5	8.3	-0.1
	Adjustment	(2.1)	(1.6)	(3.8)	(5.2)	(0.7)	(4.8)	(5.5)	-4.1	-1.7
	et Income oss)	(310.4)	52.0	(258.4)	(124.5)	115.5	84.5	200.0	-31.0	458.4
•	EPS(yen) ]		[5.7]		[-16.2]	[12.7]	[9.3]	[22.0]	[-3.5]	
	erest-bearing	2,646.0			2,543.0	2,434.2	1			

1.06

Debt D/E Ratio

\*1: Figures for FY2012/1H: The total of NSC+SMI

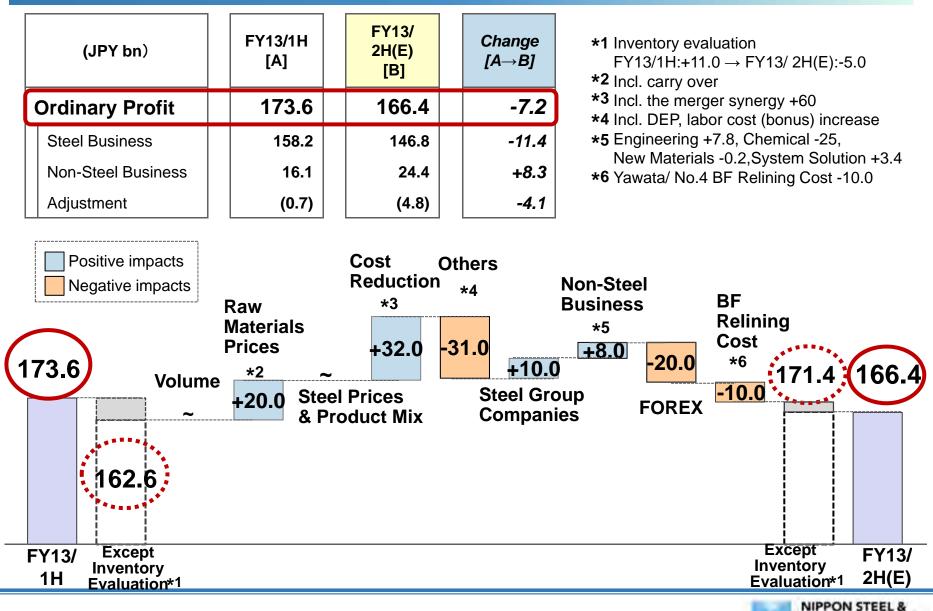
0.96

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#### Change in Consolidated Ordinary Profit [FY13/1H→ FY13/2H(E)]



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#### Change in Consolidated Ordinary Profit [FY12 → FY13(E)]

(JPY bn)	FY12 <sup>*</sup> [A]	FY13(E) [B]	Change [A→B]
Ordinary Profit	87.7	340.0	+252.3
Steel Business	50.9	305.0	+254.1
Non-Steel Business	40.6	40.5	-0.1
Adjustment	(3.8)	(5.5)	-1.7



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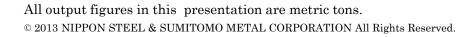
\* Figures for FY12: The total of NSC+SMI



#### Forecast for FY2013 by Non-Steel Business Segment

<1H Results> [YoY]

	Forecast for FY13 (JPY bn)  [ YoY ]	Net Sales	Ordinary Profit	Outlook	Net Sales	Ordinary Profit
	h Determination STEEL & SUMIKIN ENGINEERING	280.0	15.0	YoY decrease both in sales and profit due to reduced order in FY12 despite	134.3	3.6
	Engineering and Construction	[-23.0]	[-3.1]	of ongoing cost reduction and risk control	[-5.1]	[-4.2]
NIPF	PON STEEL &	230.0	11.5	YoY increase in sales due to a rise in the chemical products market and brisk functional materials business.	115.0	7.0
	Chemicals	[+34.3]	[+1.8]	YoY increase in profit as a result of improvement in margins of chemical products and yen depreciation	[+21.7]	[+3.5]
NIPPON SUMIKI	I STEEL & N MATERIALS CO., LTD.	36.0	1.0	YoY decrease in sales by a shifting trend from gold wires to cheaper copper wires. Ordinary profit in line	19.2	0.6
	New Materials	[-6.2]	[+0.1]	YoY as a result of cost cut despite of a stiff competition in wires market	[-2.8]	[+0.2]
		178.0	13.0	YoY increase both in sales and profit , mainly of services for mfg./	81.4	4.8
NS Solutions	System Solutions	[+6.1]	[+1.4]	distribution/ banks and platform solutions, despite of a rise in SG&A	[-0.3]	[-0.9]
	Total of New Oteal	724.0	40.5	Engineering Business	250.0	16.1
	Total of Non-Steel Business	[+11.1]	[-0.1]	(JPY bn)FY12Order intake270	350.0	
				Backlog of orders 300	[+13.4]	[-1.5]





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

	( JPY I	on)	FY11/1Q	2Q	3Q	4Q	12/1Q	2Q	3Q	4Q	13/1Q	2Q
	Engineer Construc	-	0.2	(0.1)	2.6	9.9	4.0	3.8	4.2	6.0	3.6	-0.0
	Chemical	S	3.6	3.6	3.3	2.8	0.7	2.8	5.2	0.9	4.4	2.5
	New Mate	erials	0.2	0.2	(0.3)	0.3	0.3	0.1	0.4	0.1	0.1	0.5
	System S	olutions	2.9	2.4	1.8	3.9	2.4	3.2	2.3	3.6	1.9	2.8
	otal of Ordi rofit	inary	7.0	6.3	7.6	17.1	7.5	10.0	12.3	10.6	10.1	5.9
Тс	otal Net Sal 142.8	es of Non 159.7	Steel Busine 161.4	ess 198		160.2	176.4	165.9	210.3		4.8	185.2
	142.0			17.	.1							-
	ordinary rofit(Loss)			3.9 0.3 2.8	3		10.0	<b>12.3</b>	10.6	10	.1	
	7.0	6.3	<b>7.6</b> 1.8			<b>7.5</b>	3.2 0.1	0.4 5.2	3.6 0.1 <sub>0.9</sub>	0	:9 .4	5.9
	2.9 0.2 3.6 0.2	2.4 0.2 3.6	3.3 2.6 -0.3	9.9	9	0.3 0.7 4.0	2.8 3.8	4.2	6.0		_	2.8 0.5 2.5 0.0
	11/1Q	-0.1 2Q	3Q	40	ົ	12/1Q	2Q	3Q	4Q	13/	/1Q	2Q
	Engine	ering and	Construction	C	hemicals	Ne	w Material	s S	System Solu	utions	-Total N	let Sales



### **Consolidated CAPEX and Depreciation**

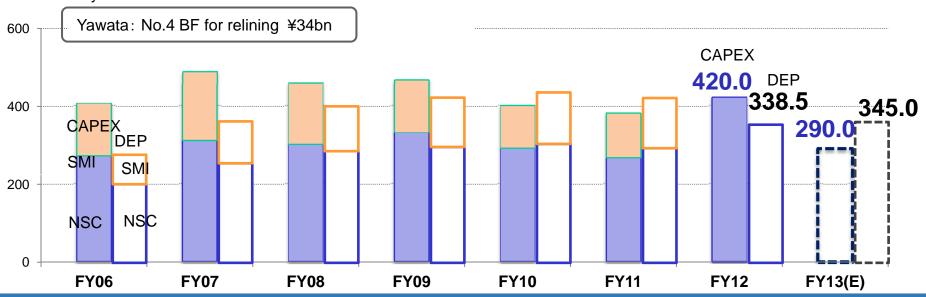
			(JPY br	n, consolidate	ed basis)
Y08	FY09	FY10	FY11	FY12	FY13(E)

(IDV has a a manuficient of heads)

(Upper : NSC Lower : SMI)	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13(E)
	405.0	490.0	460.0	465.0	400.0	380.0	420.0	290.0
САРЕХ	(270.0)	(310.0)	(300.0)	(330.0)	(290.0)	(265.0)		
	(135.8)	(178.8)	(159.1)	(136.6)	(109.9)	(115.7)		
	264.7	346.5	383.5	404.8	417.7	403.8	338.5	345.0
Depreciation	(192.5)	(244.0)	(273.7)	(284.0)	(291.5)	(280.9)		
	(72.2)	(102.5)	(109.8)	(120.8)	(126.2)	(122.9)		



NSSMC



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#### 3. The Progress of Mid-term management plan



# **Financial Goals**

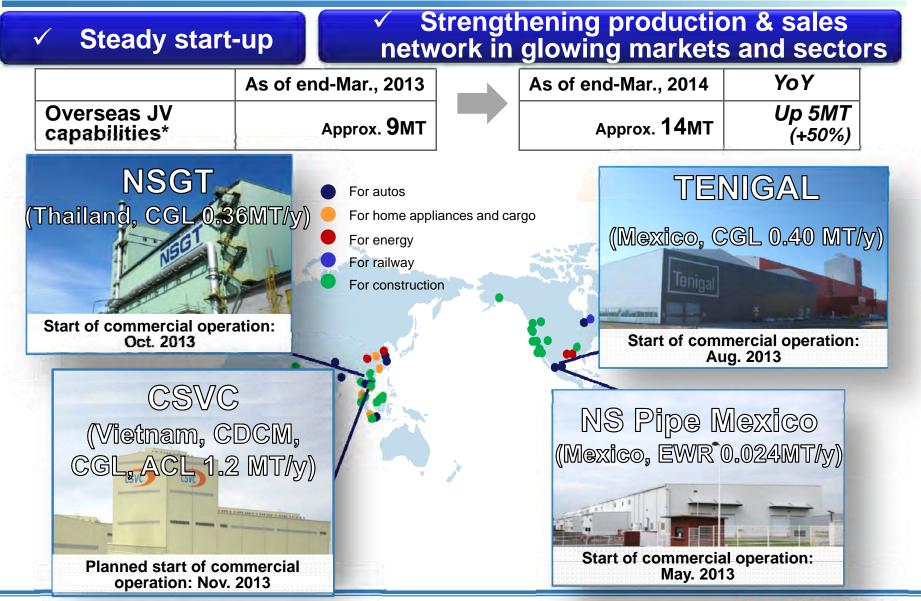
√Ар	parent me materia	rger eff lized	ects	✓ Acc the f	elerating urther fi	elerating realization of urther financial target					
(JP	Y bn)	FY12 1H NSC+SMI	FY12 2H	FY13 1H	FY13 2H	14 14 1H 2H			Financial goals of Mid-term management		
Mile	Milestones		Y1	+1 y	rear	+2 years	; +3 y	rears			
	Net Sales		2,471.6	2,674.5	2,775.5				5% at min.		
ROS	ROS Profit		57.3	173.6	166.4				and further aim at ROS		
	ROS	<mark>1.2%</mark>	2.3%	6.5%	6.0%				of 10%		
	synergy eduction)	Base	+10 (6)	+15 (9)	+10 (6)				Over		
	Annualized accumulation	Dase	20	50	70				¥200 bn/y		
Asset co	mpression	Base	100	140	Over 60				Over		
	Accumulated total		100	240	Over 300				¥300 bn		
	Debt		2,543.0	2,434.2					D/E ratio:		
BS	Equity		2,394.0	2,523.6					1.0 and further aim		
	D/E	*11.20	1.06	0.96					0.8%		

**\*1** D/E ratio as of end of FY12/3Q

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#### **Promoting the Global Strategy**



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#### **Overseas Business Investment Plan**

%:	NSSMC investment ratio	Investment Amount	Major facilities	Production Capacity	FY12	FY13	FY14	FY15
	TENIGAL (Mexico) 49%	Approx. 300 million\$	CGL	<b>0.4</b> million tons/y		*	13/Aug.	
Auto	JCAPCPL: JV with TATA (India) 49%	Approx. ¥ <b>40</b> bn	Approx. ¥40bn CAPL			*	14/Jan.	
Auto NSGT (Thailand) 100%		Approx. <b>300</b> million\$	CGL	<b>0.36</b> million tons/y		1	3/Oct.	
	BNA: New No4 CGL line (China) 50%	<b>1.1</b> CNY bn	No4CGL	<b>0.36</b> million tons/y	CGL cap (1.25 ->	acity 1.67 MT/y)	FY15	★ Start-up
Const-	NSBS: JV with BSL (Singapore, etc.) 50%	554 million\$	CGL, etc	1.40million tons/y-CGL	*	13/End of Mar.	JV Establ	
ruction	(Vietnam) 30%	¥ <b>115</b> bn (JV total)	CDCM	<b>1.20</b> million tons/y	7	<b>7</b> 13/Apr.		
Contai- ner	KINSteel (China) 50%	Approx. ¥ <b>23</b> bn	ETL, etc	0.80million tons/y		*	13/Sep.	
	NS Pipe Mexico(Mexico) 55%	Approx. 39 Million\$	ERW, etc.	<b>0.024</b> million tons/y		13/	Мау	
Pipe & Tube	(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.	<b>0.07</b> million tons/y		Productior	on comm	FY15 ercial bases

\* We announced the feasibility study of a JV to manufacture and sell automotive flat steel products in Indonesia. All output figures in this presentation are metric tons. © 2013 NIPPON STEEL & SUMITOMO METAL CORPORATION All Rights Reserved.

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#### **Optimizing Production Network**

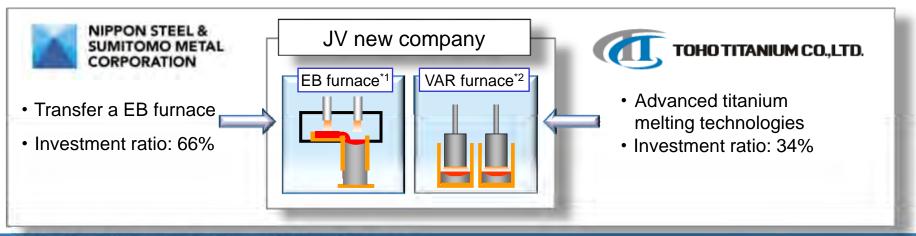
# Structuring an optimum production and business operation setup within the NSSMC group

#### Concentration of production bases

- Specialty stainless steel plate & titanium plate: Concentration of production bases into NSSC
- Specialty stainless steel plate: Unified marketing in NSSC

NSSMC: Nippon Steel & Sumikin Stainless Steel

- Establishment of more efficient and capable production process of High-Quality-Titanium-Alloys for aerospace
  - Establishment of a JV with TOHO TITANIUM to respond to the growing demand for high-quality-titanium-alloy products



 \*1 Electron Beam Furnace +2 Vacuum Arc Remelting Furnace All output figures in this presentation are metric tons.
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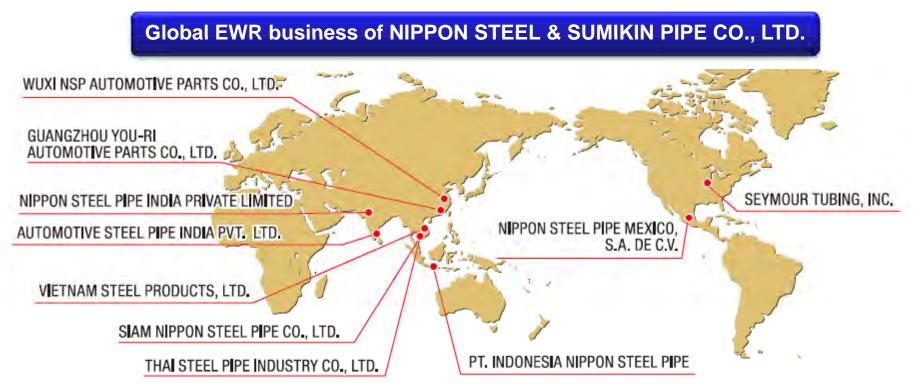


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#### **Optimizing Production Network**

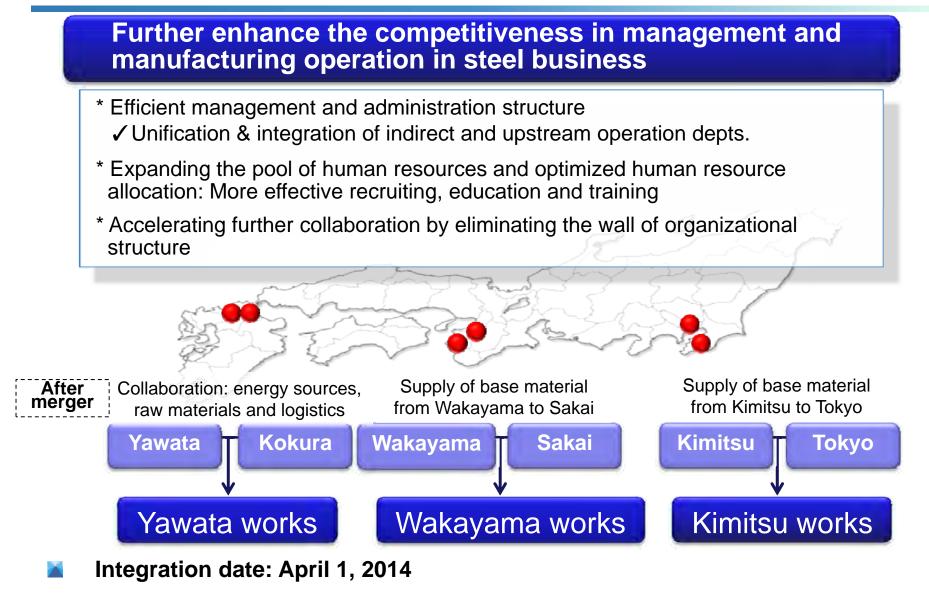
#### Reorganizing EWR pipe & tube business

- •Reorganization and optimization of the product lineup between NSSMC and NIPPON STEEL & SUMIKIN PIPE
- •Centralized all ERW pipe & tube business in NIPPON STEEL & SUMIKIN PIPE
- Optimization of EWR production system in Japan





#### **Organizational Integration of Steel Works**



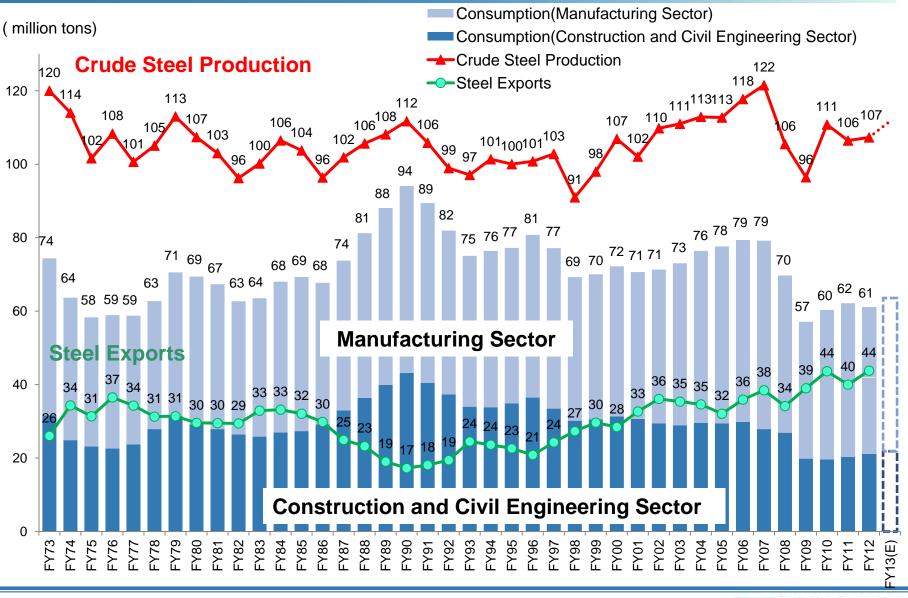
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#### 4. Reference



# **Domestic Steel Consumption Trend – Long term**



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# **Key Indicators of Demand**

			FY12		1		FY13		Cha	nge
	1	н за	4Q	2H		1Q	2Q	1H	НоН	QoQ
Housing Starts (million houses)	0.	44 0.2	4 0.21	0.45	0.89	0.24	0.25	0.50	0.05	0.01
Non-residential Construction Starts (million m <sup>3</sup> )	25.	93 13.1	9 12.91	26.11	52.03	14.52	13.98	28.49	2.39	-0.54
Public Works Orders (bn yen)	3,0	20 1,81	2 1,971	3,783	6,802	1,631	2,200	3,831	48	568
Finished Auto Production (millio cars)	<sup>on</sup> 4.	91 2.2	6 2.39	4.65	9.55	2.29	2.50	4.79	0.14	0.21
Finished Auto Exportation (millio cars)	<sup>on</sup> 2.	37 1.1	7 1.13	2.29	4.66	1.17	1.26	2.43	0.14	0.09
Overseas Production (millio (Japanese 8 companies) cars)	<sup>n</sup> 7.	61 3.6	6 4.05	7.71	15.31	4.00	3.89	7.88	0.18	-0.11
Large & Middle size Shovel Production (thousand units)		38 1	7 16	33	71	18	20	37	5	2
Metal Machine Tool Production (thousand tons	;) 2	14 9	6 85	181	395	71	85	156	-25	14
Keel-laid New Ships (m. gross ton	s) <b>7</b> .	05 3.3	0 3.00	6.30	13.35	3.00	3.00	6.00	-0.30	_
Rig Count C	Y07	CY08	CY09	CY10	CY	11 C`	Y12	The	Latest	
USA 1,768		1,879	1,089	1,54	6 1,8	375 1	,919	1,739	(Oct. 13,	<mark>2013)</mark>
Deep well (≧15,000ft)	222	283	249	249	)	395	324	323	(Aug.,	<mark>2013)</mark>
International (except N. America, Russia and China)	1,005	1,079	997	1,094	4 1,1	167 1	,234	1,284	(Sep.,	2013)

(Source: Baker Hughes, Smith international, NSSMC est.) All output figures in this presentation are metric tons.

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# **Domestic Steel Consumption by Industrial Sector**

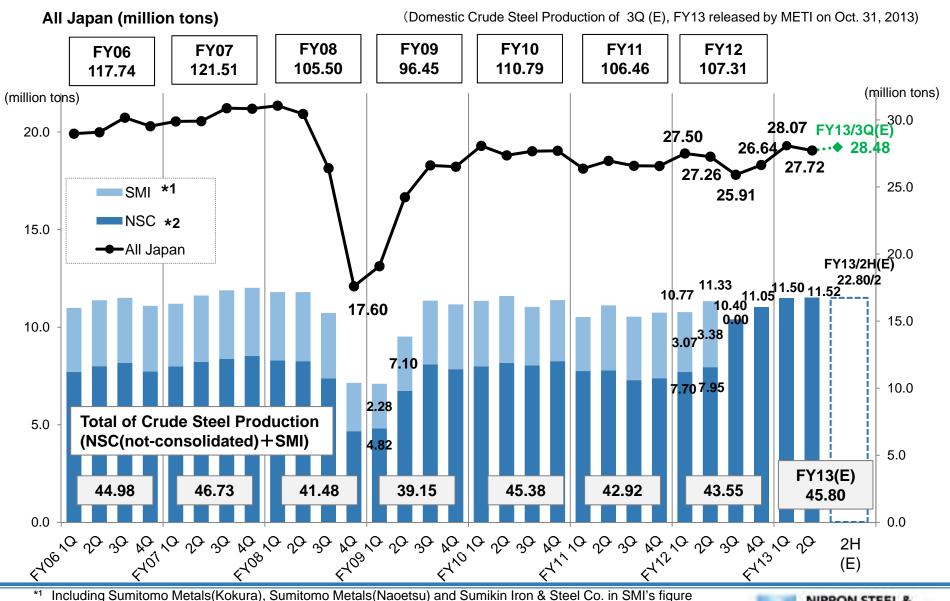
				FY12				FY13		Cha	nge
(Million ton)		1H	3Q	4Q	2H		1Q	2Q	1H	НоН	QoQ
	rude Steel Production Japan	54.76	25.91	26.64	52.55	107.31	28.07	27.72	55.79	3.24	-0.35
Domestic Steel Consumption (A + B)		30.61	15.42	15.33	30.75	61.36	15.32	15.93	31.24	0.49	0.61
	Manufacture's Share (%)	66.2	62.9	63.7	63.3	64.8	63.9	63.7	63.8	0.5	-0.3
0	rdinary (A)	24.33	12.30	12.18	24.48	48.81	12.11	12.60	24.71	0.23	0.49
	Construction	9.76	5.41	5.29	10.70	20.46	5.24	5.47	10.71	0.01	0.23
	Manufacturing	14.57	6.89	6.89	13.78	28.35	6.88	7.13	14.00	0.22	0.25
	Shipbuilding	2.27	1.06	0.96	2.02	4.29	0.97	0.96	1.93	-0.09	-0.01
	Automotive	5.89	2.74	2.91	5.65	11.54	2.87	3.04	5.92	0.27	0.17
	Industrial Machine	2.40	1.15	1.12	2.27	4.67	1.13	1.19	2.33	0.06	0.06
	Electric Machine	1.54	0.69	0.70	1.39	2.93	0.73	0.71	1.44	0.05	-0.02
Sp	pecialty (B)	6.29	3.12	3.15	6.27	12.56	3.21	3.33	6.54	0.27	0.12
St	teel Imports	2.95	1.65	1.32	2.96	5.92	1.35			. <u></u>	
St	eel Exports	19.89	9.62	10.31	19.93	39.82	10.00				

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(Source : NSSMC est.)



### **Domestic Crude Steel Production Trend**



All output figures in this presentation are metric tons. \*2 Including NIPPON

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\*2 Including NIPPON STEEL & SUMIKIN KOUTETSU WAKAYAMA



# **Overview of NSSMC's Operation**

		FY12				FY1	3			Change		
(million tons)	1H	2H		1Q	2Q	*4 [1H(E)]	1H	2H(E)	(E)	12/2H vs. 13/1H	13/1H vs. 13/2H(E)	FY12 vs. FY13(E)
Pig-iron *1 production	22.13	21.76	43.90	11.30	11.47	[23.00]	22.77	22.70	45.50	1.01	-0.07	1.60
Consolidated *2 Crude Steel Production	23.34	22.69	46.03	12.13	12.14	[24.30]	24.27	24.00	48.30	1.57	-0.27	2.27
Non-consolidated <sup>*2</sup> Crude Steel Production	22.10	21.45	43.55	11.50	11.52	[23.10]	23.02	22.80	45.80	1.58	-0.22	2.25
Steel Shipments *2	20.61	20.37	40.97	10.29	10.68	[21.20]	20.97	21.30	42.30	0.60	0.33	1.33
Seamless Pipe *2 Shipments	0.53	0.55	1.08	0.26	0.32	[0.58]	0.58	0.60	1.18	0.03	0.02	0.10
Average Steel <sub>*3</sub> Selling Price (000 yen/ ton)	82.4	77.7	80.1	82.5	86.3	[85]	84.4	85	85	6.7	0.6	4.9
Steel Export Ratio <sup>*3</sup> (value basis) (%)	43	45	44	49	47	[48]	48	46	47	3	-2	3
FOREX (¥/\$)	80	85	82	98	98	[99]	98	100	99	13	2	17

\*1 Including pig-iron production of Hokkai Iron & Coke corp. and NIPPON STEEL & SUMIKIN KOUTETSU WAKAYAMA CORP.

\*2 Figures for FY12/IH: The total of NSC+SMI

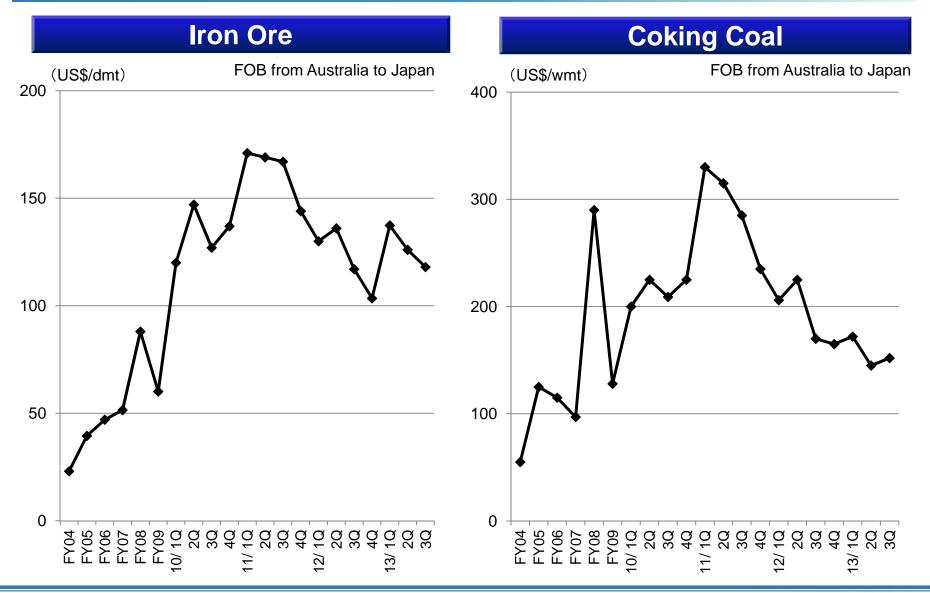
\*3 FY12 1Q/ 2Q/ 1H: the weighted average of NSC and SMI

\*4 Forecast as of Jul. 31, 2013

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



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# **GDP Trend** <Released on Oct. 7, 2013 by IMF>

1		(): Outlook as of Jul. 9, 2										9, 2013
	2		2007	2008	2009	2010	2011	2012		2013 outlook		l4 ook
Wo	orld Total	5.1	5.2	3.0	-0.5	5.3	3.9	3.2	(3.1	) 2.9	(3.8)	3.6
	Developed Countries	3.0	2.7	0.5	-3.4	3.2	1.7	1.5	(1.2	?) 1.2	(2.1)	2.0
	USA	2.8	2.1	0.4	-2.6	3.0	1.8	2.8	(1.7	7) 1.6	(2.7)	2.6
	EU27	2.8	2.7	0.6	-4.1	1.9	1.5	-0.6	(-0.6	<b>6.4</b>	(0.9)	1.0
	Japan	2.4	2.3	-1.2	-6.3	4.4	-0.6	2.0	(2.0	)) 2.0	(1.2)	1.2
	Developing Countries	7.9	8.3	6.1	2.7	7.5	6.2	4.9	(5.0	) 4.5	(5.4)	5.1
	China	11.6	13.0	9.6	9.2	10.4	9.3	7.7	(7.8	3) 7.6	(7.7)	7.3
	India	9.8	9.4	7.3	6.8	10.6	6.3	3.2	(5.6	<i>i)</i> 3.8	(6.3)	5.1
	ASEAN5*	5.7	6.3	4.7	1.7	7.0	4.5	6.2	(5.6	<i>6)</i> <b>5.0</b>	(5.7)	5.4
	Russia	7.4	8.1	5.6	-7.8	4.3	4.3	3.4	(2.5	5) 1.5	(3.3)	3.0
	Brazil	3.8	5.7	5.1	-0.6	7.5	2.7	0.9	(2.5	5) 2.5	(3.2)	2.5

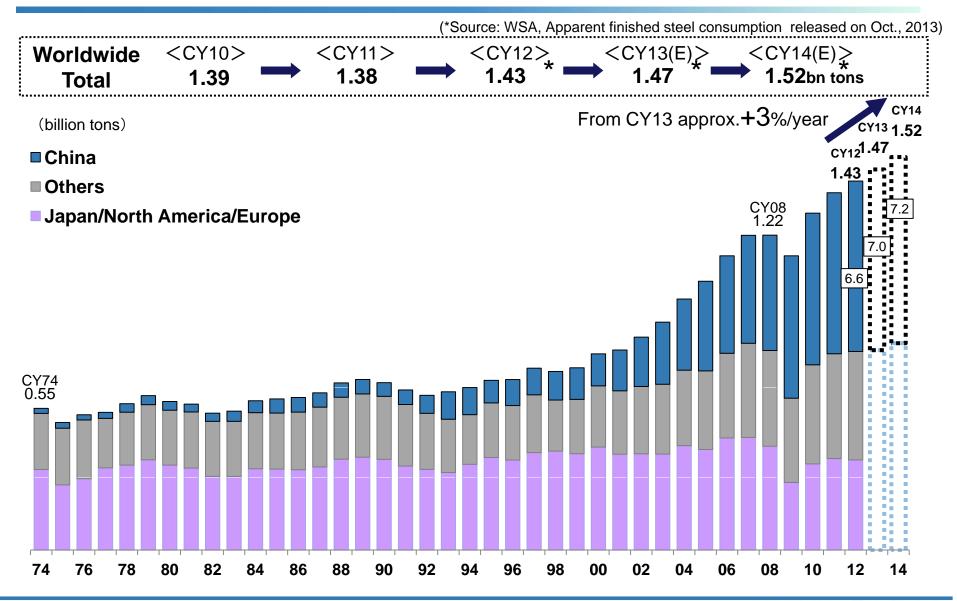
\*ASEAN 5 : Thailand, Malaysia, Indonesia, Philippines, Vietnam All output figures in this presentation are metric tons.

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(Source : IMF)



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



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

		CY12 [A] CY13 [B]									CY13	Change	
(million tons)	Jan				Jul		Jan				Jul	[C] (B*12/9)	Change (C-A)
,	Jun.	Jul.	Aug.	Sep.	Sep.		Jun	Jul.	Aug.	Sep.	Sep.		
World <sub>*1</sub> Total	773.6	129.0	124.1	124.9	378.0	1,521.3	789.2	132.4	130.9	132.5	395.9	1,580.1	+58.8
(YoY)							+2.0%	+2.6%	+5.5%	+6.1%	+4.7%	+3.9%	
Japan	54.1	9.3	9.2	8.8	27.3	107.2	54.7	9.3	9.1	9.3	27.7	109.9	+2.7
(YoY)	-0.0%	+1.1%	+3.3%	-1.0%	+1.1%	-0.3%	+1.2%	+0.4%	-0.7%	+5.5%	+1.7%	+2.5%	
Korea	34.9	5.9	5.6	5.7	17.2	69.1	33.1	5.6	4.9	5.2	15.6	64.9	-4.2
(YoY)	+2.8%	+4.1%	+2.0%	+2.8%	+3.0%	+0.8%	-5.3%	-5.8%	-13.2%	-8.7%	-6.6%	-6.1%	
USA	46.2	7.3	7.6	6.8	21.8	88.7	43.1	7.4	7.5	7.2	22.1	87.0	-1.7
EU27	88.8	14.3	11.9	14.3	40.4	168.6	83.9	13.5	12.1	14.3	39.9	165.0	-3.6
Russia	35.7	5.9	5.9	6.0	17.8	70.4	34.7	5.7	5.8	5.6	17.1	69.1	-1.3
Brazil	17.4	3.0	2.9	2.9	8.7	34.5	17.0	2.9	3.0	3.0	9.0	34.6	+0.0
India	38.7	6.4	6.6	6.2	19.2	77.6	39.8	6.7	6.6	6.5	19.8	79.5	+1.9
China	361.4	61.6	58.7	58.9	179.3	716.5	389.1	65.5	66.3	65.4	197.2	781.7	+65.1
(YoY)	+3.6%	+4.2%	-1.6%	+2.3%	+1.6%	+3.1%	+7.7%	+6.2%	+12.8%	+11.0%	+10.0%	+9.1%	

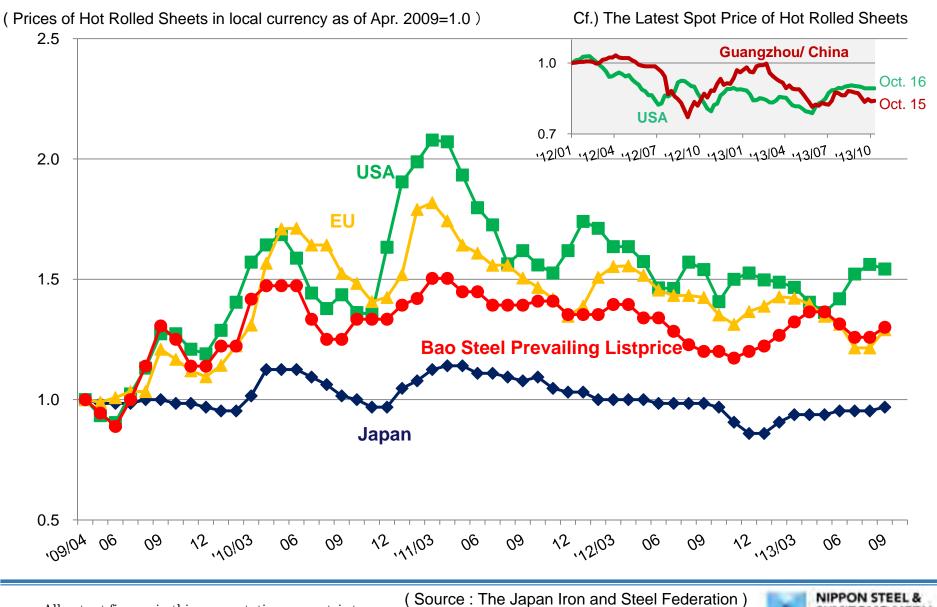
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(Source : World Steel Association) \*1 Total of 65 countries



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



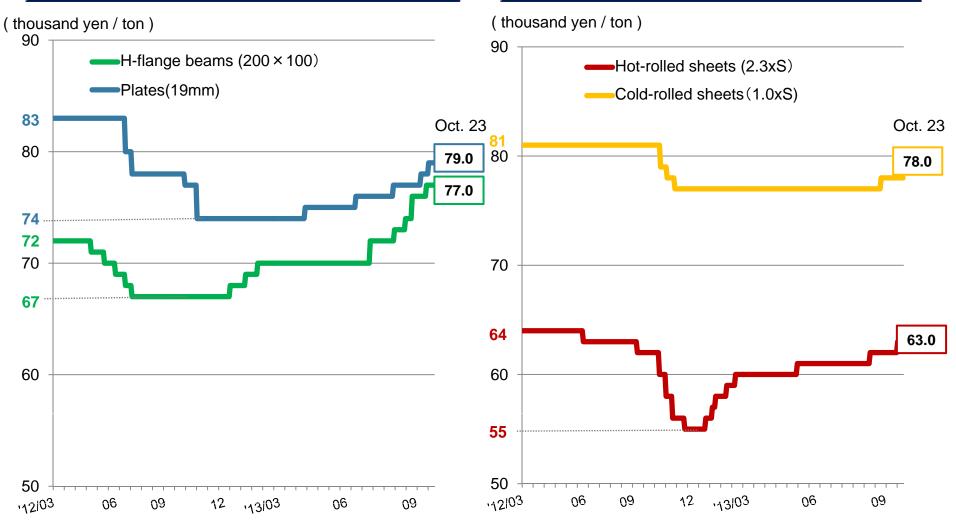
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#### **Domestic Steel Products Prices**

#### Plates & H-flange beams

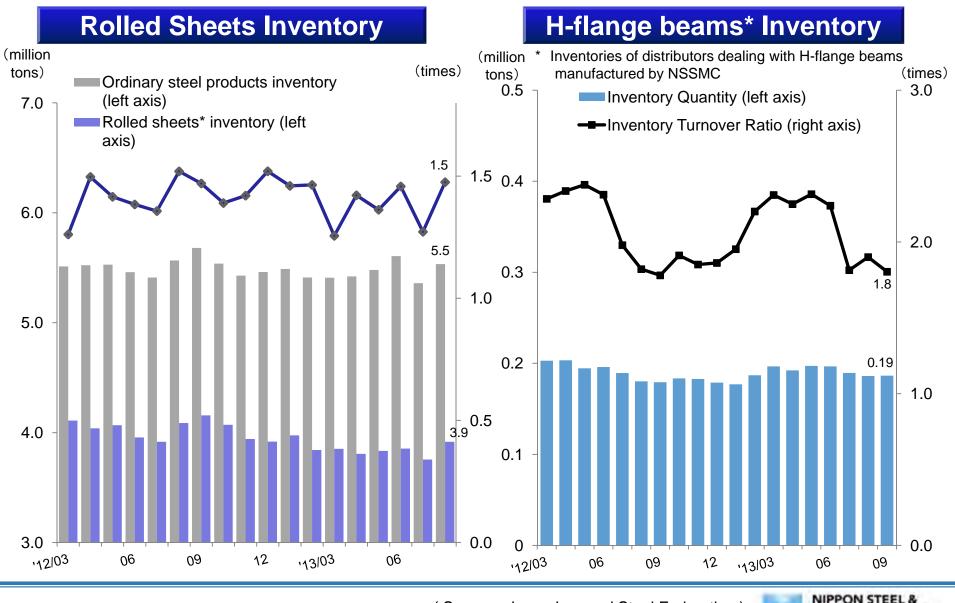
#### Hot-rolled sheets & Cold-rolled sheets



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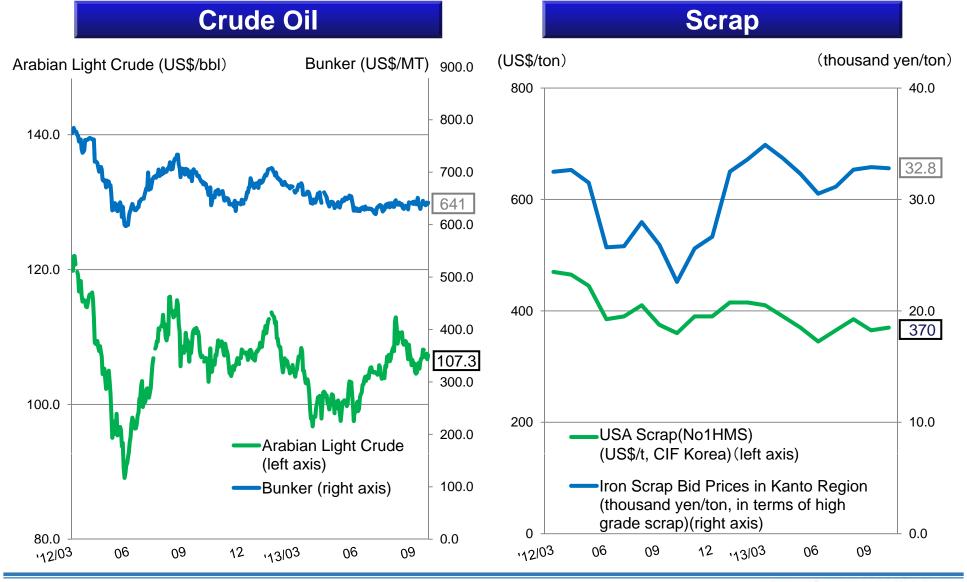


#### **Domestic Steel Inventory Trend**



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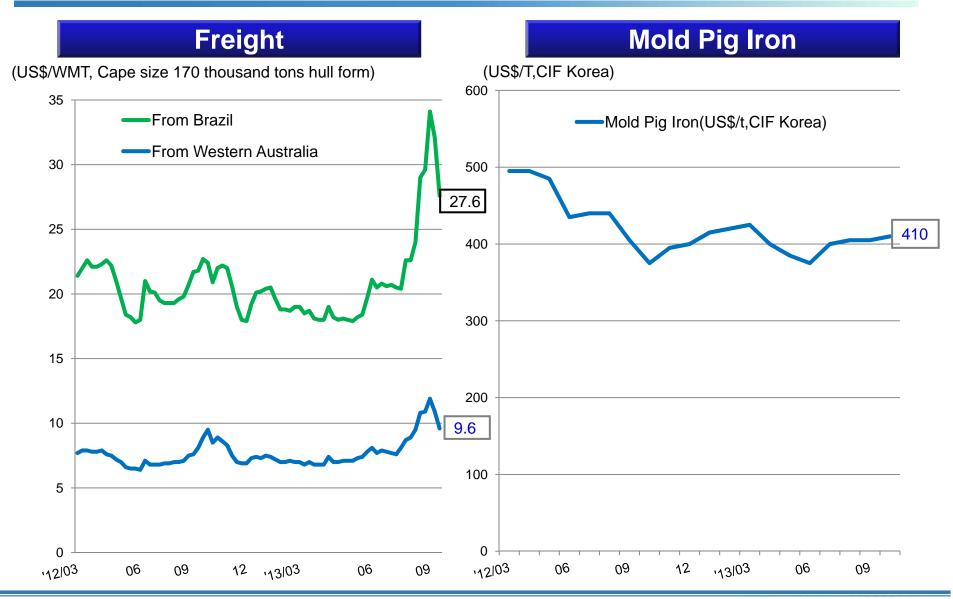
#### Market Trend <Crude Oil & Scrap>



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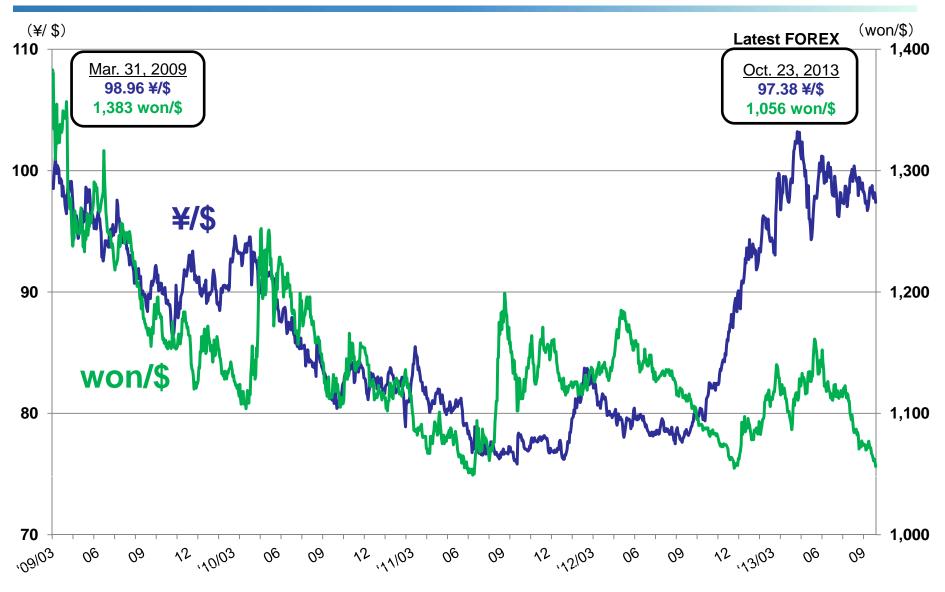
#### Market Trend <Freight & Mold Pig Iron>



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#### **FOREX Trend**





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