Flash Report Consolidated Basis Results for Fiscal 2013 (April 1, 2013—March 31, 2014)

May 9, 2014

Company name:	Nippon Steel & Sumitomo Metal Corporation
Stock listing:	Tokyo, Nagoya, Sapporo, Fukuoka stock exchanges
Code number:	5401
URL:	http://www.nssmc.com/en/index.html
Representative:	Kosei Shindo, Representative Director and President
Contact:	Nozomu Takahashi, General Manager, Public Relations Center
Telephone:	81-3-6867-2130
Scheduled date to Ordinary General Meeting of Shareholders:	June 25, 2014
Scheduled date to payment of dividends:	June 26, 2014
Scheduled date to submit Securities Report:	June 25, 2014
Preparation of supplemental explanatory materials:	Yes
Holding of quarterly financial results meeting:	Yes (for investment analysts)

(Figures of less than ¥1 million have been omitted.)

1. Consolidated Financial and Operating Results through Fiscal 2013

(April 1, 2013—March 31, 2014)

(1) Consolidated Operating Results

(Percentage figures are changes from the same period of the previous fiscal year.)

	Net sales	5	Operating pr	ofit	Ordinary p	rofit	Net incom	ne
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2013	5,516,180	25.7	298,390	—	361,097	369.4	242,753	
Fiscal 2012	4,389,922	7.3	20,110	(74.7)	76,931	(46.2)	(124,567)	_

(For reference) Comprehensive income: Fiscal 2013 ¥ 269,248 million 70.1%

Fiscal 2012 ¥ 158,302 million _ %

	Net income per share	Net income per share after full dilution	Return on Equity	Return on Assets	Return on Sales
	Yen	Yen	%	%	%
Fiscal 2013	26.67	—	9.6	5.1	5.4
Fiscal 2012	(16.23)	_	(5.9)	1.3	0.5

(For reference) Equity in net income of unconsolidated subsidiaries and affiliates: Fiscal 2013 ¥62,729 million Fiscal 2012 ¥52,658 million

(2) Consolidated Financial Results

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2013	7,082,288	3,237,995	37.9	294.11
Fiscal 2012	7,089,498	2,938,283	33.8	263.82
(For reference) Shareholders'	equity: Fiscal 2013 ¥	2,683,659 million		·

(For reference) Shareholders' equity: Fiscal 2013

Fiscal 2012 ¥ 2,394,069 million

(3) Consolidated Statements of Cash-Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2013	574,767	(196,856)	(367,115)	105,464
Fiscal 2012	313,317	(327,336)	33,332	90,530

2. Dividends

	Dividends per share						
Base date	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full fiscal year		
	Yen	Yen	Yen	Yen	Yen		
Fiscal 2012	—	0.0	_	1.0	1.0		
Fiscal 2013	—	2.0	_	3.0	5.0		
Fiscal 2014 (Forecast)	—	—	—	—	—		

	Cash dividends	Ratio of cash dividends to net income	Ratio of cash dividends to net assets
	Millions of yen	%	%
Fiscal 2012	9,090	—	0.4
Fiscal 2013	45,705	18.7	1.8
Fiscal 2014 (Forecast)		—	

Note: The dividend forecast of end of second quarter and fiscal year is not decided. The Company will announce a dividend distribution plan as soon as it is formulated.

3. Consolidated Financial Forecasts for Fiscal 2014(April 1, 2014—March 31, 2015)

The earnings forecast for fiscal 2014 is not presented because the outlook has not been determined due to the difficulty formulating reasonably accurate estimates at this time. For further details, please refer to page 5, "Outlook for the Year Ending March 31, 2015" of "1.(1) Analysis of Consolidated Results of Operations."

4. Others

(1) Changes in the state of material subsidiaries during the period: None

(2) Changes in accounting principles, changes in accounting estimates, and retrospective restatements

(a) Changes in accounting principles accompanying revisions in accounting standards: Yes

(b) Changes other than those in (a) above: None

- (c) Changes in accounting estimates: None
- (d) Retrospective restatements: None

Note: For further details, please refer to page 19, "4.(5) Changes in Accounting Principles Accompanying Revisions in Accounting Standards."

(3) Number of shares issued (common shares)

(a) Number of shares issued at the end of the period (including treasury stock) Fiscal 2013 9,503,214,022 shares

Fiscal 2012	9,503,214,022 shares
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(b) Number of treasury stock at	t the end of the period
Fiscal 2013	378,513,168 shares
Fiscal 2012	428,564,671 shares

(c) Average number of shares issued during the term					
Fiscal 2013	9,101,625,645 shares				
Fiscal 2012	7,675,024,126 shares				

(For Reference) A Summary of Non-Consolidated Financial and Operating Results

Non-Consolidated Financial and Operating Results through Fiscal 2013

(April 1, 2013—March 31, 2014)

(1) Non-Consolidated Operating Results

(Percentage figures are changes from the same period of the previous fiscal year.)

	Net sales	5	Operating p	rofit	Ordinary p	rofit	Net incor	ne
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2013	3,720,707	29.2	186,955	—	224,965	_	178,222	—
Fiscal 2012	2,878,837	7.7	(43,214)	_	(17,487)	_	(150,005)	_

	Net income per share	Net income per share after full dilution
	Yen	Yen
Fiscal 2013	19.55	—
Fiscal 2012	(19.51)	—

(2) Non-Consolidated Financial Results

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2013	5,471,384	1,780,449	32.5	194.78
Fiscal 2012	5,513,037	1,595,372	28.9	175.49

(For reference) Shareholders' equity: Fiscal 2013 ¥1,780,449 million Fiscal 2012 ¥1,595,372 million

* Status of Performance of Audit Procedures

This flash report is exempt from the audit procedures based on Japan's Financial Instruments and Exchange Act. At the time when this flash report was disclosed, the audit procedures based on the Financial Instruments and Exchange Act had not been completed.

* Explanation of the appropriate use of performance forecasts and other related items

The forward-looking statements included in this flash report are based on the assumptions, forecasts, and plans of the Company as of the date on which this document is made public. The Company's actual results may differ substantially from such statements due to various risks and uncertainties.

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1. Analysis of Consolidated Results of Operations and Financial Position

(1) Analysis of Consolidated Results of Operations

Operating Results for Fiscal Year Ended March 31, 2014 (Fiscal 2013)

Overview of Conditions in Fiscal 2013

The overall global economy continued to expand gradually in the term under review supported by slower but steady economic growth in China and the ASEAN countries, a bottoming out followed by signs of a recovery in business conditions in Europe, and ongoing recovery of business conditions in the United States.

The Japanese economy also showed signs of sustaining steady recovery supported by strong public-sector investment, improving corporate earnings following the adjustment to the overvalued yen, rising capital investment associated with a recovery in production activities, and improving consumer sentiment and spending.

Domestic steel demand increased in the civil engineering and construction fields on continuing firm reconstruction demand and economic policies showing their full effects. Demand from the manufacturing industry also grew on the recovery in capital investment and an upturn in business confidence. Steel exports continued showing signs of recovery supported by improving economic conditions overseas and the yen adjustment, but market conditions for steel materials overseas remained severe amid ongoing stagnant demand for steel materials, caused by persistently strong supply pressure from Chinese and South Korean steelmakers.

In this business environment, the NSSMC Group continued steadily advancing the measures set forth in the Mid-Term Management Plan adopted in March 2013, including pushing forward with technical advances, achieving the industry's highest level of cost-competitiveness to successfully compete with global competition, halting steelmaking and rolling-related equipment operations to construct the optimal production system, continuing to advance our global strategies, and reinforcing the composition of the steelmaking and steel fabrication group companies.

Operating Results by Business Segment for Fiscal 2013

The NSSMC Group strived earnestly as every company in each segment responded to its changing business environment. An overview of operating results by business segment is shown below.

			(Billions of yen)	
	Net S	ales Ordina		y Profit	
	Fiscal 2013 Fiscal 2012 F		Fiscal 2013	Fiscal 2012	
Steelmaking and steel fabrication	4,877.9	3,790.4	321.2	41.5	
Engineering and construction	314.1	303.0	17.7	18.1	
Chemicals	230.1	195.7	10.0	9.7	
New materials	37.2	42.2	1.3	0.9	
System solutions	179.8	171.9	12.7	11.6	
Total	5,639.3	4,503.3	363.1	82.1	
Adjustments	(123.1)	(113.4)	(2.1)	(5.2)	
Consolidated	5,516.1	4,389.9	361.0	76.9	

Steelmaking and Steel Fabrication

NSSMC took comprehensive steps to fortify the domestic manufacturing foundation of the steelmaking and steel fabrication segment, including repairing of the Yawata Works No. 4 blast furnace and other investments in equipment upgrades. The Company also took steps to stimulate technological advancement, including collaborating with customers to develop high-functioning products and integrating the manufacturing, sales, technology, and research divisions to enhance its ability to develop solution proposal for customers.

Measures were also implemented to formulate the optimal manufacturing system by integrating the technologies of Nippon Steel Corporation and Sumitomo Metal Industries, Ltd. to increase the competitiveness of production lines while systematically integrating into the more competitive lines. In addition, NSSMC effected the integration and reorganization of the operating structure of its steelworks on April 1, 2014, and continued to integrate and reorganize its core Group companies with the aim of fortifying the domestic business base.

The global strategy was also advanced during the term, including capturing demand in overseas growth markets and reorganizing the operating structure to better respond to customers' global development activities. During the term, NSSMC and ArcelorMittal SA jointly purchased ThyssenKrupp Steel USA, LLC, located in Alabama, United States, and the joint venture AM/NS Calvert LLC began operations to serve the expanding automotive sheet market in the southern areas of the United States.

The segment continued implementing measures to maximize cost structure efficiency, including raising the ratio of usage of low-cost materials, improving yield, and thoroughly constraining fixed costs, and to revise steel material prices with the understanding and cooperation of its customers. The steelmaking and steel fabrication segment recorded net sales of ¥4,877.9 billion and ordinary profit of ¥321.2 billion.

Engineering and Construction

Nippon Steel & Sumikin Engineering Co., Ltd. is developing operations in the areas of steel production plants, environment, energy, offshore projects, pipelines, and construction where it can fully apply its distinct capabilities. Amid recovering domestic demand and brisk overseas demand in the energy field, the company's performance was supported by steady progress advancing projects and efforts to reduce costs and improve earnings. Although sales increased due in part to the yen adjustment, owing to factors such as a difference in the structure of orders and sales, the engineering and construction segment recorded net sales of \$314.1 billion and ordinary profit of \$17.7 billion.

Chemicals

Nippon Steel & Sumikin Chemical Co., Ltd. recorded declines in the sales volumes of needle coke, due to sluggish demand for electrodes in Japan and overseas, and in circuit board materials and epoxy resins for electronic devices owing to intensifying market competition. Nevertheless, market conditions for styrene monomer and other generalpurpose chemicals improved, demand for superior quality display materials was strong, and applications for organic EL materials in smart devices increased. The chemicals segment recorded net sales of ¥230.1 billion and ordinary profit of ¥10.0 billion.

New Materials

Nippon Steel & Sumikin Materials Co., Ltd. recorded solid demand for surface-treated copper wire, a material alternative to gold bonding wire, and other products in the electronic materials field. Demand increased for social infrastructure maintenance and reinforcement materials in the basic industrial materials and components field and from developing countries for metal substrates in the environmental and energy field. The company also accelerated the shift to production overseas and continued to develop and expand sales of new products. Although sales declined mainly due to lower sales of gold bonding wire, the sales mix improved, leading the new materials segment to post net sales of \$37.2 billion and ordinary profit of \$1.3 billion.

System Solutions

NS Solutions Corporation provides comprehensive solutions in the planning, configuration, operation, and maintenance of IT systems for customers in a wide range of businesses and develops leading-edge solutions services to enhance customer capabilities amid changing business conditions. During the term, the company continued to strengthen and expand its cloud computing and other service businesses while expanding its business operations in Asia, including acquiring all shares of the system developer PALSYS Software Co., Ltd. of Thailand. The system solutions segment recorded net sales of ¥179.8 billion and ordinary profit of ¥12.7 billion.

Sales and Income

Consolidated results in fiscal 2013 were boosted by increased steel demand, particularly in the civil engineering and construction industries and the automotive and other manufacturing industries, and from cost improvements, which included integration effects. The Company recorded ¥5,516.1 billion in net sales, ¥298.3 billion in operating profit, ¥361.0 billion in ordinary profit, and ¥242.7 billion in net income.

Outlook for the Year Ending March 31, 2015

The gradual overall growth in the global economy is expected to continue. While the economic outlook for China remains uncertain and the ASEAN economy grows at a slower pace, economic conditions are recovering after a bottoming out in Europe and continue to improve in the United States.

The Japanese economy is also expected to continue recovering. Although the consumption tax increase will likely produce a temporary stagnation, corporate capital investment is expected to be strong while an improving employment environment and income levels provide a firm undertone for private consumption.

Domestic steel demand dipped temporarily from the consumption tax hike, but signs are starting to appear for a recovery beginning in the second quarter. Demand for steel overseas is expected to continue to be firm supported by the recovery in the global economy; however, the soft supply and demand conditions remain for steel materials in East Asia.

While signs of a bottoming out are appearing for market conditions in Asia, NSSMC will continue closely monitoring the trends in steel material supply and demand and raw material prices and taking steps to maximize cost structure efficiency. In these conditions, the Company will enhance its ability to make product proposals to consumers, improve its overseas supply system, and continue revising its steel material prices with the understanding of its customers.

As of this moment, NSSMC is unable to forecast reasonably accurate earnings estimates for fiscal 2014 results due to several factors, including the fact that price trends for primary raw materials and steel material products are uncertain. However, the Company will disclose fiscal 2014 earnings forecasts when reasonable estimates become possible.

(2) Analysis of Consolidated Financial Position

Assets, Liabilities, Net Assets, and Cash Flow

Consolidated total assets at the end of fiscal 2013 were \$7,082.2 billion, representing a decrease of \$7.2 billion, from \$7,089.4 billion at the end of fiscal 2012. Main factors were increases in inventories of \$68.0 billion, and cash and bank deposits of \$15.9 billion, which were offset by decreases in deferred tax assets, of \$96.4 billion, and other factors.

Total liabilities at the end of fiscal 2013 amounted to \$3,844.2 billion, a decrease of \$306.9 billion from \$4,151.2 billion at the end of fiscal 2012. The decline was primarily due to a decrease in interest-bearing debt, which declined by \$246.7

billion, from \$2,543.0 billion at the end of the previous fiscal year, to \$2,296.3 billion at the end of fiscal 2013, due to the steady promotion of operating revenue and asset reduction.

Net assets were \$3,237.9 billion at the end of fiscal 2013, representing an increase of \$299.7 billion, from \$2,938.2 billion at the end of fiscal 2012. This was contributed by net income of \$242.7 billion and other factors.

Shareholders' equity at the end of fiscal 2013 amounted to \$2,683.6 billion, and the ratio of interest-bearing debt to shareholders' equity (the D/E ratio) was 0.86, which rapidly achieved the early-stage target of around 1.0 in the Mid-Term Management Plan. NSSMC will strive to further enhance its profitability and financial position with the aim of achieving the level sufficient for an international "A" rating status (around 0.8) in the D/E ratio.

Cash flows provided by operating activities in fiscal 2013 amounted to \$574.7 billion. The principal factors influencing operating cash flows were inflows from the income before income taxes and minority interests of \$399.1 billion along with depreciation and amortization of \$331.8 billion and an increase in notes and accounts payable of \$63.0 billion. These offset outflows from deductions of \$62.7 billion in equity in net income of unconsolidated subsidiaries and affiliates and of \$56.6 billion on income (loss) on sales of investments in securities along with payments of \$53.5 billion associated with the increase in inventories and \$56.8 billion in income taxes. Cash flows from investing activities amounted to an outflow of \$196.8 billion, as outflows including expenses for capital investments of \$319.4 billion exceeded inflows from proceeds from sales of investments in securities of \$132.2 billion. The result was a free cash inflow of \$377.9 billion in the term under review.

Cash flows from financing activities amounted to an outflow of \$367.1 billion, largely due to the repayment of interestbearing debt of \$246.7 billion, in addition to cash dividends of \$27.3 billion at the end of fiscal 2012 and the end of the first half (interim) of fiscal 2013.

As a result of the above movements in cash flows, the Company's cash and cash equivalents at the end of the fiscal year under review amounted to \$105.4 billion.

Trend in Cash Flow Indicators

Fiscal year	2009	2010	2011	2012	2013
Ratio of net worth (%)	36.9	37.2	37.1	33.8	37.9
Ratio of net worth at market price (%)	46.2	33.4	29.0	30.1	36.3
Debt redemption term (years)	3.2	3.6	5.6	8.1	4.0
Interest coverage ratio (times)	22.0	20.0	14.6	12.2	22.1

Notes:

Ratio of net worth: (Net assets - Minority interests)/Total assets

Ratio of net worth at market price: Current aggregate value of shares/Total assets

Debt redemption term: Interest-bearing debt/Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities/Interest expenses

* Each indicator is calculated from the figures in the consolidated financial statements.

- * The current aggregate value of shares is calculated by multiplying the common stock price at term-end by the number of shares outstanding (excluding treasury stock) at term-end.
- * Interest-bearing debt covers all debt-bearing interest (short-term loans, commercial paper, current portion of corporate bonds, current portion of convertible bonds, corporate bonds, convertible bonds, long-term loans, and lease obligations).
- * Cash flow figures from operating activities in the consolidated statements of cash flows are used, and interest expense figures from the consolidated statements of cash flows are used.

(3) Basic Profit Distribution Policy and Distribution of Dividends for Fiscal 2013 and Fiscal 2014

NSSMC's basic profit distribution policy is to pay dividends from distributable funds at the end of the first half (interim) and second half (year-end) of the fiscal year after taking into account consolidated operating results and such factors as capital requirements for investment and other activities aimed at raising corporate value and performance prospects while also considering the financial structure of the Company on a consolidated and a non-consolidated basis. The Company has set a consolidated payout ratio target of approximately 20% for use as an indicator for the distribution of profits.

The level of the first-half dividend is set based on consideration of interim operating results and full-year earnings forecasts.

In accordance with the basic profit distribution policy described above, the Company distributed a dividend of ¥2.00 per share at the end of the first half of fiscal 2013. As announced on January 30, 2014, of results for the third quarter, the Company intends to distribute a year-end dividend payment of ¥3.00 per share (bringing the full-year dividend

distribution amount to ¥5.00 per share, representing a consolidated payout ratio of 18.7% for fiscal 2013). The Company plans to request approval for this at the General Meeting of Shareholders for fiscal 2013.

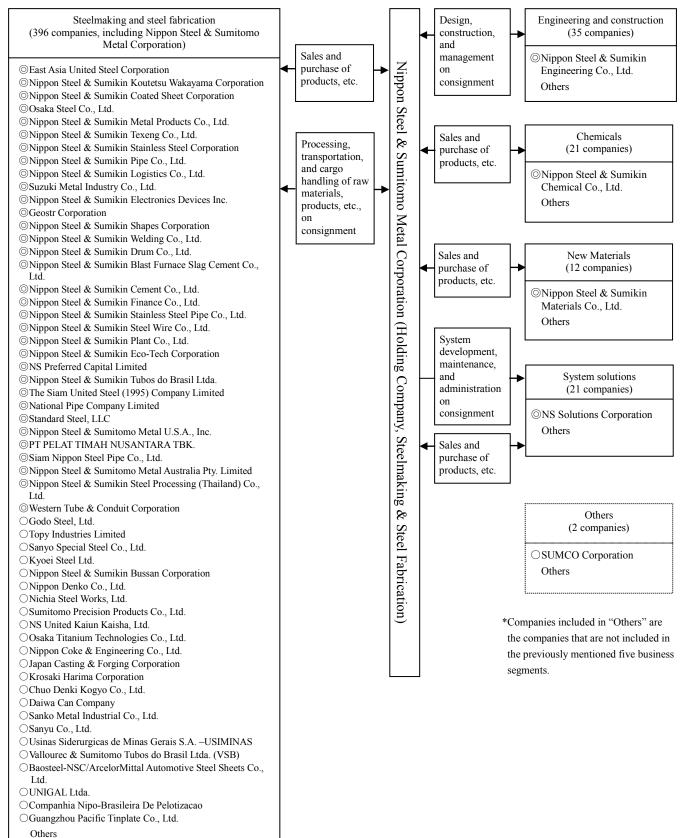
The Company has not determined a dividend distribution plan for fiscal 2014 due to the inability to establish reasonable earnings forecasts. The dividend distribution plan will be disclosed when it becomes available.

2. Corporate Group

Schematic Diagram of Business

The Nippon Steel & Sumitomo Metal Corporation Group is comprised of the parent company Nippon Steel & Sumitomo Metal Corporation, 377 consolidated subsidiaries, and 109 affiliates accounted for by the equity method. The Group's overall businesses are categorized into five business segments: steelmaking and steel fabrication, engineering and construction, chemicals, new materials, and system solutions. The principal businesses and business relations of Nippon Steel & Sumitomo Metal Corporation and its major subsidiaries and affiliates are outlined below.

◎Major consolidated subsidiaries ○Major affiliates accounted for by the equity method



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(Note) Of the subsidiaries owned by the Company at the end of this consolidated term (March 31, 2014), the companies for which their stocks are listed on any of the domestic stock exchanges are as follows:

Company name

Osaka Steel Co., Ltd. Nippon Steel & Sumikin Texeng Co., Ltd. Suzuki Metal Industry Co., Ltd. Geostr Corporation NS Solutions Corporation

Stock exchange where listed

First Section of the Tokyo Stock Exchange First Section of the Tokyo Stock Exchange Second Section of the Tokyo Stock Exchange Second Section of the Tokyo Stock Exchange First Section of the Tokyo Stock Exchange

3. Management Policy

(Basic Company management policy, management targets, and medium- and long-term management strategies) No significant changes from the financial report for the term ended March 2013 (released May 10, 2013); therefore, omitted.

Reporting and disclosure materials are available at the following websites.

NSSMC Homepage: http://www.nssmc.com/en/ Please see the Investor Relations section.

Tokyo Stock Exchange: http://www.tse.or.jp/english/listing/ Please see the Listed Company Information section.

(Progress status of the Mid-Term Management Plan and other measures and Progress toward achieving the management targets)

Information on the progress of the Mid-Term Management Plan is available at the following website.

NSSMC Homepage: http://www.nssmc.com/en/ Please see the Investor Relations section.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

		Millions of yen
ASSETS	March 31, 2013	March 31, 2014
Current assets :	00.250	105 202
Cash and bank deposits	89,350	105,303
Notes and accounts receivable	579,562	589,802
Marketable securities	8,024	8,025
Inventories	1,156,934	1,225,014
Deferred tax assets	81,729	107,015
Other	196,594	239,750
Less: Allowance for doubtful accounts	(1,461)	(1,540)
Total current assets	2,110,734	2,273,371
Fixed assets :		
Tangible fixed assets :		
Buildings and structures	734,222	725,473
Machinery, equipment and vehicles	1,127,239	1,078,995
Tools, furniture and fixtures	36,741	37,545
Land	594,824	582,389
Lease assets	9,689	10,021
Construction in progress	182,782	177,854
	2,685,500	2,612,280
Intangible fixed assets		
Goodwill	48,065	41,476
Lease assets	385	366
Patents and utility rights	7,370	8,006
Software	40,106	44,230
	95,928	94,079
Investments and others :		
Investments in securities	1,825,664	1,836,196
Long-term loans receivable	58,088	59,368
Net defined benefit assets	-	111,958
Deferred tax assets	178,127	56,429
Other	139,283	41,928
Less: Allowance for doubtful accounts	(3,829)	(3,324)
	2,197,335	2,102,557
Total fixed assets	4,978,763	4,808,916

Total assets	7,089,498	7,082,288

LIABILITIES	March 31, 2013	Millions of yer
	March 31, 2013	March 31, 2014
Current liabilities :		
Notes and accounts payable	596,230	661,267
Short-term loans payable	494,903	435,35
Commercial paper	26,000	32,000
Bonds due within one year	135,100	65,00
Current portion of lease obligations	13,561	8,27
Accounts payable-other	405,777	336,42
Income taxes payable	20,329	36,89
Provision for loss on construction contracts	2,991	3,07
Other		
Other	286,230	232,83
Total current liabilities	1,981,124	1,811,13′
Long-term liabilities :		
Bonds and notes	504,659	425,66
Long-term loans payable	1,346,219	1,313,24
Lease obligations (excluding current portion)		1,515,24
	19,411	
Deferred tax liabilities	29,745	43,32
Deferred tax liabilities on revaluation of land	8,567	8,56
Accrued pension and severance costs	192,635	
Allowance for retirement benefits of directors and corporate auditors	5,403	5,13
-	10.400	9 (0
Reserve for repairs to blast furnaces	10,499	8,60
Net defined benefit liabilities	-	157,37
Other	52,948	56,64
Total long-term liabilities	2,170,090	2,033,155
Total liabilities	4,151,215	3,844,293
NET ASSETS		
Shareholders' equity :		
Common stock	419,524	419,524
Capital surplus	362,321	371,465
Retained earnings	1,430,876	1,652,054
Less: Treasury stock, at cost	(70,490)	(62,882
Less. Treasury stock, at cost	2,142,233	2,380,162
-		189,83
Accumulated other comprehensive income: Unrealized gains on available-for-sale securities	168,611	109,03
-	168,611 359	
Unrealized gains on available-for-sale securities		(3,099
Unrealized gains on available-for-sale securities Deferred hedge income (loss)	359	(3,099 2,55
Unrealized gains on available-for-sale securities Deferred hedge income (loss) Unrealized gains on revaluation of land Foreign currency translation adjustments	359 2,592	<mark>(3,099</mark> 2,55 71,56
Unrealized gains on available-for-sale securities Deferred hedge income (loss) Unrealized gains on revaluation of land	359 2,592	(3,099 2,55 71,56 42,64
Deferred hedge income (loss) Unrealized gains on revaluation of land Foreign currency translation adjustments	359 2,592 80,273	(3,099 2,554 71,565 42,644 303,496
Unrealized gains on available-for-sale securities Deferred hedge income (loss) Unrealized gains on revaluation of land Foreign currency translation adjustments Remeasurements of defined benefit plans	359 2,592 80,273 - 251,836	(3,099 2,554 71,565 42,644 303,490 554,335 3,237,995

Consolidated Statements of Operations		Millions of yen
	Fiscal 2012	Fiscal 2013
Operating revenues :		
Net sales	4,389,922	5,516,180
Cost of sales	3,982,362	4,760,308
Gross margin	407,559	755,872
Selling, general and administrative expenses	387,449	457,482
Operating profit	20,110	298,390
Non-operating profit and loss :		
Non-operating profit :		
Interest	3,869	4,516
Dividend income	13,802	16,578
Equity in net income of unconsolidated	57 659	62 720
subsidiaries and affiliates	52,658	62,729
Other	70,749	62,491
	141,079	146,316
Non-operating loss :		
Interest expense	23,539	25,297
Other	60,719	58,311
	84,258	83,609
Ordinary profit	76,931	361,097
Special profit :		
Gain on sales of investment securities	-	56,650
Restructuring profit	5,024	-
	5,024	56,650
Special loss :		
Impairment loss	132,818	-
Loss of inactive facilities	-	18,600
Loss on sales of investments in securities	75,307	-
Loss on liquidation of business	10,800	-
^	218,926	18,600
Income (loss) before income taxes and minority interests	(136,970)	399,147
Income taxes - current	49,446	71,162
Income taxes - deferred	(75,045)	69,405
	(25,599)	140,568
Income (loss) before minority interests	(111,371)	258,579
Minority interests in net income of consolidated subsidiaries	13,196	15,826
Net income (loss)	(124,567)	242,753

(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income

Consolidated Statements of Comprehensive Income		Millions of yen
	Fiscal 2012	Fiscal 2013
Income (loss) before minority interests	(111,371)	258,579
Other comprehensive income		
Unrealized gains on available-for-sale securities	94,610	18,017
Deferred hedge income (loss)	1,828	(2,933)
Foreign currency translation adjustments	110,206	(3,586)
Share of other comprehensive income of associates accounted for using equity method	63,028	(828)
Total other comprehensive income	269,673	10,668
Comprehensive income	158,302	269,248
attribute to		
Comprehensive income attribute to owners of the parent	132,868	250,295
Comprehensive income attribute to minority interests	25,433	18,952

(3) Consolidated Statements of Changes in Net Assets

Fiscal2012

Fiscal2012					Millions of yen	
		Shareholders' equity				
				Treasury	Total	
	Common	Capital	Retained	stock,	Shareholders'	
	stock	surplus	earnings	at cost	equity	
Balance at March 31, 2012	419,524	114,546	1,552,826	(262,573)	1,824,324	
Cash dividends			(6,302)		(6,302)	
Net income(loss)			(124,567)		(124,567)	
Acquisition of treasury stock				(65,828)	(65,828)	
Disposal of treasury stock		127		258,536	258,663	
Increase due to the merger		247,647			247,647	
Increase(decrease) due to the change in the number of consolidated companies			8,875	(624)	8,250	
Increase due to reversal of unrealized gains on revaluation of land			45		45	
Reclassification of remeasurements of defined benefit plans for foreign companies					-	
Net changes of items other than shareholders' equity						
Total change for fiscal year 2012	-	247,775	(121,949)	192,083	317,909	
Balance at March 31, 2013	419,524	362,321	1,430,876	(70,490)	2,142,233	

		Accumulated other comprehensive income						
	Unrealized					Total		
	gains on	Deferred	Unrealized	Foreign	Remeasure-	accumulated	Minority	
	available-	hedge	gains (losses)	currency	ments of	other	interests in	Total
	for-sale	income	on revaluation	translation	defined	comprehensive	consolidated	net assets
	securities	(loss)	of land	adjustments	benefit plans	income	subsidiaries	
Balance at March 31, 2012	70,834	(1,698)	12,770	(77,327)	-	4,578	518,440	2,347,343
Cash dividends								(6,302)
Net income(loss)								(124,567)
Acquisition of treasury stock								(65,828)
Disposal of treasury stock								258,663
Increase due to the merger								247,647
Increase(decrease) due to the change in the number of consolidated companies								8,250
Increase due to reversal of unrealized gains on revaluation of land								45
Reclassification of remeasurements of defined benefit plans for foreign companies								-
Net changes of items other than shareholders' equity	97,777	2,057	(10,177)	157,600	-	247,257	25,772	273,030
Total change for fiscal year 2012	97,777	2,057	(10,177)	157,600	-	247,257	25,772	590,939
Balance at March 31, 2013	168,611	359	2,592	80,273	-	251,836	544,213	2,938,283

Fiscal2013					Millions of yen
		S	Shareholders' equity		
				Treasury	Total
	Common	Capital	Retained	stock,	Shareholders'
	stock	surplus	earnings	at cost	equity
Balance at March 31, 2013	419,524	362,321	1,430,876	(70,490)	2,142,233
Cash dividends			(27,373)		(27,373)
Net income(loss)			242,753		242,753
Acquisition of treasury stock				(737)	(737)
Disposal of treasury stock		9,143		8,366	17,509
Increase due to the merger					-
Increase(decrease) due to the change in the number of consolidated companies			926	(21)	904
Increase due to reversal of unrealized gains on revaluation of land					-
Reclassification of remeasurements of defined benefit plans for foreign companies			4,871		4,871
Net changes of items other than shareholders' equity					
Total change for fiscal year 2013	-	9,143	221,177	7,607	237,929
Balance at March 31, 2014	419,524	371,465	1,652,054	(62,882)	2,380,162

		Acc	umulated other co	omprehensive in	come			
	Unrealized					Total		
	gains on	Deferred	Unrealized	Foreign	Remeasure-	accumulated	Minority	
	available-	hedge	gains (losses)	currency	ments of	other	interests in	Total
	for-sale	income	on revaluation	translation	defined	comprehensive	consolidated	net assets
	securities	(loss)	of land	adjustments	benefit plans	income	subsidiaries	
Balance at March 31, 2013	168,611	359	2,592	80,273	-	251,836	544,213	2,938,283
Cash dividends								(27,373)
Net income(loss)								242,753
Acquisition of treasury stock								(737)
Disposal of treasury stock								17,509
Increase due to the merger								-
Increase(decrease) due to the change in the number of consolidated companies								904
Increase due to reversal of unrealized gains on revaluation of land								-
Reclassification of remeasurements of defined benefit plans for foreign companies								4871
Net changes of items other than shareholders' equity	21,220	(3,458)	(37)	(8,708)	42,644	51,660	10,122	61,782
Total change for fiscal year 2013	21,220	(3,458)	(37)	(8,708)	42,644	51,660	10,122	299,712
Balance at March 31, 2014	189,831	(3,099)	2,554	71,565	42,644	303,496	554,335	3,237,995

(4) Consolidated Statements of Cash-Flows

	Fiscal 2012	Millions of yen Fiscal 2013
Cash flows from operating activities :		
Income (loss) before income taxes and minority interests	(136,970)	399,147
Adjustments to reconcile net income to net cash provided	(,
by operating activities :		
Depreciation and amortization	288,770	331,801
Impairment loss	132,818	,
Interest and dividend income (accrual basis)	(17,671)	(21,095)
Interest expense (accrual basis)	23,539	25,297
Exchange loss(gain) on foreign currency transactions	(11,780)	(12,627)
Amortization of goodwill	6,054	9,712
Equity in net income of unconsolidated subsidiaries		,
and affiliates	(52,658)	(62,729)
Loss (gain) on sales of investments in securities	75,307	(56,650
Loss on disposal of tangible and intangible fixed assets	4,437	4,932
Gain on sales of tangible and intangible fixed assets	(7,576)	(8,775)
Changes in allowance for doubtful accounts	(366)	(370)
Changes in notes and accounts receivable	(32,630)	(5,308
Changes in inventories	157,786	(53,562
Changes in notes and accounts payable	(86,297)	63,050
Other	26,972	9,183
Interest and dividend income (cash basis)	26,347	35,614
Interest expense (cash basis)	(25,727)	(26,058
Income taxes (cash basis)	(57,038)	(56,800
Net cash provided by operating activities	313,317	574,767
Cash flows from investing activities :	,	,
Acquisition of investments in securities	(80,728)	(44,702)
Proceeds from sales of investments in securities	101,005	132,294
Acquisition of tangible and intangible fixed assets	(349,817)	(319,413)
Proceeds from sales of tangible and intangible fixed assets	13,206	17,211
Other	(11,001)	17,753
Net cash used in investing activities	(327,336)	(196,856)
Cash flows from financing activities :		
Net increase (decrease) in short-term loans	(16,286)	(72,220)
Net increase (decrease) in commercial paper	(68,000)	6,000
Proceeds from long-term loans	278,698	234,812
Payments of long-term loans	(165,864)	(258,383)
Proceeds from issuance of bonds and notes	30,000	
Redemption of bonds and notes	(65,000)	(149,455)
Payments for purchase of treasury stock	(563)	(731)
Cash dividends	(6,302)	(27,373)
Other	46,651	(99,763)
Net cash provided by (used in) financing activities	33,332	(367,115)
Effect of exchange rate changes on cash and cash equivalents	22,229	3,983
Net increase (decrease) in cash and cash equivalents	41,542	14,779
Cash and cash equivalents at beginning of the year	55,747	90,530
Increase (decrease) from the change in the number of	(10.725)	1 57
companies consolidated	(19,735)	153
Increase in cash and cash equivalents resulting from merger	12,975	
Cash and cash equivalents at end of year	90,530	105,464

(5) Notes to the Consolidated Financial Statements

(Notes to the Presumption of Going Concerns)

None

(Basic Material Items for the Preparation of the Consolidated Financial Statements)

1) Scope of Consolidation

The Nippon Steel & Sumitomo Metal Group includes 377 consolidated subsidiaries. Major consolidated subsidiaries are presented in the section "2. Corporate Group."

In the consolidated fiscal year under review, the scope of consolidation was expanded by 31 companies—16 newly established or other companies. 24 companies—16 merged companies and 4 liquidations, etc.— were eliminated from the scope of consolidation in the fiscal year under review.

2) Application of the Equity Method

The Company applies equity-method accounting to 109 affiliated companies. Major equity-method affiliated companies are presented in the section "2. Corporate Group."

In the consolidated fiscal year under review, 5 companies were newly added to the scope of equity-method affiliates and 3 companies were eliminated from the scope of equity-method affiliates.

(Changes in Accounting Principles Accompanying Revisions in Accounting Standards)

The "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, hereinafter referred to as the "Retirement Benefits Accounting Standard") and the "Guidance on the Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, hereinafter "Guidance on Retirement Benefits") were applied at the end of the consolidated fiscal year under review (excluding to provisions stated in Section 35 of the Retirement Benefits Accounting Standards and Section 67 of the Guidance on Retirement Benefits). The Company has adopted the method of deducting the amount of pension assets from the retirement benefit obligations and reporting the amount as net defined benefit assets and liabilities and also reporting the unrecognized actuarial differences and unrecognized past service costs as part of net defined benefit assets and liabilities.

In accordance with the transitional treatment prescribed in Section 37 of the Retirement Benefits Accounting Standard, the Company applied the Accounting Standard for Retirement Benefits at the end of the consolidated fiscal year under review, and the effect of the accounting change was reflected as Remeasurements of defined benefit plans in Accumulated other comprehensive income.

As a result, the Company reported net defined benefit assets of \$111,958 million and net defined benefit liabilities of \$157,373 million at the end of the fiscal year. Accumulated other comprehensive income increased by \$42,644 million. Information concerning the effect of this change on a per share basis is presented in the relevant sections of this report.

(Segment Information)

1) Summary of reportable segment

Nippon Steel & Sumitomo Metal Corporation is a company engaged in the steelmaking and steel fabrication businesses, and acts as the holding company for its business segment companies, which are engaged in the engineering and construction, chemicals, new materials, and system solutions businesses. Each business segment company shares the management strategy of the Nippon Steel & Sumitomo Metal Corporation Group, while conducting its business activities independently from and in parallel with other Group members. These five business segments are reportable segments.

Previous reporting has classified reportable segments for Steelmaking and steel fabrication, Engineering and construction, Urban development, Chemicals, New materials, and System solutions. 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 reportable segments and are presented within the adjustment amount.

Reporting segment	Principal businesses					
Steelmaking and steel fabrication	Manufacturing and marketing of steel products					
Engineering and construction	Manufacturing and marketing of industrial machinery and equipment as well as steel structures, performance of construction work under contract, waste processing and recycling, and supplying electricity, gas, and heat					
Chemicals	Manufacturing and marketing of coal-based chemical products, petrochemicals, and electronic materials					
New materials	Manufacturing and marketing of materials for semiconductors and electronic parts, carbon fiber and composite products, and products that apply technologies for metal processing and joining					
System solutions	Computer systems engineering and consulting services					

2) Method for calculating the sales, income (loss), assets, liabilities, and other items for reporting segments

The accounting methods for the reportable business segments are generally the same as those which are set forth in "Basic Material Items for Preparation of the Consolidated Financial Statements." Figures for income of reportable segments are on an Ordinary Profit basis, and liabilities are the balance of interest-bearing debt. Please note that inter-segment sales are based on prices employed in transactions with third parties.

3) Information on the amounts of sales, income (loss), assets, liabilities, and other items for reporting segments

Fiscal 2012 (April 1, 2012—March 31, 2013)

<u>FISCAI 2012 (April 1, 20</u>	<u> </u>	<u> </u>	<u>.</u>			1	(Millio	ns of yen)
		Reportable segment						
	Steelmaking and steel fabrication	Engineering and construction	Chemicals	New materials	System solutions	Total	Adjustments	Consolidated
Net sales								
Sales to external customers	3, 745, 491	248, 215	188, 442	42, 211	134, 388	4, 358, 749	31, 173	4, 389, 922
Inter-segment sales or transfers	44, 959	54, 787	7, 277	-	37, 592	144, 615	(144, 615)	-
Total	3, 790, 450	303, 002	195, 719	42, 211	171, 980	4, 503, 364	(113, 442)	4, 389, 922
Segment profit <ordinary profit=""></ordinary>	41, 522	18, 189	9, 778	984	11, 673	82, 148	(5, 217)	76, 931
Segment assets	6, 557, 868	253, 789	157, 308	31, 447	145, 081	7, 145, 495	(55, 996)	7, 089, 498
Segment liabilities <interest-bearing debt=""></interest-bearing>	2, 526, 725	3, 472	7, 043	16, 771	681	2, 554, 693	(14, 838)	2, 539, 855
Other items								
Depreciation and amortization	277, 622	3, 303	6, 674	2, 366	3, 239	293, 207	(4, 436)	288, 770
Amortization of goodwill	5, 892	(3)	-	-	165	6, 054	-	6, 054
Interest income	3, 740	143	9	0	241	4, 136	(267)	3, 869
Interest expenses	23, 101	47	38	95	25	23, 309	229	23, 539
Equity in net income (loss) of unconsolidated subsidiaries and affiliates	52, 576	540	601	-	(2)	53, 716	(1, 058)	52, 658
Balance of investments in equity method companies	977, 973	1, 874	15, 788	-	15	995, 651	85, 043	1, 080, 694
Increase (decrease) in tangible/intangible fixed assets (net investment)	359, 287	2, 920	9, 390	1, 929	5, 151	378, 678	(22, 805)	355, 873

Information of net sales about geographical area

				(Millions of yen)
Japan	Oversees			Total
	Overseas	Asia	Other	Total
2,796,951	1,592,971	1,108,468	484,502	4,389,922

Note: Sales information is based on the geographical location of customers, and it is classified by region.

<u>FISCAI 2015 (April 1, 201</u>		<u>1 31, 2014)</u>				1	(Millic	ns of yen)
	Reportable segment							
	Steelmaking and steel fabrication	Engineering and construction	Chemicals	New materials	System solutions	Total	Adjustments	Consolidated
Net sales								
Sales to external customers	4, 827, 826	284, 803	223, 082	37, 241	143, 225	5, 516, 180	-	5, 516, 180
Inter-segment sales or transfers	50, 082	29, 370	7,047	-	36, 631	123, 132	(123, 132)	-
Total	4, 877, 909	314, 174	230, 130	37, 241	179, 856	5, 639, 312	(123, 132)	5, 516, 180
Segment profit <ordinary profit=""></ordinary>	321, 287	17, 702	10, 057	1, 391	12, 760	363, 199	(2, 101)	361, 097
Segment assets	6, 495, 381	255, 702	163, 913	30, 544	162, 127	7, 107, 670	(25, 381)	7, 082, 288
Segment liabilities <interest-bearing debt=""></interest-bearing>	2, 281, 573	3, 325	6, 449	15, 465	2, 147	2, 308, 961	(14, 816)	2, 294, 145
Other items								
Depreciation and amortization	321, 140	3, 194	5, 962	2, 161	3, 758	336, 217	(4, 415)	331, 801
Amortization of goodwill	9, 439	0	-	0	272	9, 712	-	9, 712
Interest income	4, 352	166	13	0	260	4, 793	(277)	4, 516
Interest expenses	25, 187	117	45	103	120	25, 575	(277)	25, 297
Equity in net income (loss) of unconsolidated subsidiaries and affiliates	59, 691	486	660	-	(23)	60, 815	1, 913	62, 729
Balance of investments in equity method companies Increase (decrease) in	1, 013, 128	2, 326	18, 502	-	(7)	1, 033, 949	105, 972	1, 139, 921
tangible/intangible fixed assets (net investment)	244, 493	2, 508	7, 685	1, 871	4, 278	260, 836	(3, 816)	257, 019

Fiscal 2013 (April 1, 2013-March 31, 2014)

Information of net sales about geographical area

				(Millions of yen)
Ionon	Oversees			Total
Japan	Overseas	Asia	Other	Total
3,323,375	2,192,805	1,469,320	723,485	5,516,180

Note: Sales information is based on the geographical location of customers, and it is classified by region.

(Per Share Information)

	Fiscal 2012	Fiscal 2013
	(April 1, 2012-March 31, 2013)	(April 1, 2013-March 31, 2014)
Net assets per share	263.82	294.11
Net income (loss) per share	(16.23)	26.67

Regarding diluted net income per share, no figures for diluted net income per share have been disclosed because no latent shares existed.

As described in "Changes in Accounting Principles Accompanying Revisions in Accounting Standards", the Company applied the Retirement Benefits Accounting Standards, and complied with transitional treatment as prescribed in Section 37 of the Retirement Benefits Accounting Standards. As a result, net assets per share of fiscal 2013 increased by ¥4.67.

Notes: Basis for calculations

1. Net income (loss) per share

(Yen)

(Yen)

	Fiscal 2012 (April 1, 2012—March 31, 2013)	Fiscal 2013 (April 1, 2013—March 31, 2014)
Net income (loss) per share		
Net income (loss)	(124,567) Million	242,753 Million
Value not attributed to common shares	— Million	— Million
Net income (loss) attributed to common shares	(124,567) Million	242,753 Million
Average number of outstanding common shares during the period	7,675,024,126 Shares	9,101,625,645 Shares

2. Net assets per share

(Yen) End of fiscal 2012 End of fiscal 2013 (March 31, 2013) (March 31, 2014) Total net assets 2,938,283 Million 3,237,995 Million Amounts deducted from total net assets 544,213 Million 554,335 Million Portion of minority interest 544,213 Million 554,335 Million 2,394,069 Million Net assets at fiscal year-end applicable to common shares 2,683,659 Million Number of common shares at fiscal year-end used in calculating 9,074,649,351 Shares 9,124,700,854 Shares net assets per share

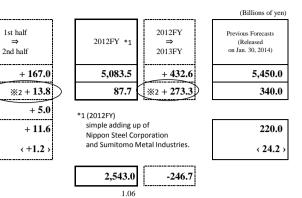
(Major Subsequent Events)

None

Results and dividends of Fiscal 2013 (Year ended March 31, 2014)

Overview of Profitability (Consolidated)

	-		
	2013FY	1st half	2nd half
Net sales	5,516.1	2,674.5	2,841.5
Ordinary profit	361.0	173.6	187.4
Special profit	×1 38.0	16.5	21.5
Net income	242.7	115.5	127.1
Net income per share (¥)	< 26.7 >	< 12.7 >	< 13.9 >
Interest-bearing debt	2,296.3	%1 Gain on sales of inve Loss of inactive facil	
D/E ratio	0.86		



2012FY

 \rightarrow

2013FY

change

+ 273.0

+ 270.0

+ 46.0

- 57.0

+ 100.0

+120.0

+92.0

+33.0

- 3.0

- 22.0

- 39.0

+ 1.5

+ 1.5

Change

from the

previous forecasts

+ 21.0

+ 16.0

- 3.0

+ 13.0

- 10.0

+ 10.0

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+ 5.0

+1.0

+3.0

+ 2.0

1st half

 \rightarrow

2nd half

change

+ 14.0

+ 5.0

- 3.0

+ 23.0

+20.0

+22.0

- 6.0

+10.0

- 10.0

- 15.0

- 36.0

+ 10.0

- 1.0

*2 Analysis in consolidated ordinary profit (Billions of yen)

Change in Consolidated Ordinary Profit

1. Ferrous materials business

③Raw materials prices

6 Group companies

⑧FOREX

(9)Other

3. Adjustments

(7)BF relining impact(cost)

2. Non-ferrous materials business

(1)Manufacturing shipment volume

②Selling prices and production mix

(including carry-over of raw materials)

5 Inventory evaluation impact

(4)Cost improvement(including effects of business integration)

<factor< th=""><th>ors Ii</th><th>nfluen</th><th>cing</th><th>Performanc</th><th>e></th></factor<>	ors Ii	nfluen	cing	Performanc	e>
(4) 8 11	<u>.</u>				

(1) Nippon Steel & Sumitomo Metal (<u> </u>	·	
	2013FY				2012FY	Previous Forecasts (Released on Jan. 30, 2014)
		1st half	2nd half	2012FY *2	⇒ 2013FY	
Consolidated crude steel output volume (10,000 tons)	4,816	2,427	2,389	4,603	+ 212	Approx. 4,830
(Non-consolidated)	(4,567)	(2,302)	(2,264)	(4,355)	(+ 212)	(Approx. 4,580)
Steel materials shipment volume (10,000 tons)	4,202	2,097	2,105	4,097	+ 105	Approx. 4,210
Steel materials price (¥1,000/ton)	86.0	84.4	87.6	80.1	+ 5.9	Approx. 85
Exchange rate (¥/\$)	100	98	102	82	+ 18	Approx. 99

(2) All Janan

Crude steel output volume (10,000 tons)	11,151	5,580	5,571	10,730	+ 421
Steel consumption (10,000 tons)	6,410	3,154	3,256	6,142	+ 268
*3 (In manufacturing industries)	(4,044)	(1,987)	(2,057)	3,946	(+ 98)
<(% of manufacturing)>	<63.1%>	<63.0%>	<63.2%>	<64.2%>	<-1.1%>
Plain carbon steel consumption (10,000 tons)	5,102	2,502	2,600	4,895	+ 207
In construction	2,244	1,105	1,139	2,082	+ 162
In manufacturing	2,858	1,396	1,460	2,812	+ 46
Specialty steel consumption (10,000 tons)	1,308	653	656	1,247	+ 61

*2 2012FY : Simple adding up of Nippon Steel Corporation and Sumitomo Metal Industries.

*3 The Company estimates

(Reference) Segment Information

	2013FY			1st half		2012FY	Previous Forecasts
	Γ	1st half	2nd half	⇒ 2nd half	2012FY	⇒ 2013FY	(Released on Jan. 30, 2014)
Net sales	5,516.1	2,674.5	2,841.5	+ 167.0	4,389.9	+ 1,126.2	5,450.
(Simple sum)	- ,	,	,		(5,083.5)	(+ 432.6)	-,
Steelmaking and steel fabrication	4,877.9	2,383.6	2,494.3	+ 110.7	3,790.4	+ 1,087.5	4,850.
(Simple sum)					(4,484.0)	(+ 393.9)	
Engineering and construction	314.1	134.3	179.8	+ 45.5	303.0	+ 11.1	300
Chemicals	230.1	115.0	115.0	+ 0.0	195.7	+ 34.4	230
New materials	37.2	19.2	17.9	- 1.3	42.2	- 5.0	36
System solutions	179.8	81.4	98.4	+ 17.0	171.9	+ 7.9	178
Adjustments	(123.1)	(59.0)	(64.0)	- 5.0	(113.4)	- 9.7	(144.
Operating profit	361.0	173.6	187.4	+ 13.8	76.9	+ 284.1	340.
(Simple sum)					(87.7)	(+ 273.3)	
Steelmaking and steel fabrication	321.2	158.2	163.0	+ 4.8	41.5	+ 279.7	305
(Simple sum)					(50.9)	(+ 270.3)	
Engineering and construction	17.7	3.6	14.0	+ 10.4	18.1	- 0.4	15
Chemicals	10.0	7.0	3.0	- 4.0	9.7	+ 0.3	10
New materials	1.3	0.6	0.7	+ 0.1	0.9	+ 0.4	1
System solutions	12.7	4.8	7.9	+ 3.1	11.6	+ 1.1	13
Adjustments	(2.1)	(0.7)	(1.3)	- 0.6	(5.2)	+ 3.1	(4.
(Simple sum)					(3.8)	(+ 1.7)	

[Dividends]

In accordance with the basic profit distribution policy described previously, as announced at the announcement meeting held on January 30, 2014, of results for the third quarter, the Company intends to distribute a year-end dividend payment of ¥3.00 per share (bringing the full-year dividend distribution amount to ¥5.00 per share, representing a consolidated payout ratio of 18.7% for fiscal 2013). The Company plans to request approval for this at the General Meeting of Shareholders for fiscal 2013.

Forecasts of Consolidated Financial Results for Fiscal 2014

Fiscal 2014 Forecast

The Company is unable to forecast reasonably accurate earnings estimates for fiscal 2014 results due to several factors, including the fact that price trends for primary raw materials and steel material products are uncertain. However, the Company will disclose fiscal 2014 earnings forecasts when reasonable estimates become possible.

(Reference) Previously Announced Projects

1. Business Consolidation and Reorganization

FY	Time	Projects
	Apr. 2013	(NIPPON STEEL & SUMIKIN LOGISTICS CO., LTD.)
	Apr. 2015	Integration and Reorganization between Nippon Steel Logistics Co., Ltd. and Sumitomo Metal Logistics Service Co., Ltd.
	Apr. 2013	(NIPPON STEEL & SUMIKIN TECHNOLOGY Co., Ltd.)
	Apr. 2015	Business Integration between NIPPON STEEL TECHNORESEARCH CORPORATION and Sumitomo Metal Technology, Inc.
	Apr. 2013	(Nittetsu Sumikin Shinko Shearing Co., Ltd.)
	Apr. 2015	The Merger between Nittetsu Shinko Shearing and Shearing Kozyo
	Sep. 2013	(NIPPON STEEL & SUMIKIN NAOETSU TITANIUM CO., LTD.)
2013	Bep. 2015	A Joint Venture with Toho Titanium Co., Ltd. regarding the Titanium Materials Melting Business
	Oct. 2013	(NIPPON STEEL & SUMIKIN PIPE Co., Ltd.)
		The Merger of Sumitomo Pipe & Tube Co., Ltd. and Nittetsu Steel Pipe Co., Ltd.
	Oct. 2013	(NIPPON STEEL & SUMIKIN BUSSAN CORPORATION)
	001. 2013	Business Integration between Sumikin Bussan Corporation and Nippon Steel Trading Co., Ltd.
	Oct. 2013	(NIPPON STEEL & SUMIKIN TEXENG.CO., LTD.)
	001. 2015	Business Integration between Taihei Kogyo Co., Ltd. and Nittetsu Elex Co., Ltd.
	Jan. 2014	(Reorganizing the Electric Resistance-Welded Pipe and Tube Business within the Nippon Steel & Sumitomo Metal Group)
	Jan. 2014	To Centralize the Overseas Operations
	Apr. 2014	(Organizational Integration of Steelworks)
2014	Api. 2014	The Organizational Integration of Steelworks to Further Enhance the Competitiveness in Steel Business
2014	Apr. 2014	(Reorganizing the Electric Resistance-Welded Pipe and Tube Business within the Nippon Steel & Sumitomo Metal Group)
	Apr. 2014	Reorganization and Optimization of the Product Lineup between NSSMC and NIPPONSTEEL & SUMIKIN PIPE

Other Previously Announced Projects, etc

FY	Time	Projects
		(Basic Agreement on the Integration of the Slag Sales Companies) Integration and Reorganization of the Slag Sales Companies
2014		(Basic Agreement on Business Integration of Eight Consolidated Subsidiaries Engaged in Equipment Engineering and Maintenance) To Build the Total Competitiveness of NSSMC's Domestic Equipment and to Secure the Foundation of Equipment Readiness at NSSMC's Overseas Business Bases.

2. Key Overseas Investment Plan & Progress

%: I	NSSMC investment ratio	Investment Amount	Major Facility	Production Capacity	FY13	FY14	FY15
	(USA) (JV with Arcelor Mittal)	Approx. 1.55 bn\$ (total price)	Hot strip, PLCL,CGL, etc	5.3 ммт/ү - Hot strip	☆ Feb/14		
	(Mexico) (JV with Ternium)	Арргох. 300 мм\$	CGL	0.4ммт/ү	☆ Aug/13		
Auto	(India) JCAPCPL 49%	Approx. 40 bn¥	CAPL	0.6ммт/ү		☆ May/14	
Auto	(Thailand) 100%	Арргох. 300 мм\$	CGL	0.36ммт/ү	Cct/13		
	(China) (JV with Bao) 50%	Approx. 1.1 bn CNY	No4 CGL (New line)	0.42 ммт/ү	CGL capacities $(1.25 \rightarrow 1.6)$	-	FY15 Start-up
	USA) ICI 80%	Арргох. 46 мм\$	No4 Forging Press line	Approx. 1.3 мм crankshaft/Y	Forging pre (2.7 →4.0M		☆ FY15 Start-up
Const-	(Singapore, etc.) (JV with BSL) 50%	554мм\$	CGL, etc	1.40ммт/ү - cgl	Mar/13 JV Establish	ed	
ruction	★ CSVC (Vietnam)(JV with CSC) 30%	115 _{bn¥} (JV total)	CDCM	1.20 ммт/ү	🛠 Apr/13		
Container	Image: Winsteel (China)50%(JV with Wuhan)	Approx. 23bn¥	ETL, etc	0.80ммт/ү	☆ Sep/13		
Pipe &Tube	(Brazil) VSB 40%	5.4 bn BRL (VSB's capital)	Seamless Pipe, _{etc}	0.6 ммт/ү -sml	Rampingup)	

Nippon Steel & Sumitomo Metal Corporation Code Number: 5401 Listings: Tokyo, Nagoya, Sapporo and Fukuoka Stock Exchanges Contact: Nozomu Takahashi, General Manager, Public Relations Center-Tel: 81-3-6867-2130

Supplementary Information on the Financial Result for the Fiscal 2013

Japanese Steel Industry

1. Crude Steel Production

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2012FY	27.50	27.26	54.76	25.91	26.64	52.55	107.30
2013FY	28.07	27.72	55.80	28.14	27.58	55.71	111.51

2. Inventory Volume

At the	end of:	Inventory at manufacturers and distributors (million tons)	Inventory /shipment ratio (%)	Rolled sheets *1 (million tons)	H-flange beams *2 (million tons)
Apr.	2012	5.52	(149.8)	4.04	0.203
May	2012	5.53	(141.6)	4.07	0.195
June	2012	5.46	(138.7)	3.96	0.196
July	2012	5.41	(135.6)	3.92	0.189
Aug.	2012	5.57	(151.9)	4.09	0.180
Sep.	2012	5.68	(147.0)	4.16	0.179
Oct.	2012	5.54	(139.0)	4.07	0.184
Nov.	2012	5.43	(142.0)	3.94	0.183
Dec.	2012	5.46	(151.9)	3.92	0.179
Jan.	2013	5.49	(146.1)	3.98	0.177
Feb.	2013	5.41	(146.4)	3.84	0.187
Mar.	2013	5.41	(125.6)	3.85	0.197
Apr.	2013	5.42	(142.2)	3.81	0.192
May	2013	5.48	(136.2)	3.83	0.197
June	2013	5.61	(145.8)	3.85	0.197
July	2013	5.36	(127.2)	3.75	0.190
Aug.	2013	5.53	(147.0)	3.92	0.186
Sep.	2013	5.53	(133.5)	3.88	0.187
Oct.	2013	5.61	(135.1)	3.88	0.180
Nov.	2013	5.49	(125.4)	3.82	0.180
Dec.	2013	5.65	(138.6)	3.93	0.185
Jan.	2014	5.76	(136.3)	4.09	0.200
Feb.	2014	5.73	(140.7)	3.99	0.220
Mar.*3	2014	5.66	(125.9)	4.11	0.234

(million tons)

*1 Hot-rolled, cold-rolled and coated sheets

*2 Inventories of distributors dealing with H-flange beams manufactured by Nippon Steel & Sumitomo Metal Corporation

*3 Preliminary report

3. Pig Iron Production

(Non-consolidated basis)

2012FY

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
Nippon Steel	7.78	8.01	15.79				
Sumitomo Metal	3.02	3.32	6.34				
NSSMC	(10.80)	(11.33)	(22.13)	10.62	11.14	21.76	43.90
2013FY							(million tons)
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
NSSMC	11.30	11.47	22.77	11.41	10.62	22.03	44.80

* Nippon Steel includes Hokkai Iron & Coke Co., Ltd. Sumitomo Metal Industries includes Nippon Steel & Sumikin Koutetsu Wakayama Corporation (formerly Sumikin Iron & Steel Corporation). NSSMC includes Hokkai Iron & Coke Co., Ltd. and Nippon Steel & Sumikin Koutetsu Wakayama Corporation.

* At the first half of fiscal 2012 of NSSMC, it is simple adding up of Nippon Steel and Sumitomo Metal Industries.

4. Crude Steel Production

(Consolidated basis) 2012FY

2012FY								(million tons)
		1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
Nippor	n Steel	8.29	8.51	16.81				
Sumitom	o Metal	3.10	3.43	6.53				
NSS	MC	(11.39)	(11.95)	(23.34)	11.01	11.69	22.69	46.03

2013FY							(million tons)
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
NSSMC	12.13	12.14	24.27	12.26	11.63	23.89	48.16

* At the first half of fiscal 2012 of NSSMC, it is simple adding up of Nippon Steel and Sumitomo Metal Industries.

(million tons)

(million tons)

(Non-consolidated basis)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
Nippon Steel	7.70	7.95	15.66				
Sumitomo Metal	3.07	3.38	6.44				
NSSMC	(10.77)	(11.33)	(22.10)	10.40	11.05	21.45	43.55

2013FY

1								
		1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
	NSSMC	11.50	11.52	23.02	11.63	11.01	22.64	45.67

* Sumitomo Metal Industries and NSSMC include Nippon Steel & Sumikin Koutetsu Wakayama Corporation (formerly Sumikin Iron & Steel Corporation).

* At the first half of fiscal 2012 of NSSMC, it is simple adding up of Nippon Steel and Sumitomo Metal Industries.

5. Steel Products Shipment

2012FY							(million tons)
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
Nippon Steel	7.46	7.50	14.97				
Sumitomo Metal	2.78	2.86	5.64				
NSSMC	(10.24)	(10.36)	(20.61)	9.60	10.77	20.37	40.97

2013FY							(million tons)
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
NSSMC	10.29	10.68	20.97	10.38	10.67	21.05	42.02

* Sumitomo Metal Industries and NSSMC include Nippon Steel & Sumikin Koutetsu Wakayama Corporation (formerly Sumikin Iron & Steel Corporation).

* At the first half of fiscal 2012 of NSSMC, it is simple adding up of Nippon Steel and Sumitomo Metal Industries.

6. Average Price of Steel Products

2012FY						(thousands	of yen / ton)
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
Nippon Steel	80.0	75.6	77.8				
Sumitomo Metal	94.7	94.4	94.5				
NSSMC	(84.0)	(80.8)	(82.4)	78.1	77.4	77.7	80.1

2	013FY						(thousands	of yen / ton)
		1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
	NSSMC	82.5	86.3	84.4	86.7	88.4	87.6	86.0

* Sumitomo Metal Industries and NSSMC include Nippon Steel & Sumikin Koutetsu Wakayama Corporation (formerly Sumikin Iron & Steel Corporation).

* At the first half of fiscal 2012 of NSSMC, it is weighted average of Nippon Steel and Sumitomo Metal Industries.

7. Export Ratio of Steel Products (Value basis)

2012FY							(%)
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
Nippon Steel	42	42	42				
Sumitomo Metal	46	45	46				
NSSMC	(43)	(43)	(43)	43	47	45	44

2013FY

2013FY							(%)
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
NSSMC	49	47	48	45	45	45	46

* Sumitomo Metal Industries and NSSMC include Nippon Steel & Sumikin Koutetsu Wakayama Corporation (formerly Sumikin Iron & Steel Corporation).

* At the first half of fiscal 2012 of NSSMC, it is weighted average of Nippon Steel and Sumitomo Metal Industries.

8. Foreign Exchange Rate

(¥∕\$)

- [
		1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
	2012FY	81	79	80	80	90	85	82
	2013FY	98	98	98	100	103	102	100

9. Amount of Capital Expenditure and Depreciation

(Consolidated basis)

		(billions of yen)
	Capital Expenditure	Depreciation
2012FY	420.0	338.5
2013FY	257.0	331.8

* At the first half of fiscal 2012, it is simple adding up of Nippon Steel and Sumitomo Metal Industries.