Basic Facts About Nippon Steel & Sumitomo Metal

2015

Nippon Steel & Sumitomo Metal Corporation

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NIPPON STEEL & SUMITOMO METAL CORPORATION
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- Figures are for NSSMC (nonconsolidated), unless otherwise stated.
- The figures indicating sales and other financial data, numbers of shares outstanding, and orders received are stated by discarding fractional amounts less than the nearest number, while all other figures are stated by rounding to the nearest number. Accordingly, total or subtotal amounts may not always equal the sum of the relevant figures.
- Each data is as of March 31, 2015, unless otherwise specified.
- Tonnage figures are in metric tons, unless otherwise specified.
- –: Nil; ⋯: Unavailable or Undecided
- This publication includes forecasts and projections that are based on the assumptions and beliefs of NSSMC's management in light of the information available to it as of the date on which the information is first distributed, and actual results may differ from such forecasts and projections.

Contents

Contents

Contents

Group's Guiding Principles · Employee Action Guidelines

Corporate Philosophy

Our Values

Nippon Steel & Sumitomo Metal Corporation Group will pursue world-leading technologies and manufacturing capabilities, and contribute to society by providing excellent products and services.

Management Principles

1. We continue to emphasize the importance of integrity and reliability in our actions.
2. We provide products and services that benefit society, and grow in partnership with our customers.
3. We pursue world-leading technologies and manufacturing capabilities.
4. We continually anticipate and address future changes, innovate from within, and pursue unending progress.
5. We develop and bring out the best in our people to make our Group rich with energy and enthusiasm.

Employee Action Guidelines

What we strive for:

Creativity, Innovation and Growth

We constantly seek self-improvement, pursue ambitious goals with enthusiasm, and continuously challenge ourselves to do better.

What we value most:

Self-empowerment, Workplace and Essentiality

We observe rules, keep our promises, and pierce to the heart of matters by actively investigating the facts.

What we encourage:

Dialogue, Collaboration and Sharing of Knowledge

We build mutual trust through dialogue and collaboration, and seek to pass on our spirit and skills to the next generation.

We vow to be guided by these principles, and act fairly and equitably throughout the world.

Overview

① Outline

Company Name	NIPPON STEEL & SUMITOMO METAL CORPORATION
Head Office	2-6-1 Marunouchi, Chiyoda-ku, Tokyo 100-8071, Japan
Incorporated	October 1, 2012 (Business integration)
Common Stock	¥419,524million
Fiscal Year End	March 31
Stock Listings	Tokyo, Nagoya, Fukuoka, Sapporo

Symbol Mark and Logotype

NIPPON STEEL &
SUMITOMO METAL

The triangle in the logo represents a blast furnace and the people who create steel. It reflects the fact that steel, indispensable for civilization, brightens the world. The center point can be viewed as a peak, which represents the best steelmaker. It can be also viewed as the destination of a road, which represents the unlimited future of steel as a material. The blue color represents leading technology and reliability.

② Scope of Business

Steelmaking and Steel Fabrication

- **Steel Materials**
  Steel sections: Steel billets and slabs; rails, sheet piles, H-beams, other shapes; bars, bars-in-coils, wire rods, special wire rods
  Flat-rolled products: Heavy plates, medium plates, hot-rolled sheets, cold-rolled sheets; tinplate, tin-free steel, hot-dipped galvanized sheets, other metallic coated sheets, precoated sheets; cold-rolled electrical steel sheets
  Pipe and tubes: Seamless, butt-welded, electric-resistance welded, electric-arc welded, cold-drawn, and coated pipe and tubes
  Railway, automotive and machinery parts: Railway parts, die forgings, forged aluminum wheels, retarder, circular products, steel forgings
  Specialty steel: Stainless steel, machine structural carbon steel, structural alloy steel, spring steel, bearing steel, heat-resistant steel, free-cutting steel, piano wire rods, high-strength steel
  Secondary steel products: Steel segments, steel diaphragm wall method, METRODECK™, PANZERMAST, vibration-damping sheets and plates, structural steel sheet members, columns, welding materials, drums, bolts/nuts/washers, wire products, OCTG accessories, building and civil engineering materials
- **Pig Iron, Steel Ingots, Others**
  Steelmaking pig iron, foundry pig iron, steel ingots; iron and steel slag products, cement, foundry coke

- **Businesses related to Steelmaking and Steel Fabrication**
  Design, maintenance, and installation of machines, electrical equipment, and measurement apparatuses; marine transport, port/harbor transport, land transport, loading/unloading, warehousing, packaging; material testing/analysis, measurement of working environments, surveys on technical information, operation and management of various facilities, security services, services related to documentation of raw materials import, iron- and steelmaking plant construction engineering, operating assistance, steelmaking know-how provision, rolls
- **Other**
  Rolled titanium products, power supply, lease and sale of real estate, services and others

Engineering and Construction

- Iron- and steelmaking plants, industrial machinery and equipment, industrial furnaces, resources recycling and environment restoration solutions, environmental plants, waterworks
- Energy facilities and plants, chemical plants, storage tanks, on-land and offshore pipeline laying works
- Various energy-related solutions
- Offshore structure fabrication and construction, civil engineering work, bridge fabrication and erection, pipe piling work
- Building construction, steel-structure construction, trusses, standardized buildings products, base-isolation and vibration-control devices

Chemicals

- Pitch coke, pitch, naphthalene, phthalic anhydride, carbon black, styrene monomer, bisphenol A, styrene resin, epoxy resin
- Adhesive-free copper-clad laminated sheet for flexible printed circuit boards, liquid crystal display (LCD) materials, organic EL materials, UV and thermosetting resin materials

New Materials

- Rolled metallic foils, semiconductor bonding wire and microballs, semiconductor encapsulation material filler, carbon-fiber composite products, metal catalyst carriers for cleaning automotive emissions

System Solutions

- Computer systems engineering and consulting services

③ Management Structure

NSSMC is a business holding company, which comprises five businesses.

NIPPON STEEL & SUMITOMO METAL CORPORATION GROUP

Steelmaking and Steel Fabrication Business

Engineering and Construction Business
Nippon Steel & Sumikin Engineering Co., Ltd.

Chemicals Business
Nippon Steel & Sumikin Chemical Co., Ltd.

New Materials Business
Nippon Steel & Sumikin Materials Co., Ltd.

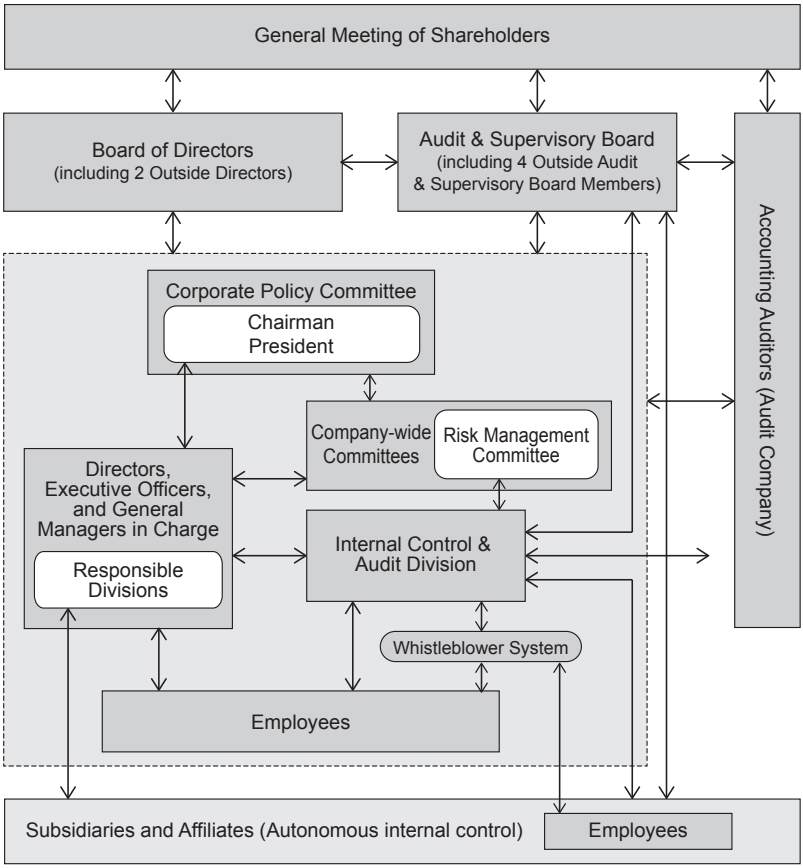
System Solutions Business
NS Solutions Corporation

R&D Laboratories
The NSSMC Group has research laboratories in Futtsu, Amagasaki and Hasaki. These laboratories lead the world in manufacturing technology development that includes new product development and process improvement, mainly in high-growth sectors, as well as basic research to support these sectors.

PLATE	NSSMC contributes to enhancing the safety of structures and the development of society by delivering high-performance steel plates for large industrial and social structures such as ships, bridges, and high-rise buildings; marine structures for oil and gas extraction; and high performance steel plates used for tanks and other energy-related products.
FLAT PRODUCTS	NSSMC supports various industries and people's lives by delivering steel sheet used to make automobiles, electrical appliances, housing, beverage cans, transformers, and other goods. Having production and processing bases worldwide, this unit provides high quality, high-performance products and services in Japan and overseas.
BAR & WIRE ROD	NSSMC delivers high-quality high-performance bars and rods to a wide range of industries including the automotive, construction, and industrial machinery industries. In the automotive business, this unit focuses on high end products used in important automotive components such as engines, drive trains, and suspensions.
CONSTRUCTION PRODUCTS	NSSMC delivers H-beams, steel sheet piles, steel pipe piles, rails, and other steel materials used in the civil engineering and construction sectors in Japan and overseas. By responding to diverse needs, this unit contributes to the development of infrastructure that supports people's lives.
PIPE & TUBE	NSSMC is a world-leader in high-end seamless pipes used in oil and gas development and other energy areas. Large-diameter tubes for pipelines and steel tubes for automobiles, and construction and industrial machinery are also areas of strength.
RAILWAY, AUTOMOTIVE & MACHINERY PARTS	NSSMC is the only manufacturer of railway steel wheels and axles in Japan. This unit's major products are railway rolling stock components and forged crankshafts for automobiles. The unit has two manufacturing bases for railway wheels and axles, and four bases for crankshafts in the world.
TITANIUM & SPECIALTY STAINLESS STEEL	Utilizing titanium's lighter, high-strength, and corrosion-resistant properties, NSSMC is a world-leader in titanium products for construction, aviation, general industrial, and consumer-related applications. The unit also provides products with excellent heat resistance, corrosion resistance, and formability made of specialty stainless steel that is used in the automotive, IT, environmental, and energy sectors.
STAINLESS STEEL	Nippon Steel & Sumikin Stainless Steel Corporation (NSSC) provides steel users with a wide range of high-quality stainless steel products that includes steel plates, sheets, bars, and wire rods by leveraging its most advanced technologies in the world. This subsidiary has developed the world's first Sn-added low-interstitial ferritic steel grades, named the "FW (forward) series," and a new type of duplex stainless steel.

④ Corporate Governance

Corporate Governance Structure and Internal Control System



NSSMC is establishing a corporate governance structure and internal control system and mechanisms for cooperation among Audit & Supervisory Board Members, the Internal Control & Audit Division, and Accounting Auditors. By doing this, it seeks to ensure management's efficiency, soundness, and transparency, and enhance its corporate governance with the ultimate aim of achieving sustainable improvement in corporate value and being trusted by society.

NSSMC's Articles of Incorporation stipulate that, as a corporate governance structure, the company shall have a Board of Directors and not more than 20 Directors as well as the Audit & Supervisory Board and not more than 7 Audit & Supervisory Board Members, and accounting auditors. Based on that article, 14 Directors (including 2 Outside Directors), 7 Audit & Supervisory Board Members (including 4 Outside Audit & Supervisory Board Members), and one accounting auditor are elected at present.

NSSMC's Board of Directors, which is comprised of Directors with thorough understanding and experience in its businesses and Outside Directors having independent positions, adequately and swiftly makes decisions regarding the company's important business activities and oversees the execution of duties by Directors. The Audit & Supervisory Board Members, who hold legally strong auditing authority, are required to maintain integrity, objectivity, and independence when overseeing the execution of duties by Directors and enhance the oversight function of the management. NSSMC believes that this structure ensures efficiency and fairness in management and is effective for the

company to achieve sound and sustainable growth. Therefore, NSSMC has adopted the company system form of organization with an audit and supervisory board. In addition, to clarify responsibilities for the results of each business unit and division, the company has introduced an executive officer system under which executive officers strive to ensure the proper execution of business activities.

Based on internal rules, executive decisions on key issues that may affect the activities of NSSMC and the NSSMC Group are determined by the Board of Directors, which convenes once or twice a month, after such matters have been discussed by the Corporate Policy Committee, a group that includes participation by the Chairman, the President, the Executive Vice Presidents, and other members, and that normally meets once a week.
In addition, NSSMC has set up 19 Companywide committees (as of May 1, 2015), each with its own objective, where details on designated themes are hashed out before the Corporate Policy Committee and the Board of Directors embark on decision-oriented discussions.
At present, NSSMC's Board of Directors comprises 12 Directors in charge of execution of duties and 2 Outside Directors.
Outside Directors, who have vast experience and deep insights in corporate management, international affairs and economy, and other fields, contribute to decision making from diverse perspectives on NSSMC and enhancing the overseeing function of management, by providing their opinions and exercising voting power from their independent status at the Board of Directors and other meetings.
The present Audit & Supervisory Board comprises 3 fulltime Audit & Supervisory Board Members and 4 Outside Audit & Supervisory Board Members.
The Outside Audit & Supervisory Board Members, who have vast experience and deep insights in fields such as accounting, corporate management, legal affairs, financial administration, provide their opinions at the Board of Directors, the Audit & Supervisory Board, and other meetings and perform auditing activities including research on corporate operations and status of assets. They thus contribute to NSSMC's sound and fair management.
The company has notified Japanese bourses on which its stock is listed of the designation of Outside Directors and Outside Audit & Supervisory Board Members as independent directors and auditors, pursuant to the Securities Listing Regulations of these bourses. All these bourses have accepted the company's notifications of all independent directors and auditors.

The execution of business strategies mandated by the Board of Directors and other executive structures is promptly addressed by the Directors responsible for these businesses, executive officers, and the general managers of relevant units/divisions, under the direction of the Chairman, Representative Director, as well as the President, Representative Director.
These actions are accomplished by stipulating in writing the ordering authority, oversight responsibility, and procedures required to implement strategies.

NSSMC has resolved its Basic Policy concerning internal control system at its Board of Directors meeting and stipulates its Basic Rules for Internal Control for establishing a system for internal controls and risk management based on autonomous internal control activities.

- NSSMC establishes an annual plan on internal controls and risk management and acts accordingly.
- It regularly confirms the status of internal controls and the risk management system through the Risk Management Committee, chaired by the executive vice president in charge of internal control & audit.
- Each division of the company designates a person in charge of risk management, while each group company designates a person responsible for risk management. This is to encourage each division and company to take initiatives and share information about risk management among the company and group companies through regular meetings and other means.
- NSSMC regularly checks the group-wide status of internal controls by establishing measures to check and supervise matters related to internal controls and risk management.
- NSSMC has set up a whistleblower system, namely, the Compliance Consulting Room within the company and the Compliance Hotline run by the company's attorney as a conduit for communication, to handle risk-related concerns raised by group employees, staff of purchase agreement companies, and other group employees regarding the execution of operations. This helps prevent accidents and the violation of laws and regulations preemptively and also improves operations.

⑤ Chronology

Nippon Steel & Sumitomo Metal Corporation

2015 The 2017 Mid-Term Management Plan was formulated.
2014 Yawata Works and Kokura Works were integrated to become Yawata Works.
Wakayama Works and Sakai Works were integrated to become Wakayama Works.
Kimitsu Works and Tokyo Works were integrated to become Kimitsu Works.
2013 The Mid-Term Management Plan was formulated.
2012 Incorporated on October 1, integrating Nippon Steel Corporation and Sumitomo Metal Industries.

Nippon Steel Corporation

2011 Agreed to commence consideration of business integration with Sumitomo Metal Industries, Ltd.
2006 Engineering and construction business was spun off to Nippon Steel Engineering Co., Ltd.
New materials business was spun off to Nippon Steel Materials Co., Ltd.
2003 Stainless steel business was spun off to Nippon Steel & Sumikin Stainless Steel Corporation.
2002 Announced alliances with Sumitomo Metal Industries, Ltd. and Kobe Steel, Ltd.
All operations of Nippon Steel's Urban Development Division were integrated into Nippon Steel City Produce, Inc.
2001 Operations of Nippon Steel's Electronics & Information Systems Division and its subsidiary Nippon Steel Information & Communication Systems Inc. were integrated to organize NS Solutions Corporation.
2000 Divisionally integrated operation system within the Nippon Steel Group based on product item or business area was introduced in the steelmaking and steel fabrication sector.
1997 Silicon Wafer Division was organized (abolished in April 2004).
1993 Semiconductor Division was organized (abolished in April 1999).
1991 Technical Development Bureau was organized by integrating Central R&D Bureau and Plant Engineering & Technology Bureau, and R&E Center began operation.
1989 Urban Development Division was organized.
1987 Electronics & Information Systems Division, New Materials Division, and Service Business Division (integrated to Urban Development Division in June 1992) were organized.
1986 Electronics Division was organized.
1984 New Materials Projects Bureau was organized.
Nippon Steel Chemical Co., Ltd. was inaugurated through the merger of Nippon Steel Chemical Co., Ltd. and Nittetsu Chemical Industrial Co., Ltd.
1974 Engineering Division Group was organized.
1971 Nippon Steel absorbed Fuji Sanki Pipe & Tube Co., Ltd.
Oita Works began operation.
1970 Yawata Iron & Steel and Fuji Iron & Steel merged to form Nippon Steel Corporation.
1968 Yawata Iron & Steel absorbed Yawata Steel Tube Co., Ltd.
1967 Tokai Steel became Nagoya Works of Fuji Steel.
1965 Kimitsu Works of Yawata Iron & Steel began operation.
1961 Sakai Works of Yawata Iron & Steel began operation.
1958 Tokai Iron & Steel Co., Ltd. was established.
Yawata Iron & Steel inaugurated the Tobata Area of Yawata Works.
1955 Hikari Works of Yawata Iron & Steel began operation.
1950 Yawata Iron & Steel Co., Ltd. and Fuji Iron & Steel Co., Ltd. were established (Company's founding).

Sumitomo Metal Industries, Ltd.

2012 Merged with Sumitomo Metals (Kokura), Ltd. and Sumitomo Metals (Naoetsu), Ltd.
2011 Agreed to commence consideration of business integration with Nippon Steel Corporation.
2008 The titanium business was split and was absorbed by Sumitomo Metals (Naoetsu), Ltd.
2003 The stainless business was split off and became Nippon Steel & Sumikin Stainless Steel Corporation.
Wakayama Works' upstream operation was split off and became Sumikin Iron & Steel Corporation (present Nippon Steel & Sumikin Koutetsu Wakayama Corporation.)
2002 Announced alliances with Nippon Steel Corporation and Kobe Steel, Ltd.
Silicon wafer business was transferred to Silicon United Manufacturing Corporation (present SUMCO Corporation).
2000 Sumitomo Metals spun off its Kokura Works and Naoetsu Works and made them into Sumitomo Metals (Kokura), Ltd. and Sumitomo Metals (Naoetsu), Ltd. respectively.
1998 Merged with Sumitomo Sitix Corporation.
1994 Kashima Stainless Steel Works was integrated in Kashima Works.
1992 Merged with Nippon Stainless Co., Ltd. (Naoetsu Works and Kashima Stainless Steel Works were established.)
1990 Electronics Division was established.
1988 Kainan Steel Tube Works was integrated in Wakayama Works.
1980 Merged with Kainan Steel Tube Co., Ltd. (to form Kainan Steel Tube Works).
1977 Engineering Division was established, marking entry into engineering business.
1974 Hasaki Research Center, present Hasaki R&D Center, was established.
1968 Kashima Works was established.
1966 Kainan Steel Tube Co., Ltd. was established.
1963 Sumitomo Special Metals Co., Ltd. (former Magnetic Steel and Electronic Parts Manufacturing Departments) was established.
1961 Sumitomo Precision Products Co., Ltd. (former Aircraft Instruments Department) was established.
1959 Sumitomo Light Metal Industries, Ltd. (former Copper Rolling and Aluminum Rolling Department) was established.
Central Research Laboratories, present Amagasaki R&D Center, was established.
1953 Merged with Kokura Steel Manufacturing Co. and established Kokura Works, an integrated steelmaker.
1952 Shin-Fuso Metal Industries, Ltd. was renamed Sumitomo Metal Industries, Ltd.
1950 Narumi China Corporation (former China Manufacturing Department) was established.
1949 Shin-Fuso Metal Industries, Ltd. was established (Company's founding).

Executive Management and Fellows

Executive Management

(As of July 1, 2015)

Name (Date of birth)	Responsibilities	Joined the company Assumed the position	Education
Representative Director and Chairman			
Shoji Muneoka (May 3, 1946)		Apr. 1970 Oct. 2012	Mar. 1970 Tokyo U. (Agriculture)
Representative Director and President			
Kosei Shindo (Sep. 14, 1949)		Apr. 1973 Apr. 2014	Mar. 1973 Hitotsubashi U. (Economics) June 1982 Harvard Business School MBA
Representative Directors and Executive Vice Presidents			
Shinya Higuchi (Nov. 12, 1953)	Marketing Administration & Planning; Transportation & Logistics; Project Development; Machinery & Materials Procurement; Steel Products Units; Domestic Office and Branches; Cooperating with EVP K. Ota on Global Business Development; Cooperating with EVP S. Sakuma on Overseas Offices	Apr. 1976 Oct. 2012	Mar. 1976 Tokyo U. (Law) June 1986 Harvard Business School MBA
Katsuhiko Ota (June 30, 1953)	Head of Global Business Development; Corporate Planning; Group Companies Planning; Accounting & Finance; Raw Materials	Apr. 1977 Apr. 2013	Mar. 1977 Keio U. (Law)
Akihiro Miyasaka (Feb. 22, 1954)	Head of Research and Development	Apr. 1976 June 2013	Mar. 1976 Tokyo U. (Engineering) Mar. 1996 Tokyo U. Doctor (Engineering)
Kinya Yanagawa (Oct. 3, 1952)	Intellectual Property; Safety; Plant Safety; Technical Administration & Planning; Quality Management; Plant Engineering and Facility Management; Ironmaking Technology; Steelmaking Technology; Energy Technology; Slag & Cement; Cooperating with EVP S. Sakuma on Environment; Cooperating with EVP K. Ota on Global Business Development	Apr. 1978 Apr. 2014	Mar. 1978 Tohoku U. (Graduate School of Engineering)

Note: "Time of joining the company" means the time of entering either the former Nippon Steel Corporation or Sumitomo Metal Industries, Ltd.

Name (Date of birth)	Responsibilities	Joined the company Assumed the position	Education
Soichiro Sakuma (Feb. 15, 1956)	General Administration; Legal; Internal Control & Audit; Business Process Innovation; Human Resources; Environment; Overseas Offices; Cooperating with EVP K. Ota on Global Business Development	Apr. 1978 Apr. 2014	Mar. 1978 Tokyo U. (Law)
Managing Directors, Members of the Board			
Yasumitsu Saeki (May 8, 1955)	Head of Unit, Flat Products Unit; Project Leader, Shanghai-Baoshan Cold-rolled & Coated Sheet Products Project, Global Business Development Sector; Project Leader, India Continuous Annealing & Processing Line Project, Global Business Development Sector; Marketing Administration & Planning; Transportation & Logistics	Apr. 1979 Oct. 2012	Mar. 1979 Keio U. (Economics)
Shinji Morinobu (Sep. 8, 1953)	Head of Office, Osaka Office	Apr. 1977 June 2013	Mar. 1977 Kyoto U. (Economics)
Ritsuya Iwai (Sep. 16, 1956)	Head of Unit, Pipe & Tube Unit; Project Leader, VSB Project, Global Business Development Sector	Apr. 1981 June 2014	Mar. 1981 Kyoto U. (Graduate School of Engineering)
Machi Nakata (May 19, 1956)	Head of Unit, Railway, Automotive & Machinery Parts Unit	Apr. 1981 June 2015	Mar. 1981 Kyoto U. (Graduate School of Applied Physics)
Shinji Tanimoto (May 24, 1957)	Head of Center, Plant Engineering and Facility Management Center; Intellectual Property; Safety; Plant Safety; Technical Administration & Planning; Quality Management; Ironmaking Technology; Steelmaking Technology; Energy Technology; Slag & Cement; Rendering Assistance to EVP S. Higuchi on Steel Products Units	Apr. 1982 June 2015	Mar. 1982 Sophia U. (Graduate School of Mechanical Engineering)
Directors, Members of the Board			
Mutsutake Otsuka (Jan. 5, 1943)		- June 2014	Mar. 1965 Tokyo U. (Law)
Ichiro Fujisaki (July 10, 1947)		- June 2014	Mar. 1969 Keio U. (Economics) Before graduating due to passing Foreign service examination

Name (Date of birth)	Responsibilities	Joined the company Assumed the position	Education
Managing Executive Officers			
Atsuhiko Yoshie (May 1, 1955)	Head of Laboratories, Steel Research Laboratories, R&D Laboratories	Apr. 1980 Oct. 2012	Mar. 1980 Tokyo U. (Graduate School of Naval Architecture) Nov. 1994 Kyushu U. Doctor (Engineering)
Masato Yamada (May 14, 1955)	Deputy Project Leader, Shanghai-Baoshan Cold-rolled & Coated Sheet Products Project, Global Business Development Sector; Deputy Project Leader, India Continuous Annealing and Processing Line Project, Global Business Development Sector; Cooperating with Head of Unit, Flat Products Unit on Flat Products Technology	Apr. 1980 Oct. 2012	Mar. 1980 Tokyo U. (Graduate School of Nuclear Engineering)
Shinji Fujino (July 29, 1955)	Head of Works, Nagoya Works	Apr. 1981 June 2015	Mar. 1981 Tohoku U. (Graduate School of Metallurgical Engineering)
Eiji Hashimoto (Dec. 7, 1955)	Vice Head of Global Business Development; Project Leader, Usiminas Project, Global Business Development Sector; Overseas Offices	Apr. 1979 Apr. 2013	Mar. 1979 Hitotsubashi U. (Commerce) June 1988 Harvard Kennedy School of Government Master of Public Policy
Kenji Takahashi (July 1, 1955)	Head of Works, Kashima Works	Apr. 1981 Apr. 2013	Mar. 1981 Tokyo U. (Graduate School of Engineering)
Tsuneo Miyamoto (Nov. 20, 1955)	Project Leader, CSVC Project, Global Business Development Sector; Rendering Assistance to EVP S. Higuchi on Overseas Projects concerning Flat Products	Apr. 1980 Apr. 2014	Mar. 1980 Keio U. (Economics)
Toshiharu Sakae (Jan. 25, 1956)	Vice Head of Global Business Development; Corporate Planning; Group Companies Planning	Apr. 1980 Apr. 2014	Mar. 1980 Tokyo U. (Law) Dec. 1988 University of Illinois Master of Science in Business Administration

Name (Date of birth)	Responsibilities	Joined the company Assumed the position	Education
Akihiko Inoue (Aug. 21, 1957)	Head of Works, Kimitsu Works	Apr. 1982 Apr. 2014	Mar. 1982 Tokyo U. (Graduate School of Industrial Mechanical Engineering) June 1990 Massachusetts Institute of Technology Master of Science
Hirotsune Satoh (Apr. 30, 1956)	Business Process Innovation; Human Resources; Cooperating with Managing Director, Member of the Board S. Tanimoto on Safety	Apr. 1981 Apr. 2014	Mar. 1981 Keio U. (Economics)
Katsuhiro Miyamoto (Oct. 22, 1956)	Accounting & Finance; Machinery & Materials Procurement; Cooperating with Managing Executive Officer M. Matsuno on Public Relations	Apr. 1981 Apr. 2015	Mar. 1981 Hitotsubashi U. (Law) June 1988 London Business School Sloan Fellowship programme
Masato Matsuno (May 29, 1957)	Head of Division, General Administration Division; Internal Control & Audit; Rendering Assistance to EVP S. Sakuma on Legal; Cooperating with Managing Executive Officer H. Satoh on Business Process Innovation	Apr. 1981 Apr. 2015	Mar. 1981 Tokyo U. (Economics)
Shin Nishiura (June 26, 1958)	Head of Office, Beijing Office; Rendering Assistance to EVP K. Ota on Global Business Development in China	Apr. 1981 Apr. 2015	Mar. 1981 Hitotsubashi U. (Law)
Yoichi Furuta (Dec. 28, 1958)	Rendering Assistance to EVP K. Ota on Global Business Development in the Americas	Apr. 1981 Apr. 2015	Mar. 1981 Tokyo U. (Law) June 1990 Harvard Business School MBA
Hiroyuki Nitta (Jan. 20, 1959)	Head of Works, Oita Works	Apr. 1983 Apr. 2015	Mar. 1983 Kyoto U. (Graduate School of Electrical Engineering) May 1990 Rensselaer Polytechnic Institute Master of Engineering
Tomoaki Nakagawa (July 22, 1958)	Head of Unit, Bar & Wire Rod Unit	Apr. 1981 Apr. 2015	Mar. 1981 Hokkaido U. (Economics)
Executive Officers			
Kazuhiro Egawa (Feb. 24, 1959)	Rendering Assistance to EVP K. Ota on Global Business Development in Southeast Asia and India; Rendering Assistance to Managing Executive Officer E. Hashimoto on Overseas Offices in Southeast Asia and India	Apr. 1981 Apr. 2013	Mar. 1981 Hitotsubashi U. (Economics)

Name (Date of birth)	Responsibilities	Joined the company Assumed the position	Education
Naoki Konno (Apr. 30, 1958)	Quality Management; Slag & Cement; Cooperating with Head of Division, Technical Administration & Planning Division on Monozukuri Planning	Apr. 1982 Apr. 2013	Mar. 1982 Tohoku U. (Physics)
Toru Takegoshi (May 16, 1958)	Head of Division, Group Companies Planning Division; Cooperating with Head of Division, Human Resources Division on Human Resources	Apr. 1982 Apr. 2013	Mar. 1982 Keio U. (Law)
Atsushi Iijima (June 12, 1958)	Head of Unit, Plate Unit	Apr. 1982 Apr. 2013	Mar. 1982 Tokyo U. (Economics)
Shinichi Nakamura (Feb. 15, 1959)	Head of Unit, Construction Products Unit	Apr. 1982 Apr. 2013	Mar. 1982 Tokyo U. (Law)
Masaki Iwasaki (May 10, 1959)	Head of Works, Hirohata Works	Apr. 1984 Apr. 2013	Mar. 1984 Kyoto U. (Graduate School of Metals Science & Technology)
Toshihiko Kunishi (July 24, 1959)	Vice Head of Unit, Pipe & Tube Unit; Deputy Project Leader, VSB Project, Global Business Development Sector	Apr. 1982 Apr. 2013	Mar. 1982 Waseda U. (Law)
Yutaka Andoh (Sep. 30, 1958)	Head of Works, Muroran Works, Bar & Wire Rod Unit	Apr. 1981 Apr. 2014	Mar. 1981 Tokyo U. (Engineering)
Kazuo Tanimizu (Dec. 19, 1958)	Raw Materials	Apr. 1981 Apr. 2014	Mar. 1981 Waseda U. (Political Science and Economics)
Takahiro Mori (Oct. 3, 1957)	Vice Head of Unit, Flat Products Unit	Apr. 1983 Apr. 2014	Mar. 1983 Tokyo U. (Law) May 1992 University of Pennsylvania (Wharton) MBA
Yoshiyuki Komuro (June 8, 1959)	Head of Division, Flat Products Technology Division, Flat Products Unit; Cooperating with Head of Division, Technical Administration & Planning Division on Hot Rolling Technology	Apr. 1983 Apr. 2014	Mar. 1983 Tokyo Institute of Technology (Engineering) May 1991 Brown University Master of Science
Hiromi Ishii (Feb. 4, 1960)	Head of Division, Bar & Wire Rod Technology Division, Bar & Wire Rod Unit	Apr. 1983 Apr. 2014	Mar. 1983 Waseda U. (Engineering) May 1993 Carnegie Mellon University Master of Engineering
Kazuhiro Nakashima (Oct. 24, 1960)	Head of Works, Wakayama Works	Apr. 1983 Apr. 2014	Mar. 1983 Osaka U. (Engineering)
Naoki Satoh (Mar. 23, 1961)	Head of Works, Yawata Works	Apr. 1983 Apr. 2014	Mar. 1983 Kyushu Institute of Technology (Engineering)
Akio Migita (Oct. 19, 1961)	Head of Division, Human Resources Division	Apr. 1984 Apr. 2014	Mar. 1984 Tokyo U. (Law)

Name (Date of birth)	Responsibilities	Joined the company Assumed the position	Education
Makoto Tsuruhara (Mar. 14, 1959)	Vice Head of Unit, Railway, Automotive & Machinery Parts Unit; Head of Division, Railway, Automotive & Machinery Parts Marketing Division, Railway, Automotive & Machinery Parts Unit	Apr. 1982 Apr. 2015	Mar. 1982 Kobe U. (Law)
Yoshimi Yamadera (June 30, 1959)	Head of Works, Amagasaki Works, Pipe & Tube Unit	Apr. 1985 Apr. 2015	Mar. 1985 Waseda U. (Graduate School of Mechanical Engineering)
Yasushi Aoki (Mar. 8, 1960)	Head of Division, Raw Materials Division-II	Apr. 1983 Apr. 2015	Mar. 1983 Hitotsubashi U. (Commerce)
Shunichi Hayashi (May 15, 1960)	Head of Division, R & D Planning Division, R & D Laboratories	Apr. 1986 Apr. 2015	Mar. 1986 Tokyo Institute of Technology (Graduate School of Science and Engineering) Sep. 1996 Osaka U. Doctor (Engineering)
Kazuhisa Fukuda (Dec. 8, 1960)	Head of Division, Safety Division	Apr. 1986 Apr. 2015	Mar. 1986 Keio U. (Graduate School of Mechanical Engineering)
Shuhei Onoyama (Dec. 20, 1961)	Head of Division, Technical Administration & Planning Division; Rendering Assistance to Managing Executive Officer H. Satoh on Business Process Innovation	Apr. 1984 Apr. 2015	Mar. 1984 Tokyo U. (Engineering)
Hiromitsu Ueno (Feb. 23, 1962)	Head of Division, Ironmaking Technology Division	Apr. 1986 Apr. 2015	Mar. 1986 Tokyo U. (Graduate School of Mineral Development Engineering)
Senior Audit & Supervisory Board Member			
Yutaka Takeuchi (Dec. 10, 1956)		Apr. 1980 June 2015	Mar. 1980 Tokyo U. (Economics)
Audit & Supervisory Board Members			
Hirotomo Suetsugu (Dec. 30, 1953)		Apr. 1977 June 2012	Mar. 1977 Kyoto U. (Law)
Hirohiko Minato (Mar. 9, 1956)		Apr. 1978 Oct. 2012	Mar. 1978 Keio U. (Law)
Hirotake Abe (Nov. 13, 1944)		- Oct. 2012	Mar. 1968 Chuo U. (Commerce)

Katsunori Nagayasu (Apr. 6, 1947)	- June 2013	Apr. 1970 Tokyo U. (Law) June 1990 Massachusetts Institute of Technology Sloan School of Management Master of Science
Hiroshi Obayashi (June 17, 1947)	- June 2014	Mar. 1970 Hitotsubashi U. (Law)
Jiro Makino (Oct. 22, 1949)	- June 2014	Mar. 1973 Tokyo U. (Economics)

Executive Management System

In order to facilitate decision-making by management with greater speed and mobility in responding to changes in business environments, NSSMC has adopted the Executive Management System. Executive officers are “important employees” (under the Company Law of Japan) who execute their respectively assigned important business responsibilities.

Fellows*

(As of April 1, 2015)

Name (Date of birth)	Responsibilities	Joined the company Assumed the position	Education
Miyuki Yamamoto (Jan. 7, 1957)	Fatigue and fracture of steel products	Apr. 1981 Oct. 2012	Mar. 1981 Kyoto U. (Graduate School of Aeronautical Engineering) Nov. 1997 Kyoto U. Doctor (Engineering)
Manabu Takahashi (Nov. 18, 1956)	Sheet products and their application technologies	Apr. 1982 Oct. 2012	Mar. 1982 Kyushu U. (Graduate School of Physics) Mar. 1993 University of Cambridge Ph. D. in Science
Masaaki Igarashi (Jan. 29, 1957)	Head of Advanced Technology Research Laboratories, R&D Laboratories; Metallurgy and physical property of steel products and alloys	Apr. 1981 Oct. 2012	Mar. 1981 Osaka U. (Graduate School of Nuclear Engineering) Nov. 1991 Kyoto U. Doctor (Engineering)
Kazuo Okamura (May. 31, 1959)	Computational elastoplasticity	Apr. 1984 Apr. 2014	Mar. 1984 Kobe U. (Graduate School of Systems Engineering) Jan. 2001 Kyoto U. Doctor (Energy Science)
Ryoichi Kanno (Mar. 6, 1960)	Steel structures	Apr. 1984 Apr. 2014	Mar. 1984 Tokyo Institute of Technology (Graduate School of Civil Engineering) Aug. 1993 Cornell University Ph. D. in Engineering
Koji Saito (Aug. 21, 1958)	Ironmaking processes and characterization of raw materials	Apr. 1984 Apr. 2015	Mar. 1984 Nagoya Institute of Technology (Graduate School of Industrial Chemistry) Jun. 1994 Tohoku U. Doctor (Science)

* The Fellow Selection Committee selects fellows from researchers with outstanding achievements and according to professional specialization. Fellows are treated as executive officers.

Major Posts Outside the Company

Post and name	Major outside posts	Hobbies
Representative Director and Chairman **Shoji Muneoka**	Chairman, The Japan Iron and Steel Federation (May 27, 2008-May 28, 2010) Vice Chairman, Keidanren (May 28, 2009-Jun. 4, 2013) Chairman, All Japan Judo Federation (Aug. 21, 2013-) Chairman, Japan Project - Industry Council (June 27, 2014-) Chairman, Japan-China Economic Association (July 7, 2015-)	・Listenning to classical music, golf
Representative Director and President **Kosei Shindo**		・Sport watching, golf

Past Chairmen and Presidents

Nippon Steel Corporation

■Yawata Iron & Steel Co., Ltd.

Chairman	Tenure	President
—	Apr. 1, 1950-Apr. 9, 1952	**Takashi Miki**
	May 10, 1952-Jan. 6, 1956	**Gisuke Watanabe**
	Jan. 13, 1956-May 28, 1962	**Arakazu Ojima**
Arakazu Ojima	May 28, 1962-May 29, 1967	**Yoshihiro Inayama**
—	May 29, 1967-Mar. 30, 1970	

■Fuji Iron & Steel Co., Ltd.

Chairman	Tenure	President
—	Apr. 1, 1950-Mar. 30, 1970	**Shigeo Nagano**

■Nippon Steel Corporation

Chairman	Tenure	President
Shigeo Nagano	Mar. 31, 1970-May 30, 1973	**Yoshihiro Inayama**
Yoshihiro Inayama	May 30, 1973-Jun. 29, 1976	**Tomisaburo Hirai**
	Jun. 29, 1976-Jan. 18, 1977	**Teruyoshi Tasaka**
	Jan. 20, 1977-Jun. 29, 1981	**Eishiro Saito**
Eishiro Saito	Jun. 29, 1981-Jun. 26, 1987	**Yutaka Takeda**
Yutaka Takeda	Jun. 26, 1987-Jun. 29, 1989	**Hiroshi Saito**
Akira Miki	Jun. 29, 1989-Jun. 29, 1993	
Hiroshi Saito	Jun. 29, 1993-Mar. 31, 1998	**Takashi Imai**
Takashi Imai	Apr. 1, 1998-Mar. 31, 2003	**Akira Chihaya**
Akira Chihaya	Apr. 1, 2003-Jan. 22, 2007	**Akio Mimura**
—	Jan. 23, 2007-Mar. 31, 2008	
Akio Mimura	Apr. 1, 2008-Sep. 30, 2012	**Shoji Muneoka**

Sumitomo Metal Industries

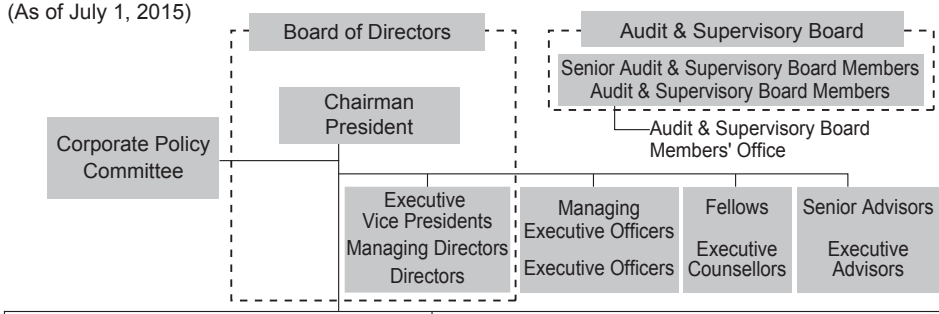
Chairman	Tenure	President
	Jul. 1, 1949-Nov. 28, 1962	**Hisakazu Hirota**
Hisakazu Hirota	Nov. 28, 1962-May 29, 1973	**Hosai Hyuga**
—	May 29, 1973-Nov. 28, 1974	
Hosai Hyuga	Nov. 28, 1974-Jun. 28, 1978	**Noboru Inui**
	Jun. 28, 1978-Jun. 27, 1986	**Yoshifumi Kumagai**
Yoshifumi Kumagai	Jun. 27, 1986-Jun. 29, 1988	**Yasuo Shingu**
—	Jun. 29, 1988-Jun. 26, 1992	
Yasuo Shingu	Jun. 26, 1992-Jun. 27, 1996	**Tameaki Nakamura**
	Jun. 27, 1996-Jun. 26, 1998	**Matao Kojima**
Reijiro Mori	Oct. 26, 1998-Jun. 29, 2000	
Matao Kojima	Jun. 29, 2000-Jun. 28, 2001	**Hiroshi Shimozuma**
—	Jun. 28, 2001-Jun. 29, 2005	
Hiroshi Shimozuma	Jun. 29, 2005-Jun. 26, 2012	**Hiroshi Tomono**
—	Jun. 26, 2012-Sep. 30, 2012	

Nippon Steel & Sumitomo Metal Corporation

Chairman	Tenure	President
Shoji Muneoka	Oct. 1, 2012-Mar. 31, 2014	**Hiroshi Tomono**
	Apr. 1, 2014-	**Kosei Shindo**

Organization

(As of July 1, 2015)



- Corporate Planning Div.
- Group Companies Planning Div.
- Accounting & Finance Div.
- General Administration Div.
- Legal Div.
- Internal Control & Audit Div.
- Business Process Innovation Div.
- Human Resources Div.
- Environment Div.
- Intellectual Property Div.
- Safety Div.
- Plant Safety Div.
- Technical Administration & Planning Div.
- Quality Management Div.
- Plant Engineering and Facility Management Center
  - Plant Engineering Div.
  - Mechanical Engineering Div.
  - Refractory Ceramics Div.
  - Systems & Control Engineering Div.
  - Civil Engineering Div.
- Ironmaking Technology Div.
- Steelmaking Technology Div.
- Energy Technology Div.
- Slag & Cement Div.
- Marketing Administration & Planning Div.
- Transportation & Logistics Div.
- Project Development Div.
- Raw Materials Div.-I
- Raw Materials Div.-II
- Machinery & Materials Procurement Div.
- R&D Laboratories
  - R&D Planning Div.
  - Steel Research Laboratories
  - Advanced Technology Research Laboratories
  - Process Research Laboratories
  - R&D Labs. at Works*

(* Muroran, Kashima, Kimitsu, Nagoya, Hirohata, Yawata, Oita)

- Global Business Development Sector
  - Global Business Development Div.
  - Global Business Support Center
  - Usiminas Project
  - Shanghai-Baoshan Cold-rolled & Coated Sheet Products Project
  - India Continuous Annealing and Processing Line Project
  - VSB Project
  - CSVC Project
- Plate Unit
  - Plate Technology Div.
  - Plate Marketing Div.
- Flat Products Unit
  - Flat Products Planning Div.
  - Flat Products Technology Div.
  - Flat Products Marketing Div.
  - Flat Products Global Marketing Div.
  - Automotive Flat Products Div.
  - Tin Mill Products Div.
  - Electrical Steel Sheet Div.
- Bar & Wire Rod Unit
  - Bar & Wire Rod Technology Div.
  - Bar & Wire Rod Marketing Div.
  - Muroran Works
  - Kamaishi Works
- Construction Products Unit
  - Construction Products Development Div.
  - Rail, Shape & Spiral Pipe Technology Div.
  - Construction Products Marketing Div.
- Pipe & Tube Unit
  - Tubular Products Planning Div.
  - Tubular Products Technology Div.
  - Tubular Products Marketing Div.
  - Oil Country Tubular Goods & Line Pipe Marketing Div.
  - Specialty Tubular Products Marketing Div.
  - Amagasaki Works
- Railway, Automotive & Machinery Parts Unit
  - Railway, Automotive & Machinery Parts Marketing Div.
  - Osaka Steel Works
- Titanium & Specialty Stainless Steel Unit
  - Titanium & Specialty Stainless Steel Technology Div.
  - Titanium & Specialty Stainless Steel Marketing Div.
  - Naoetsu Works
  - Hikari Titanium Production Div.

- Kashima Works
- Kimitsu Works
- Nagoya Works
- Wakayama Works
- Hirohata Works
- Yawata Works
- Oita Works

- Osaka Office
- Hokkaido Marketing Branch
- Tohoku Marketing Branch
- Niigata Marketing Branch
- Hokuriku Marketing Branch
- Ibaraki Marketing Branch
- Nagoya Marketing Branch
- Chugoku Marketing Branch
- Shikoku Marketing Branch
- Kyushu Marketing Branch

Overseas Subsidiaries and Offices

NIPPON STEEL & SUMITOMO METAL U.S.A., INC.
(Head Office: New York, Chicago, Houston, Mexico City)

NIPPON STEEL & SUMITOMO METAL Empreendimentos Siderúrgicos Ltda.
(Head Office: São Paulo, Belo Horizonte)

European Office
(Düesseldorf)

NIPPON STEEL & SUMITOMO METAL Australia Pty. Limited
(Head Office: Sydney)

NIPPON STEEL & SUMITOMO METAL Consulting (Beijing) Co., Ltd.
(Head Office: Beijing, Shanghai, Guangzhou)

PT. NIPPON STEEL AND SUMITOMO METAL INDONESIA
(Head Office: Jakarta)

NIPPON STEEL & SUMITOMO METAL Southeast Asia Pte. Ltd.
(Head Office: Singapore)

NIPPON STEEL & SUMITOMO METAL (Thailand) Co., Ltd.
(Head Office: Bangkok, Vietnam)

NIPPON STEEL & SUMITOMO METAL India Private Limited
(Head Office: New Delhi)

Dubai Office

Business Plan

Mid-Term Management Plan (announced on March 3, 2015)

Accelerating towards Becoming the "Best Steelmaker with World-Leading Capabilities"

Major Features of the 2015-2017 Management Plan

1. Steel business:

NSSMC's business model is based on the objective of enhancing the company's global business development: (1) "mother mills in Japan as a manufacturing and development base for producing and supplying to customers the world's leading steel-making and high-grade steel," and (2) "overseas downstream bases, in growth markets, are to utilize the mother mills' materials and technologies."

(1) Enhancing mother mills' competitiveness

1) Improvement of domestic steelworks

Domestic manufacturing bases will continue to contribute to the Group through development and improvement of technology, cost managements, and productivity improvement, as well as stable production of iron and steel. They will also provide middle to high-end product for use in Japan and overseas, and technical assistance to overseas bases.

The 2017 Mid-Term Management Plan targets, as a basic and critical management issue, operational improvement and reinforcement of the major facilities which have been in use for over 40 years.

2) Optimizing the iron-making production framework

NSSMC intends to raise productivity of the entire iron-making network of the company by achieving a higher pig iron ratio. By optimizing the entire production network, the company aims to become more competitive and advantageous relative to its peers in a harsh competitive landscape.

(A) At Kimitsu Works, a shift to two-blast-furnace operation (operation of No. 3 blast furnace to be ceased) will be completed by around the end of fiscal 2015, as called for by the 2013 Mid-Term Management Plan.

(B) Yawata Works, which consists of three areas, Yawata, Tobata, and Kokura, will take the following measures to optimize production framework.

Molten iron will be transported from the Tobata to the Kokura Area as Tobata raise No. 4 blast furnace and installation of private railway between the two areas will be installed.

NSSMC's other steelworks will supply billet to the Kokura Area for its production of special steel bars and wire rods.

Although the Kokura No. 2 blast furnace will cease operation, the Kokura Area will raise steelmaking production efficiency, achieve optimal production of bars and wire rods, and enhance competitiveness.

Kokura's production of special steel bars and wire rods will be maintained at the present level.

Meanwhile, Wakayama Works will start preparing for a switch from the No. 5 blast furnace to the new No. 2 blast furnace, which is on standby. The switch will be executed on a timely basis, depending on the demand outlook.

(A) Kimitsu Works	Shift to two-blast furnace operation (operation of the No. 3 blast furnace to be ceased)	Around the end of fiscal 2015
(B) Yawata Works	(a) Increase output of the Tobata No. 4 blast furnace and install a private railway and a tunnel for transportation of molten iron to provide Tobata's molten iron to the Kokura Area within Yawata Works	Around fiscal 2018
	(b) Cease operation of the Kokura No. 2 blast furnace	Around the end of fiscal 2018
	(c) Streamlining of a steelmaking plant Kokura's No.4 continuous caster, which performs better in terms of quality management and productivity, in the steelmaking plant will raise capacity utilization, and operation of Kokura's No.3 continuous caster to be ceased.	Around the end of fiscal 2018

(2) Promoting global strategy

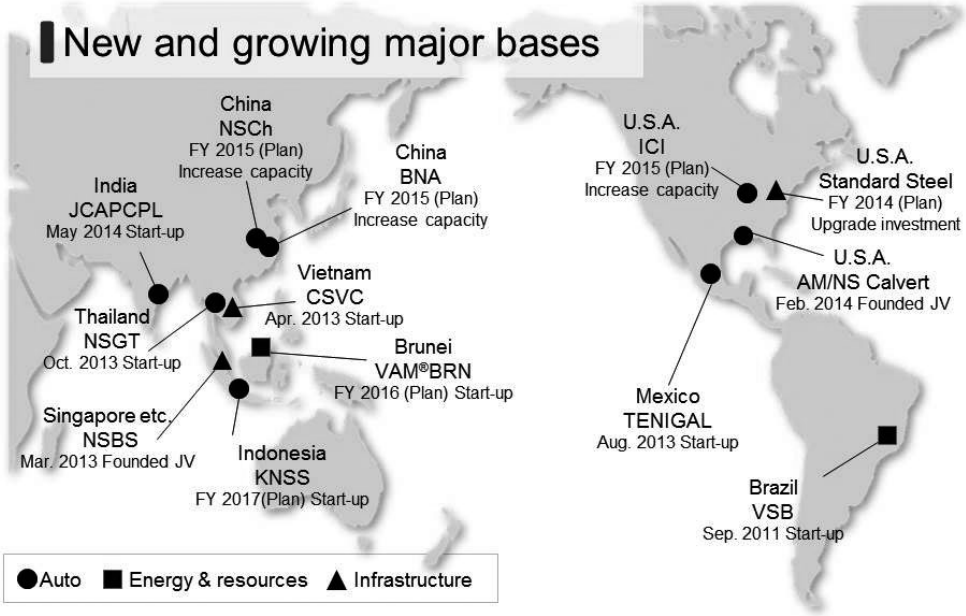
NSSMC seeks to maintain and expand its position in the global high-grade steel market, leveraging its technologies in order to achieve objectives in terms of product competitiveness, cost competitiveness, and supply network functions.

1) NSSMC is determined to steadily capture demand for high-grade steel in major business areas (automotive, energy and resources, infrastructure-related such as railway, construction and civil engineering) in the global market. This objective will be attained by providing to customers comprehensive solutions related to their issues on materials, parts design and manufacturing processes, and by further utilization of overseas manufacturing bases to support customers. In the Japanese and global markets, the company will also strive to maintain and expand its position by further differentiating products and demonstrating the NSSMC Group's comprehensive power on distribution and processing.

2) While capturing the demand in overseas growing markets, particularly in the North American and ASEAN markets, where automakers and other major customers have manufacturing bases, NSSMC will ensure its presence and prominence by a combination of exports of high-grade steel products and local production.

3) NSSMC will make best efforts to ensure smooth start-up and raise competitiveness of the overseas projects. Major overseas investment projects are as follows.

4) NSSMC will strengthen organizational and management basis to support the above-mentioned global business development, including reinforcement of regional business supervision, development of personnel for global business development, and setting up of systems for operation and management.



(3) Enhancing technological superiority

Technological leadership greatly contributes to enhance NSSMC's global manufacturing capabilities and supports its business strategy, by taking the following measures.

1) NSSMC aims to further enhance its world-leading technologies by having the largest team of researchers (about 800) in the global steel industry. The company will also strive to lead the world market through its intensive activities including, (i) developing high-end products with excellent functions (e.g. high-tensile steel sheet, corrosion-resistance high-alloy seamless steel tubes) in sectors of growing demand such as automotive, energy and resources, and infrastructure-related sectors, (ii) delivering comprehensive solutions to its customers, ranging from process design to material selection and processing, and (iii) achieving significant improvement in productivity through production process innovation.

2) To accelerate technological development NSSMC plans to increase its R&D spending by about 10 % from the current level. NSSMC will also adequately prepare for the expected future needs of customers and society by engaging in the next generation research on advanced steel products such as those required for the broad utilization of hydrogen, as well as in research on basic and element technologies utilizing advanced analytical and mathematical approaches.

(4) Establishing world-leading cost competitiveness

NSSMC aims to realize cost competitiveness equivalent to 150 billion yen a year or more (unconsolidated basis), in approximately three years. This target will be attained, by maximizing the synergy effect from consolidating the production network and other means, effects from refurbishment of coke ovens, and intensive improvement in operation skills to enable improvement in yields. Combining the effects of all those measures with those of the above measures to strengthen mother mills, NSSMC will establish world-leading cost competitiveness to win in the global competition.

Measures	Amount	Major items
1) Maximize synergy effects	¥60bn	● Optimal production network (raising capacity utilization of the entire iron-making, consolidation of downstream processing, etc.) ● Adoption of best technological practices of the former two companies ● Synergies from integration of group companies ● Slim-down of the head office; etc.
2) Realize effects of investments to improve operation	¥90bn	● Measures to refresh coke ovens ● Improvement in yield; etc.

(5) Strengthening group companies of the Steel business

The group companies already integrated during the 2013 Mid-Term Plan will seek far greater synergies. At the same time, NSSMC will seek group-wide synergies, such as those of NSSMC and group companies, and those among group companies.
In addition to the above, to optimize group structure, NSSMC will undertake further reorganization within the group and concentration on core business operations in light of assessment of each group company's domain business.

2. Policies for the non-steel business segments and maximization of combined Group strength

Each of the non-steel business segments pursues synergies with NSSMC's core business of steelmaking. All of the four segments will strive to improve its competitiveness and aim to achieve top-class profitability in their respective business sectors.

Moreover, the entire Group's maximal synergies will be pursued by combining world-leading products and technologies of the five business segments including the Steel Business segment, making alliances in R&D, and delivering comprehensive solutions to worldwide customers.

(1) Engineering Business

The Engineering Business segment will pursue further profit growth in each business sector. The steelmaking plant business sectors, as the core business sector in this business segment, support the Steel Business to manufacture distinctive products. In the steel structure business sector, business opportunities will be maximized in the disaster prevention and national resilience measures undertaken in Japan, and also in the infrastructure construction towards the 2020 Tokyo Olympic Games. The energy and environment sector will aggressively expand its business into overseas growing markets mainly in Asia.

(2) Chemical Business

The Chemical Business segment executes chemical product businesses using tar, generated as by-product from coke oven in steelmaking, as raw material. Stable profit is being pursued with its main business sectors including carbon materials (e.g. needle coke, carbon black), chemical products (e.g. styrene monomer), PWB materials (ESPANEX™) and epoxy resin products. Furthermore the segment will aim to create next-generation business, especially in automotive and infrastructure-related markets, with its core technologies in carbon and resin.

(3) New Material Business

The New Material Business segment promotes material business with technological origin and basic support from R&D division in NSSMC, including the electronic industry materials (e.g. surface-coated bonding wire: EX™), infrastructure-related sector (e.g. carbon fiber composites), and environmental sector

(e.g. metal catalyst carriers for exhaust purification). To promote its growth strategy, the segment will advance further improvement in differentiated products and technologies, reinforce overseas production bases, and develop technologies and business for future.

(4) System Solutions Business

The System Solutions Business segment supports efficient production of the Steel Business with its inter-group system solutions function. In addition the segment targets to achieve sustainable growth with leading-edge profitability in the industry by providing competitive system solutions which can satisfy enhancing IT needs in industrial customers, IT outsourcing mainly in operation and maintenance, IT services including cloud computing.

3. Investing management resources for growth

With the objective in enhancing competitiveness of mother mills, capital expenditures in Japan are projected to be around 450 billion yen per year (an increase of around 100 billion yen compared to the 2013 Mid-Term Management Plan). They will include spending for renovation of coke ovens and other large facilities, measures to maintain and improve soundness of facilities, and measures for profit improvement that contributes to greater cost competitiveness. In addition, business investments are projected to be around 100 billion yen per year and growth investment is determined on a timely basis. NSSMC also plans to hire about 1,300 persons per year (an increase of around 600 persons compared to the 2013 Mid-Term Management Plan) in order to enhance its human resources capacity.

In addition, the company will further advance concentration on core business operation on a group-wide basis and proceed with asset compression (targeting approximately 200 billion yen within about three years), which will partially fund growth investment and help improve its financial strengths.

	Fiscal 2015-2017	(Reference) Forecasts for fiscal 2013-14
Capital expenditures in Japan	Approx. ¥1,350bn for 3 years	Approx. ¥700bn in 2 years
Business investment	Approx. ¥300bn for 3 years	Approx. ¥260bn in 2 years
R&D spending	Approx. ¥210bn for 3 years	Approx. ¥130bn in 2 years
Number to be newly employed (unconsolidated basis)	Approx. 1,300 persons per year	Approx. 700 persons per year

4. Continuing to be a company with integrity and reliability

NSSMC will strive to be a trusted company in society by taking the following measures.

(1) The company will continue to practice its Corporate Philosophy* and strive to further contribute to society.

(2) It will comply with laws, regulations, and rules and implement appropriate measures for risk management in environment, safety, and disaster prevention. In particular, bearing in mind the Nagoya Works' accidents of last year, the company will continue to make concerted efforts in measures to prevent accidents

* NSSMC's Corporate Philosophy: "Nippon Steel & Sumitomo Metal Corporation Group will pursue world-leading technologies and manufacturing capabilities, and contribute to society by providing excellent products and services."

5. Accelerating towards becoming the “best steelmaker with world-leading capabilities”

(1) Through implementation of the measures outlined above, NSSMC will aim to strengthen its competitive base (steel production of 50 million tons) in Japan and secure increased profits and competitiveness in its overseas businesses (overseas sales volume growth of 20% compared to that of fiscal 2014). In so doing, NSSMC aims to achieve in the medium- to long-term an increase in cash flows and growth in profitability, with the targeted return on sales (ROS) of 10% or more and return on equity (ROE) of 10% or more.

(2) After incorporating such investments for growth, NSSMC aims to achieve a debt-to-equity ratio of around 0.5, which is equivalent to the average level of an international “A” rating status, by the end of fiscal 2017 and attain robust financial position.

(3) Regarding return to shareholders the company will raise its targeted payout ratio from the present base of “approximately 20%” to “around 20-30%” on a consolidated basis(applying from fiscal 2015).

(4) By taking those measures, the company will endeavor to become the “best steelmaker with world-leading capabilities.”

2017 Mid-Term Management Plan targets

	Targets for fiscal 2017	(Reference) Forecasts for fiscal 2014
Return on sales (ROS)	10% or more	7.3%
Return on equity (ROE)	10% or more	About 6 -7%
D/E ratio	About 0.5	About 0.7

History of Management Plans and Organizational Reshuffling

1970	・Nippon Steel Corporation was established.	
1974	・Engineering Divisions Group was organized.	
1977	・The Project Planning & Development Bureau was organized.	
1978	**First Modernization Plan** →	To rationalize annual crude steel production by reducing output from 47 million tons to 36 million tons by 1980. Major equipment closure: One large section mill each at Kamaishi and Yawata Works, one plate mill at Hirohata Works
1979	・Entire organization was reformed into basic five units: head office, steelworks, company-wide unit, engineering business and development business.	
1981	・The technical department was reorganized to establish Technical Development Bureau and Central R&D Bureau.	
1982	**Second Modernization Plan** → ・The personnel system was reorganized as a three-tier position system.	To urgently bring the annual crude steel production scale down to 28 million tons Major equipment closure: One blast furnace each at Muroran, Hirohata and Sakai Works
1984	**Third Modernization Plan** → ・Nippon Steel Chemical Co., Ltd. was established by the merger of Nippon Steel Chemical Co., Ltd. and Nittetsu Chemical Industrial Co., Ltd. ・The articles of incorporation were changed to become a comprehensive materials maker with the establishment of the New Materials Projects Bureau and the Titanium Division.	To realize the production scale appropriate for the medium-term annual crude steel production of 27 to 28 million tons Major equipment closure: One large section mill each at Muroran and Hirohata Works, one blast furnace at Kamaishi Works, one hot- rolling mill at Sakai Works
1985	・The Engineering Divisions Group was shifted to the divisional operating system. ・The New Business Planning & Development Division was newly organized.	
1986	・The Electronics Division was organized.	
1987	**First Medium-Term Business Plan (Fourth Modernization Plan)** → ・The articles of incorporation were changed to provide for multiple-business management with the establishment of the Electronics & Information Systems Division, New Materials Division, Service Business Division and Biotechnology Business Division.	Plan duration: Four years, FY1987 to FY1990 To realize the production system that can secure profits even if annual crude steel production in FY1990 dropped to 24 million tons Major equipment closure: One blast furnace each at Yawata, Kamaishi, Hirohata, Muroran and Sakai Works To propose the medium- and long-term visions for multiple-business management (by reform of operating structures) ∗
1988	・The Electronics & Information Systems Division was spun-off to establish Nippon Steel Information & Communication Systems Inc.	
1989	・The Urban Development Division was organized.	
1990	・The Space World, a theme park about space, opened.	

1991	**Second Medium-Term Business Plan** → ・The Technical Development Bureau was organized and the R&E Center was completed as an organization to integrate research, development and engineering. ・The Nippon Steel Fellow System was introduced.	Plan duration: Three years, FY1991 to FY1993 Basic policies ・Strengthening of the competitiveness of the steel business ・Promotion of electronics and information systems, urban development and building construction as a major force to expand new businesses Realization of the world's most competitive steel business ・Development of new products ・Innovation in production and logistics systems ・New equipment investment of more than ¥600 billion in three years ・Improvement of labor productivity by 15%
1993	・Nippon Steel Semiconductor Corporation was established and the LSI Division was organized.	
1994	**Third Medium-Term Business Plan** → ・The Corporate Policy Committee was organized.	Plan duration: Three years, FY1994 to FY1996 1. Restructuring of international competitiveness of the steel business ・Restructuring of cost performance superior to that of the strongest competitor (Cost reduction by ¥300 billion) ・Structuring of the 20,000 employee organization 2. Restructuring of management software ・Slimming-down of head office functions (leaner head office) ・Integration of sales and technical divisions and product-wise divisional operations 3. Strengthening and promotion of multiple-business management and group strategies 4. Incessant efforts for market development
1995	・The articles of incorporation were changed to add electricity supply to the business line.	
1997	**Medium-Term Business Plan** → ・The personnel system was revised (reduction of positions and introduction of a group system). ・The Stainless Steel Division was organized. ・Business divisions of the Engineering Divisions Group were reorganized.	Plan duration: Three years, FY1997 to FY1999 1. Structuring of multiple-business management 2. Innovation of management software 3. Strengthening of consolidated management 4. Creation of new demands and development of new markets Management targets ・Securing of appropriate ordinary profits (ordinary profits of more than ¥100 billion/year on a stable basis) ・Strengthening of financial structure ・Consolidated sales of ¥3,050 billion for FY1999
1998	・The Engineering Divisions Group was positioned as an autonomous company in management and operation.	

2000 **Medium-Term Consolidated Business Plan** →

Plan duration: Three years, FY2000 to FY2002
1. Strong consolidated business and the robust Nippon Steel Group
2. Strengthening of consolidated management for improved consolidated business results

Consolidated target for FY2002
- ・Ordinary profit ¥180 billion or more
- ・Free cash flow ¥500 billion for 3 years
- ・ROS 7.5%, ROA 5.5%

- ・Organizational and operating systems of the steel business were examined with the objective to promote divisionally integrated operations within the group based on product item or business area.
- ・The articles of incorporation were changed to add gas supply and waste treatment/ recycling to the business lines.

2001
- ・Operations of Nippon Steel's Electronics and Information Systems Division and its subsidiary Nippon Steel Information & Communication Systems Inc. were integrated to organize NS Solutions Corporation.

2002
- ・All operations of Nippon Steel's Urban Development Division were integrated into Nippon Steel City Produce, Inc. (company name changed from Nippon Steel Life Planning Co., Ltd. in April 2001).
- ・The articles of incorporation were changed to add manufacture and sale of machinery and equipment, such as environmental plants, water supply and sewage-related facilities, and supply of heat and other energy to the business lines.

2003 **Medium-Term Consolidated Business Plan** →

Plan duration: Three years, FY2003 to FY2005
1. Substantial improvements of its financial structure
2. Completion of selection and concentration of its business segments, and enhancement of overall efficiency
3. Investment decision aimed at improving both quality and capacity in high value-added market segments that will bring future profit growth in its steel business

Consolidated target for FY2005
- ・Ordinary profit Approx. ¥250 billion
- ・ROS Approx. 9%
- ・ROA Approx. 9%
- ・Interest bearing debt Approx. ¥1,600 billion
- ・Shareholders' equity Approx. ¥1,000 billion

- ・The articles of incorporation were changed to add manufacture and sale of electronic components to the business lines.
- ・Nippon Steel & Sumikin Stainless Steel Corporation was established.

2004
- ・Business divisions of the Engineering Divisions Group were reorganized.

2006 **Medium-Term Consolidated Business Plan** →

Plan duration: Three years, FY2006 to FY2008
1. Completion of the group's 40 million ton crude steel production base
2. Implementation of "Global Player Strategy"
3. Enhancement of the alliance network with domestic and overseas steel manufacturers
4. Construction of a strong group management system uniting the six business segments' strengths
5. Strengthening of financial position (Acquisition of international credit rating A1)

Target for FY2008 (Consolidated)
- ・Net sales Approx. ¥4,200 billion
- ・Ordinary profit ¥500 billion or more
- ・Net income ¥300 billion or more (EPS ¥44 or more per share)
- ・ROA Approx. 12%
- ・Interest bearing debt ¥1,000 billion or less
- ・Debt-Equity ratio 0.5 or less
- ・Capex, investing & financing Approx. ¥850 billion per three years

・ Amendments to the Articles of Incorporation.
Amendments in relation to the new Company Law.
Amendments to the provisions related to the Board of Directors and the Corporate Auditors.

・ Introduction of the Executive Management System.

・ Nippon Steel Engineering Co., Ltd. and Nippon Steel Materials Co., Ltd. were established.

2010 **Medium-Term Management Plan** →

Plan duration: Three years, FY2009 to FY2011
1. "Reinforcing our corporate strengths and establishing a secure revenue base" and "building a stronger global production and supply base" in the Steel Industry
2. Maximizing the synergy of the group
3. Policies relating to global warming
4. Policies to be a "trusted and reliable company"
5. Laying grounds for a New Growth Path
   - ・Further strengthen its competitive edge
   - ・Build a global tri-polar (Domestic, Asia, American and Pan-Atlantic) production and processing base network. (Envisaging a global capacity of 50 to 60 million tons)
   - ・Realize a "Global Corporate Group"

2011 ・ Oita Works and the Hikari Pipe & Tube Division were integrated and reorganized

2013	**Mid-Term Management Plan →**	Plan duration: About 3 years from FY 2013 1. Five key initiatives for the Steel Business ① Enhancing NSSMC's technological superiority ② Building world-leading cost competitiveness ③ Optimizing the production network by rationalization of iron-making, steelmaking, and rolling facilities ④ Promoting gloval strategy ⑤ Strengthening the group companies 2. Maximization of combined group strength 3. Balancing financial strengths and growth investments 4. Promoting organizational and business management 5. Continuing to be a company with integrity and reliability 6. Paths toward new growth Minimum ROS target of 5%, with the further goal of achieving 10%
2014	Yawata Works and Kokura Works were integrated to become Yawata Works. Wakayama Works and Sakai Works were integrated to become Wakayama Works. Kimitsu Works and Tokyo Works were integrated to become Kimitsu Works.	
2015	Mid-Term Managiment Plan was formulated (For details, see page 21)	

∗ Operation of Blast Furnaces (Nippon Steel)

Works	Fourth Modernization Plan	BFs in operation as of July 1, 2012	Reference
Muroran	1 → 0 (units)	1 (units)	※Succeeded to Hokkai Iron & Coke in April 1994
Kamaishi	1 → 0	0	Closed on March 25, 1989
Hirohata	1 → 0	0	Closed on June 27, 1993
Sakai	1 → 0	0	Closed on March 24, 1990
Yawata	2 → 1	1	One of the two BFs closed on December 25, 1988
Nagoya	2 → 2	2	
Kimitsu	2 → 3	3	Three BF operation system from July 4, 1988
Oita	2 → 2	2	
Total	12 → 8	9	(including Hokkai Iron & Coke)

History of Management Plans and Organizational Reshuffling (former Sumitomo Metals)

1986 **Revised Medium-Term Business Plan** →

1. Slimline production implemented to enable output of 90 million tons of raw steel nationally
   Consolidation of facilities in order to raise the efficiency of the manufacturing systems
   Main facilities placed on inactive status: Wakayama/Steel Slabs; Amagasaki/Steel Tubes
2. Expansion of businesses specific to increasing competitiveness
(1) Reinforcing the Steel Sheet Division (increasing competitiveness through high quality and high value-added products)
(2) Bolstering non-ferrite business (new businesses: electronics, new advanced materials, chemical products, engineering and titanium)

1988 **Medium-Term Business Plan** → FY 1988 - FY 1990

1. Expansion of Diversified Business Divisions (Steel Engineering, Electronics & Information Services, New Advanced Materials & Chemical Products, 'Soft' Services, etc.)
2. Reinforce the competitiveness of the Steel Division
(1) Cost reductions (Reductions in fixed costs, such as investment in facilities and rationalization of human resources; streamlining of the functions of the Head Office, etc.
(2) Move to increase sales of high-grade and high value-added products; improve user services in terms of quality and delivery schedule

・Kainan Steel Tube Works integrated into Wakayama Works

1990 **Vision 2000** →

1. Actual policy implementation: "Management that Puts People First"
   Bolstering welfare facilities, etc.; improving and strengthening system that involve people; contributing to society; responding to the needs of internationalization
2. Actual policy implementation; "Business Built on Layers of Technology"
   By trying to develop original technologies, products, fields and businesses, etc., Sumitomo Metals is working towards its aim of creating a company dedicated about strategic technology. Strategic integration of materials technology; bolstering the development and promotion of technology; better work environment and facilities to deliver improved developmental potential.

Three-Year Action Plan →

1. Improve competitiveness of the steel business divisions
(1) Radical improvement in productivity
Targets for improving productivity: at least 20% in 3 years; Establish a system for all 10,000 technical employees in the Steel Business divisions
(2) Reinforce manufacturing systems
Bolster the manufacturing systems for steel sheets at Kashima Works, improve the competitiveness of Wakayama Works (improvements to the efficiency of the upstream processes)
2. Promotion of a diversified business

・Electronics Business Division was established.

1992 ・Merged with Nippon Stainless Steel Co., Ltd. (Naoetsu Works established; Kashima Stainless Steel Works established)

1993 **New Three-Year Action Plan** →

1. Renovate the Wakayama Works; a new seamless mill, reinforcement of upstream processes focused on steel production
2. Establish a corporate system that will secure profit levels that will allow the company to pay a dividend in 1995
(1) Steelmaking business
Increase productivity
rationalization to a structure of 11,800 engineers/technicians
Indirect divisions: 20% (800 employees) rationalization
(2) Diversification of business
Resource investments: increase personnel by 700, ¥50 billion invested in businesses
Sales targets: Construction, branding, systems, titanium, electronics - ¥400 billion

1994 **Restructuring Plan** → (up to FY 1995)

1. Restructuring of management software:
Establish a small Head Office
Establish a Management Reform Strategy Committee
2. Improve the Steel Business
General Costs: Reduction of 15% (¥150 billion per year)
Technicians/engineers: 11,000
Admin staff; clerical/technical staff: 4,100
15,000 employees in the Steel Business
3. Diversification of business:
Sales targets: Construction, branding, systems, titanium, electronics - ¥340 billion

・Kashima Stainless Steel Works was integrated into Kashima Works.

1995 ・The Steel business divisions were reorganized by product type.

1996	**New Medium-Term Business Plan** →	1. Reinforcing the infrastructure of the steel business to improve competitiveness on an international level: ・Construction of a new steel mill at Wakayama Works ・11,200 employees by the end of FY 1997 2. Promote and expand the diversification of the business to the next level ・Capital Investment: ¥10 billion per year; an increase of 400 employees ・Sales Targets: ¥340 billion (¥300 billion in 1995)
1998	**Medium-Term Business Plan "Plan 2000"** (FY 1998 - FY 2000) →	1. Strengthen competitiveness of the steel business to the next level 2. Allocation of business assets to aid business expansion and increased revenue for the diversification of important an effective businesses 3. Strengthen the Corporate Group 4. Proactive implementation of policies to improve the global environment
	・Merged with Sumitomo Sitix Corporation	
1999	**Business Reform Plan** →	1. Build a Steel Business that will survive and thrive into the 21st Century ・Radical reform of the seamless pipe business ・Establish a New Wakayama System ・Strive to take steel sheet competitiveness to the next level at the production locations at the Kashima Works ・In order to improve management efficiency, promote the spinning off of businesses into separate companies 2. Reorganization of affiliated companies as part of moves to improve management efficiencies 3. Diversification of businesses: selection and concentration ・Development of the Silicon Wafer business ・Reorganization of electronics-affiliated businesses 4. Create an employment structure with sufficient resilience for the 21st Century
2000	・Sumitomo Metals spun off its Kokura Works and Naoetsu Works and made them into Sumitomo Metals (Kokura), Ltd. and Sumitomo Metals (Naoetsu), Ltd. respectively.	

2001 **Implementation of Revolution & Rebirth Plan** →

The materials field, centered on iron, needs to be No.1 in terms of Customer Evaluations as well as highly profitable

1. Creation of a corporate system to emerge as a winner in the era of intense competition
   ・From October 2002 onwards, initiate a rapid transition to a pure holding company
2. Strengthening of company structure following the transition to a pure holding company

< Reforming the functions of the Head Office and bolstering the systems of the Corporate Group >

< Increasing the competitiveness of the Steel Business >
   ・Aiming to make the Seamless Pipe Business No.1 in the world

< Reduction of Fixed Expenses >
   ・Reduction of the overall cost of labor
   ・Deliver highly efficient use of capital

3. Complete integration of the Silicon Wafer business to the Silicon United Manufacturing Corporation (present SUMCO Corporation)
   ・Aiming to be the No.1 supplier in the world

2002 **Medium-term Business Plan** →

1. Steel business divisions - radical structural reform and strengthening of competitiveness

(1) Mass produced steel sheet products concentrated at Kashima Works; Dedicated production of high grade steel sheet at Wakayama Works

(2) Full scale operations for upstream processes at Wakayama Works

→ Completion of structural reforms at Wakayama Works

(3) Integration of the stainless steel business through the establishment of a new company with Nippon Steel

(4) Mutual collaboration and cooperation between Nippon Steel and neighboring steel works on issues such as procurement of raw materials, other materials and equipment as well as logistics

(5) Mutual collaboration and cooperation between Kobe Steel, Ltd. and the Titanium business divisions on issues such as procurement of raw materials, other materials and equipment as well as logistics, etc.

→ Mutual investment by Nippon Steel and the Kobe Steel, Ltd.

2. Strengthen the financial basis of the company (on a consolidated base)
(1) Reduce loan balance to less than ¥1 trillion
(2) ROA of more than 5%
(3) Proportion of shareholder equity to total assets greater than 20%

・The silicon wafer business was transferred to Silicon United Manufacturing Corporation (present SUMCO Corporation).
・Internal Company System was introduced.

2003 ・Nippon Steel & Sumikin Stainless Steel Corporation was established.

2006 **Medium-Term Business Plan** →

1. Continuous improvement of corporate value with an emphasis on quality
2. Acceleration of the differentiation process
Based upon: "Making our strong areas even stronger"; "No.1 in Customer Evaluations"; "Emphasize the Balance between Quality and Size"
・Focus on energy and automotive fields
・Product type structure is realigned to emphasize high-end products
・Deepening the relationship with customers
・Concentration of resources on lucrative product types
3. Brush up approach to invisible assets such as Customers, Human Resources and Technologies; strengthen physical and financial assets at the Works, etc.; formulate a fixed business infrastructure

< Fundamental reinforcement of Works infrastructure to increase competitiveness >
・Kashima: 8 million ton system, continuous full operation, world-class cost and quality competitiveness
・Wakayama: Continuous full operation - No.1 brand seamless sheet steel and long-term contracts for steel slabs
・Kokura: Establish Kokura as a leading brand for specialty steel

2008 ・Titanium business was split and was absorbed by Sumitomo Metals (Naoetsu), Ltd.

2012 ・Merged with Sumitomo Metals (Kokura), Ltd. and Sumitomo Metals (Naoetsu), Ltd.

Business Integration among Group Companies

(From October 1, 2012)

	Integration Date
Nippon Steel Pipeline Co., Ltd. and Sumitomo Metal Pipeline and Piping, Ltd. were integrated to NIPPON STEEL & SUMIKIN Pipeline & Engineering Co., Ltd.	Oct. 1, 2012
Bar & wire processing companies in Thailand were integrated to NIPPON STEEL & SUMIKIN Steel Processing (Thailand) Co., Ltd.	Jan. 2, 2013
High-tension bolt businesses of Nippon Steel & Sumikin Precision Forge, Inc. and NS Bolten Co., Ltd. were integrated to NIPPON STEEL & SUMIKIN Bolten CORPORATION	Jan. 4, 2013
Nippon Steel Logistics Co., Ltd. and Sumitomo Metal Logistics Service Co., Ltd. were integrated and reorganized to NIPPON STEEL & SUMIKIN LOGISTICS CO., LTD.	Apr. 1, 2013
Nippon Steel Techno Research Corporation and Sumitomo Metal Technology, Inc. were integrated to NIPPON STEEL & SUMIKIN TECHNOLOGY CO., LTD.	Apr. 1, 2013
Nittetsu Shinko Shearing Corporation and Shearing Kozyo, Ltd. were integrated to NSS SHEARING CORPORATION	Apr. 1, 2013
Sumikin Bussan Corporation and Nippon Steel Trading Co., Ltd. were integrated to NIPPON STEEL & SUMIKIN BUSSAN CORPORATION	Oct. 1, 2013
Taihei Kogyo Co., Ltd. and Nittetsu Elex Co., Ltd. were integrated to NIPPON STEEL & SUMIKIN TEXENG.CO., LTD.	Oct. 1, 2013
Sumitomo Pipe & Tube Co., Ltd. and Nittetsu Steel Pipe Co., Ltd. were integrated to NIPPON STEEL & SUMIKIN Pipe Co., Ltd.	Oct. 1, 2013
7 operational support service companies were reorganized to 5 companies by location.	Jul. 1, 2014
5 slag sales companies were integrated to NIPPON STEEL & SUMIKIN SLAG PRODUCTS CO., LTD.	Jul. 1, 2014
8 equipment engineering & maintenance companies were integrated to NIPPON STEEL & SUMIKIN TEXENG. CO., LTD.	Oct. 1, 2014
Integration and reorganization of railway-related business (Nippon Steel & Sumikin Technology Co., Ltd. and Nippon Steel & Sumikin Kansai Industries, Ltd. were integrated to NIPPON STEEL & SUMIKIN RAILWAY TECHNOLOGY CO., LTD.	Apr. 1, 2015
Integration and reorganization of a processing company for Osaka Steel Works (The machining business and the business of manufacturing of dies for forging of Nippon Steel & Sumikin Kansai Industries, Ltd. and the business of manufacturing business of forged rolls of Kantoc Roll, Ltd. were integrated to NIPPON STEEL & SUMIKIN KANSAI MACHINING CO., LTD.)	Apr. 1, 2015

Global Network

① Alliances with Steelmakers

Alliances with Domestic Steelmakers

Former Nippon Steel, Former Sumitomo Metals, and Kobe Steel (up to the time NSSMC was formed)

Dec. 2001 Nippon Steel Corporation (NSC) and Kobe Steel began alliance for strengthening each other's competitiveness (complementing of iron- and steelmaking materials and cost reduction)

Feb. 2002 NSC and Sumitomo Metal Industries (SMI) began alliance for strengthening each other's competitiveness (cooperation in iron- and steelmaking materials and downstream processes, cooperation in the stainless steel business, and cost reduction)

Jul. 2002 NSC and SMI integrated their welding-materials business (establishment of Nippon Steel & Sumikin Welding Co., Ltd.)

Nov. 2002 NSC and SMI began cooperation for hot rolled steel sheets, strengthened the alliance, and agreed on mutual capital subscription (of about ¥5 billion each)
NSC and Kobe Steel strengthened cooperation, and agreed on mutual capital subscription (of about ¥3 billion each)

Sep. 2003 NSC and Kobe Steel integrated their plate fusion-cutting business (establishment of Nittetsu Shinko Shearing)

Oct. 2003 NSC and SMI integrated their stainless-steel business (establishment of Nippon Steel & Sumikin Stainless Steel Corp.)

Jan. 2005 NSC, SMI, Sumitomo Pipe & Tube Co., Ltd., and Sumitomo Corporation began alliance in the automotive steel tube business in China (start of commercial production by Guangzhou You-Ri Automotive Parts Co., Ltd.

Mar. 2005 NSC, SMI, and Kobe Steel began studying to deepen their cooperation and to mutually acquire each other's shares

Apr. 2005 NSC and Kobe Steel began supplying hot rolled steel sheets to SMI

Jun. 2005 NSC and Kobe Steel subscribed part of the capital of East Asia United Steel Corporation (10% and 2%, respectively)
Joint use of the iron- and steelmaking facilities of Wakayama Works of Sumitomo Metals (start of slab supply to Nippon Steel)

Dec. 2005 NSC, SMI, and Kobe Steel additionally cross-purchased each other's shares on the back of expanded and enhanced cooperation

Nippon Steel → Sumitomo Metals	2.55%→5.01%
Sumitomo Metals → Nippon Steel	0.52%→1.81%
Nippon Steel → Kobe Steel	1.80%→2.05%
Kobe Steel → Nippon Steel	0.29%→0.41%
Sumitomo Metals → Kobe Steel	1.80%→2.05%
Kobe Steel → Sumitomo Metals	1.52%→1.71%

Mar. 2006 NSC, SMI, and Kobe Steel agreed to deepen their cooperation (joint studies on deepening the cooperation and how to cope with a takeover bid)

Apr. 2006 NSC and SMI jointly undertook their cast-steel rolling-mill roll business (establishment of Nippon Steel & Sumikin Rolls Corporation)

Dec. 2006 The Nippon Steel Group and the Sumitomo Metals Group integrated their structural steel sheet business, and their road and civil engineering business (establishment of Nippon Steel & Sumikin Coated Sheet Corporation and Nippon Steel & Sumikin Metal Products Co., Ltd.)

Oct. 2007 NSC, SMI, and Kobe Steel began study of deepening and expanding their cooperation

- NSC and SMI to more effectively utilize the expanded iron- and steelmaking capacity of SMI's Wakayama works.
- NSC and SMI to secure high-grade steel sheet supply capacity and to jointly deal with SMI's Naoetsu operation.
- NSC and Kobe Steel to cooperate in the environmental and recycling areas and to exchange iron-making technology.

Dec. 2007 NSC, SMI, and Kobe Steel additionally cross-purchased each other's shares on the back of expanded and enhanced cooperation

NSC → SMI	5.01%→9.4%
SMI → NSC	1.81%→4.2%
NSC → Kobe Steel	2.05%→3.4%
Kobe Steel → NSC	0.41%→0.8%
SMI → Kobe Steel	2.05%→3.4%
Kobe Steel → SMI	1.71%→2.3%

Apr. 2008 SMI began consigning production of stainless steel boiler tubes to Kobe Special Tube Co., Ltd.

Oct. 2008 NSC and Kobe Steel undertook the business of steel dust recycling and production and utilization of directly-reduced iron on a joint basis (establishment of Nittetsu Shinko Metal Refine Co., Ltd.)

Jul. 2009 The Nippon Steel group and the Sumitomo Metals group integrated their arc-welded stainless steel pipe and tube business (establishment of Sumikin & Nippon Steel Stainless Steel Pipe Co., Ltd.)

Oct. 2012 NSC and SMI integrated their business and formed NSSMC

NSSMC → Kobe Steel	2.9%
Kobe Steel → NSSMC	0.7%

Nisshin Steel

May 2000 Mutual supply of stainless steel hot rolled materials (chromium: Nippon Steel to Nisshin, nickel: Nisshin to Nippon Steel)
NSSMC's ownership: 8.3%

Sanyo Special Steel

Feb. 2006 Alliance for strengthening each other's competitiveness (mutual commissioning of production, cost reduction, and joint R&D)
Sanyo Special Steel became an equity-method affiliate of Nippon Steel
NSSMC's ownership: 14.6%

Mitsubishi Steel Mfg.

Apr. 1994 Mutual toll production with Mitsubishi Steel Muroran Inc.

Jul. 2005 Purchase of a shut-down electric furnace of Mitsubishi Steel and re-start of its operation at Nippon Steel's Muroran Works
NSSMC's ownership: 1.4%

Chubu Steel Plate

Feb. 2007 Alliance for strengthening each other's competitiveness (mutual effective utilization of production facilities, cooperation in cost reduction, etc.)
NSSMC's ownership: 5.0%

Aichi Steel

Nov. 2000 Cooperation in automotive special steel bar & wire rods (strengthening competitiveness on production and cost, and joint R&D)
NSSMC's ownership: 7.7%

Godo Steel

Jun. 2007 Alliance for strengthening each other's competitiveness (commissioning of production, effective utilization of infrastructure of Godo Steel)
Godo Steel became an equity-method affiliate of Nippon Steel
NSSMC's ownership: 15.0%

Topy Industries

Sep. 2008 Alliance for strengthening each other's competitiveness

Oct. 2008 Topy Industries became an equity-method affiliate of Nippon Steel
NSSMC's ownership: 20.1%

Alliances with Overseas Steelmakers

ArcelorMittal

Mar. 1990	Start of operation of I/N Tek, a joint venture with Inland Steel* for toll processing of cold rolled steel sheets (Nippon Steel 40%, Inland Steel 60%)
Oct. 1991	Start of operation of I/N Kote, a joint venture with Inland Steel for the manufacture and sale of coated steel sheets (Nippon Steel 50%, Inland Steel 50%)
Jan. 2001	Global strategic alliance agreement with Usinor* (furthering business cooperation in the automotive sheet steel area, license agreements for the existing technologies, joint R&D, etc.)
Apr. 2002	Technical cooperation arrangements made for automotive steel sheet with Arcelor and Tata Steel
Oct. 2003	Deepened the alliance with the Ispat group in North America (improvement of the high-grade steel sheet supply system for Japanese automotive makers in North America)
Jul. 2007	Memorandum of understanding concerning a joint venture in North America and a strategic alliance agreement
Apr. 2008	Agreement on running a joint venture in North America and revision of the strategic alliance agreement (installation of a new hot-dip galvanizing line for automotive sheets at I/N Kote)
Dec. 2008	Agreement on deferral of installation of a new hot-dip galvanizing line at I/N Kote
Feb. 2014	Joint acquisition of AM/NS Calvert LLC (ex. ThyssenKrupp Steel USA, LLC)

＊Inland Steel became Ispat Inland in July 1998, and then Mittal Steel USA in May 2005. Usinor became Arcelor in February 2002. TOB for Arcelor by Mittal Steel was completed in July 2006. Integration of Arcelor and Mittal Steel was completed in July 2007.

POSCO

Dec. 1998	Mutual acquisition of stocks at the money values equal to those of the purchase of government-released securities attendant on the privatization of POSCO Nippon Steel → POSCO: 0.65% POSCO → Nippon Steel: 0.24%
Aug. 2000	Strategic Alliance Agreement and mutual capital subscriptions Nippon Steel → POSCO: about 3% POSCO → Nippon Steel: a little over 2%
Oct. 2006	Enhancement of strategic alliance and additional cross-purchase of shares Mutual supply of semi-finished products and joint work on dry-type dust recycling Nippon Steel → POSCO: additional stock acquisition of about 2% POSCO → Nippon Steel: stock acquisition in approximate equal monetary value
Jan. 2008	Establishment of POSCO-NIPPON STEEL RHF Joint Venture, Co., Ltd. (PNR), a joint venture concerning direct-reduction iron supply and dry-dust recycling (Nippon Steel 30%, POSCO 70%)
Oct. 2010	Joint participation in Mozambique Revuboe coal mine for co-development
Mar. 2011	Joint participation in Brazilian Niobium company, CBMM, as a Japanese and Korean consortium

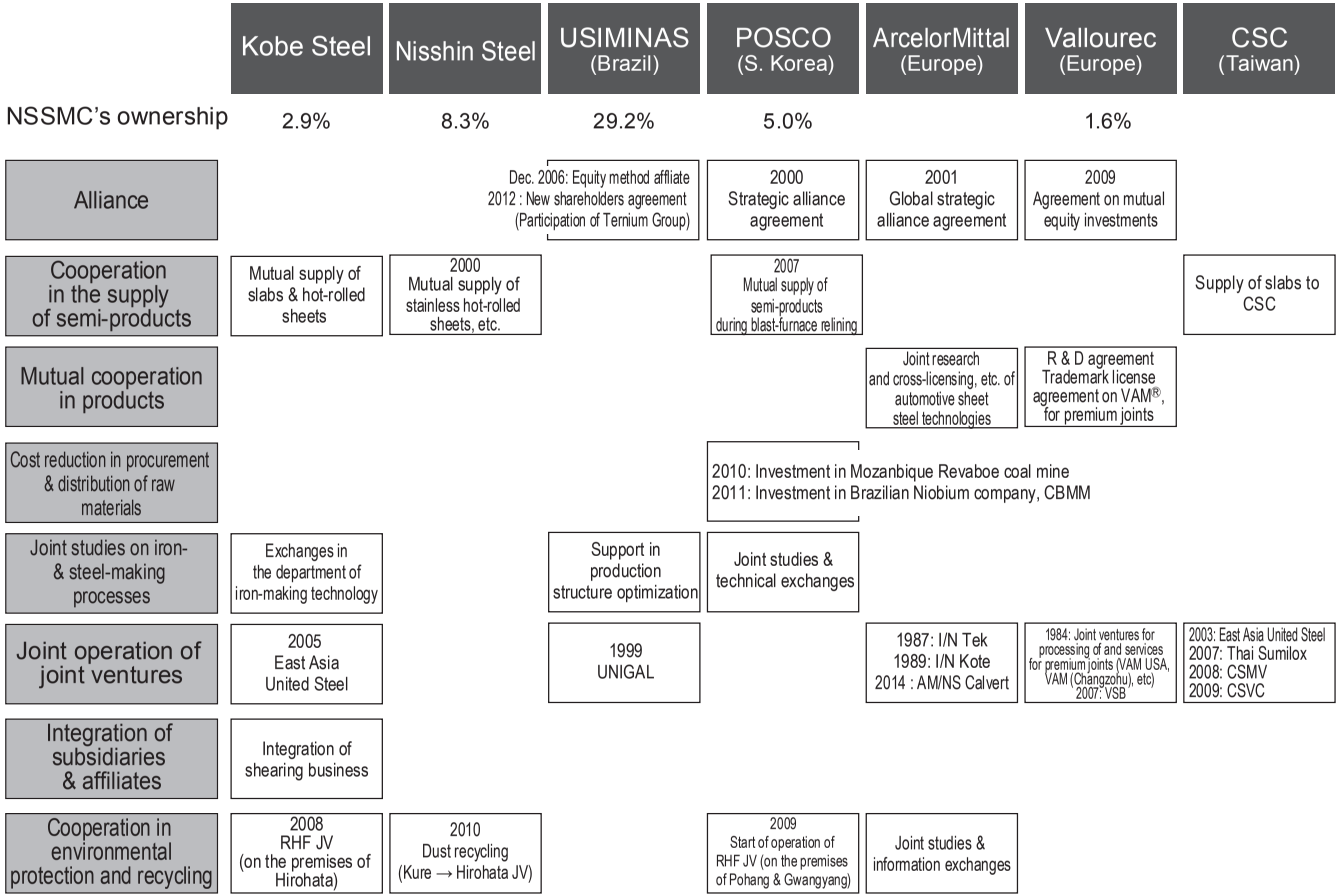
Vallourec Group

1976	Signed a license agreement on VAM®, for premium joints to connect seamless pipes (In 1985, an R&D agreement was made)
1984	Started a joint venture to manufacture and service premium joint threading in the U.S.A. Subsequently similar ventures were started in Indonesia, Singapore, Vietnam, and China
Jul. 2007	Established Vallourec & Sumitomo Tubos do Brasil Ltda.（VSB）, a joint venture with Vallourec to manufacture seamless pipe in Brazil
Feb. 2009	Agreed on mutual equity investments (Completed acquisition of equities in the first half of fiscal 2009)
Sep. 2011	VSB started commercial operation

China Steel Corporation

Apr. 2002	Agreed on stable supply of slab
May 2003	Signed a joint venture agreement for upstream operation at Wakayama Steel
Jul. 2003	Established East Asia United Steel Corporation
Nov. 2003	Established Sumikin Iron & Steel Corporation (Completed the joint venture framework for upstream operations)
Spring of 2005	Expanded supply of slab to 1.8 million tons per year
May 2007	The cumulative shipment of slab reached 5 million tons
Aug. 2007	China Steel Group made capital investment in Thai Sumilox Co., Ltd.
Mar. 2008	Made capital investment in CSGT Metals Vietnam Joint Stock Company (CSMV)
Aug. 2008	Concluded agreement to establish China Steel Sumikin Vietnam Joint Stock Company (CSVC), a steel sheet joint venture in Vietnam
May 2009	Established CSVC, a steel sheet joint venture company in Vietnam
Nov. 2013	CSVC started commercial operation

Maximizing the Effects of the Alliances in Japan and Abroad



② Major Overseas Steelmaking Operations

Usinas Siderúrgicas de Minas Gerais S/A (USIMINAS)

・Business	Integrated steel manufacture
・Location	Belo Horizonte, Minas Gerais State, Brazil
・Capital	BRL 12,150 million
・NSSMC's equity share	29.2% (Ordinary shares, including indirect participation) [As of Apr. 2015]
・President	Romel Erwin de Souza (since Sep. 2014)
・Employees	20,200 (Consolidated) [As of Dec. 31, 2014]
・Crude steel production	6.06 (Ipatinga Works 3.45 / Cubatão Works 2.61) million tons/y [CY 2014]
・Steelworks	Ipatinga Works (Ipatinga, Minas Gerais State) Blast furnaces (No.1 <885㎥> / No.2 <885㎥> / No.3 <3,162㎥>) Plate mill (1.00 million tons/y) Hot-strip mill (3.45 million tons/y) Cold-rolling mill (2.20 million tons/y) [Hot-dip galvanizing line (1.03 million tons/y) by UNIGAL] Cubatão Works (Cubatão, São Paulo State) Blast furnaces (No.1 <1,829㎥> / No.2 <3,365㎥>) Plate mill (1.00 million tons/y) Hot-strip mill (2.20 million tons/y) Cold-rolling mill (1.20 million tons/y)
・Others	Acquisition of iron-ore mines of J. Mendes in Serra Azul region (Minas Gerais State) in Feb. 2008 Establishment of Mineracao Usiminas SA for mining business in Aug. 2010 (Currently : USIMINAS 70%, Sumitomo Corporation Group 30%) Iron-ore production capacity was increased to 12 million tons/y in 2013

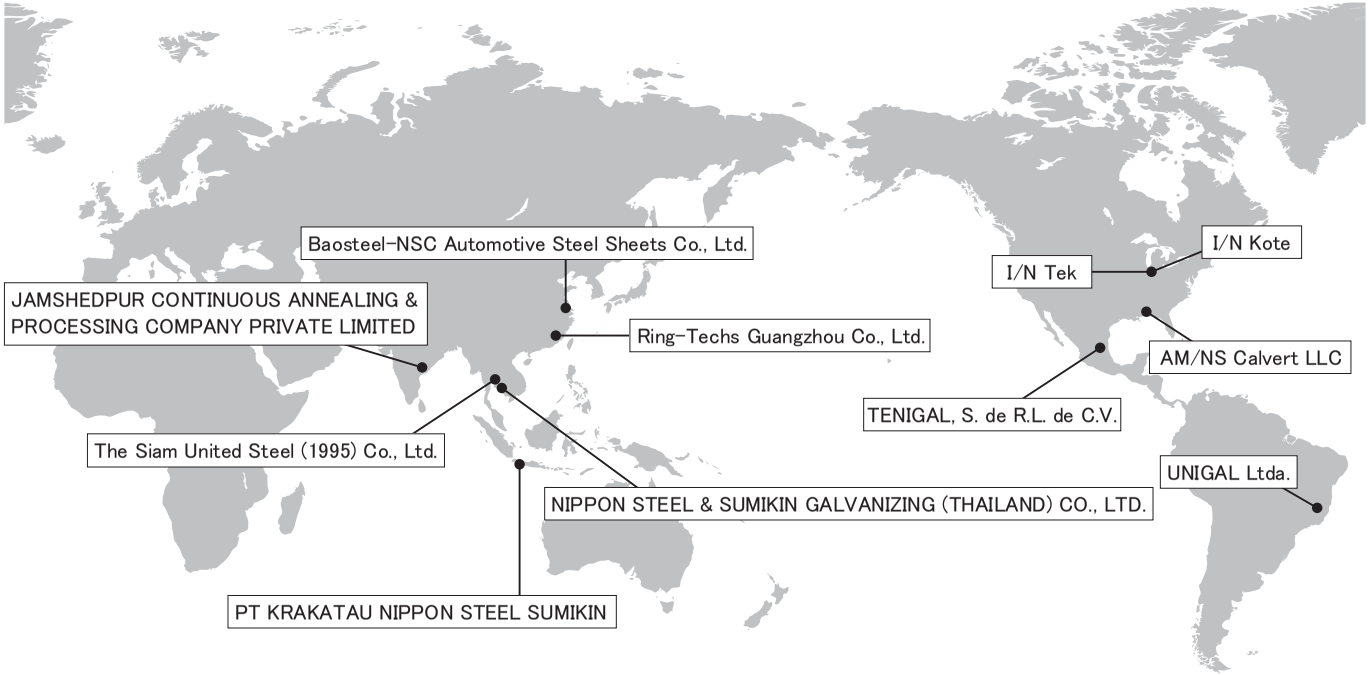
Cooperation with USIMINAS

Dec. 1957	Establishment of an investment company, Nippon Usiminas Co., Ltd., with Nippon Steel as the largest stockholder (In 1967, the Japanese government made a capital subscription)
Jan. 1958	Establishment of USIMINAS (the Brazilian side 60%, Nippon Usiminas 40%)
Oct. 1962	Blowing-in of the No. 1 blast furnace of Ipatinga Works
After 1966	Nippon Steel's technical assistance started (seven programs has been implemented).
Jun. 1999	Establishment of a joint venture between Nippon Steel and USIMINAS for hot-dip galvanized automotive steel sheet manufacture, UNIGAL (in operation since Oct. 2000)
Dec. 2006	Nippon Usiminas became a subsidiary of Nippon Steel, making USIMINAS Nippon Steel's equity-method affiliate (equity ratio: 23.4%, including indirect participation).
Jan. 2012	Execution of share purchase agreement (equity ratio: 29.2%, including indirect participation) and new shareholders agreement of USIMINAS

Outline of the capacity expansion plan

- ・Expansion of production capacity for high grade steel (steelmaking, plate mill, etc.) at Ipatinga Works
- ・Installation of a new hot-strip mill at Cubatão Works (Operation in Oct. 2012)
- ・Construction of the No. 2 hot-dip galvanizing line at UNIGAL (Operation in May 2011)

Automotive Steel Sheet Manufacturing & Sales Bases



Automotive Steel Sheet Manufacturing & Sales Bases

I/N Tek	
・Business	Commissioned rolling of cold-rolled steel sheets
・Location	New Carlisle, Indiana, U.S.A.
・Start-up	Mar. 1990 (established in Jul. 1987)
・Capital	US$ 195 million
・President	Thomas Cayia
・Vice president	S. Itonaga (dispatched from NSSMC)
・Employees	267
・NSSMC's equity share	40.0%
・Major facilities	1 CDCM (continuous descaling and cold-rolling mill) — (1.7 million short tons/y), 1 C.A.P.L.(continuous annealing and processing line) — (1.2 million short tons/y)
・Sales destination	Coil centers, automobile makers, electric appliance makers, steel furniture makers and construction material makers, including Japanese companies via ArcelorMittal and/or NS Sales (NSSMC's subsidiary)
I/N Kote	
・Business	Manufacture and sale of coated steel sheets
・Location	New Carlisle, Indiana, U.S.A.
・Start-up	Oct. 1991 (established in Sep. 1989)
・Capital	US$ 120 million
・President	Thomas Cayia
・Vice president	S. Itonaga (dispatched from NSSMC)
・Employees	256
・NSSMC's equity share	50.0%
・Major facilities	1 continuous galvanizing line (500,000 short tons/y) 1 electrogalvanizing line (450,000 short tons/y)
・Sales destination	Japanese and U.S. automobile makers, parts makers, etc.
AM/NS Calvert LLC	
・Business	Manufacture and sale of hot-rolled, cold-rolled, and coated steel sheets
・Location	Calvert, Alabama, U.S.A.
・Start-up	Feb. 2014 (Acquisition)
・Capital	US$ 516 million
・CEO	Chris Richards
・COO	J. Hashimoto (dispatched from NSSMC)
・Employees	1,616
・NSSMC's equity share	50.0%
・Major facilities	1 hot strip mill (5.3 million tons/y) 1 continuous pickling line (1.1 million tons/y) 1 pickling line & tandem cold rolling mill (2.5 million tons/y) 1 continuous annealing line (0.6 million tons/y) 3 continuous galvanizing lines (1.4 million tons/y)

TENIGAL, S. de R.L. de C.V.

・Business	Manufacture and sale of automotive hot-dip galvanized and galvannealed steel sheets
・Location	In the vicinity of Monterrey City, Mexico
・Start-up	Aug. 2013 (established in Nov. 2010)
・Capital	US$ 238 million
・CEO	Hugo Solis
・Director and a Member of the Board	M. Shimada (dispatched from NSSMC)
・Employees	146
・NSSMC's equity share	49.0%
・Major facility	1 hot-dip galvanizing line (400,000 tons/y)

UNIGAL Ltda.

・Business	Manufacture of hot-dip galvanized steel sheets
・Location	Ipatinga, Minas Gerais State, Brazil
・Start-up	Oct. 2000 (established in Jun. 1999)
・Capital	BRL 585 million
・President	Marcelo Dantas
・Vice president	T. Miyakoshi (dispatched from NSSMC)
・Employees	292
・NSSMC's equity share	30.0%
・Major facilities	2 continuous galvanizing lines (480,000 tons/y and 550,000 tons/y)

Baosteel-NSC Automotive Steel Sheets Co., Ltd. (BNA)

・Business	Manufacture and sale of cold rolled and hot-dip galvanized steel sheets
・Location	Shanghai, China
・Start-up	Mar. 2005 (established in Jul. 2004)
・Capital	RMB 3 billion
・President	Chen Yunpeng
・Vice president	N. Somiya (dispatched from NSSMC)
・Employees	740
・NSSMC's equity share	50.0%
・Major facilities	1 CDCM (continuous descaling and cold-rolling mill) — (2.4 million tons/y) 1 C.A.P.L.(continuous annealing and processing line) — (950,000 tons/y) Continuous galvanizing lines No.1 450,000 tons/y No.2 350,000 tons/y No.3 450,000 tons/y No.4 420,000 tons/y (start-up in FY 2015)

Ring-Techs Guangzhou Co.,Ltd.

・Business	Manufacture and sale of automotive wheels
・Location	Guangzhou, China
・Start-up	Mar. 2006 (established in Aug. 2004)
・Capital	¥1.4 billion
・President	A. Oobayashi
・Employees	172
・NSSMC's equity share	(Ring-Techs 80%)
・Production capacity	2.5 million units/y
・Major facilities	1 disk production line 1 rim assembly production line 1 painting line

The Siam United Steel (1995) Co., Ltd. (SUS)

・Business	Manufacture and sale of cold-rolled steel sheets
・Location	Eastern Industrial Estate, Rayong Province, Thailand
・Start-up	Nov. 1998 (established in Jul. 1995)
・Capital	THB 9,000 million
・President	H. Satoh (dispatched from NSSMC)
・Employees	852
・NSSMC's equity share	67.0%
・Production capacity	1 million tons/y
・Major facilities	1 CDCM (continuous descaling and cold-rolling mill) 1 C.A.P.L. (continuous annealing and processing line)

NIPPON STEEL & SUMIKIN GALVANIZING (THAILAND) Co., Ltd. (NSGT)

・Business	Manufacture and sale of automotive hot-dip galvanized and galvannealed steel sheets
・Location	Hemaraj Eastern Industrial Estate, Rayong Province, Thailand
・Start-up	Oct. 2013 (established in Jun. 2011)
・Capital	THB 3,590 million
・President	A. Ota (dispatched from NSSMC)
・Employees	Approx. 200
・NSSMC's equity share	100.0%
・Major facility	1 continuous galvanizing line (360,000 tons/y)

PT KRAKATAU NIPPON STEEL SUMIKIN (KNSS)

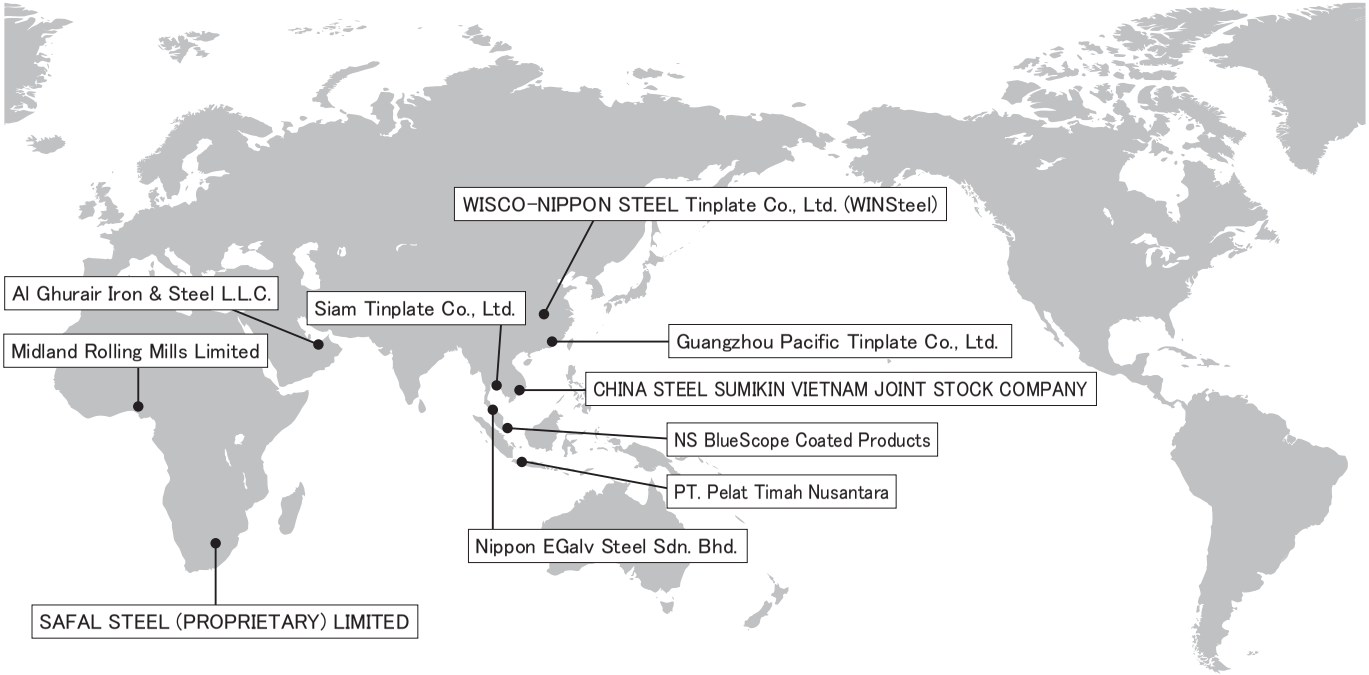
・Business	Manufacture and sale of cold-rolled steel and hot-dip galvanized steel products for automotive use
・Location	Cilegon, Banten Province, the Republic of Indonesia
・Start-up	Expected mid 2017 (established in Dec.2012)
・Capital	US$ 142 million
・President	N. Arita (dispatched from NSSMC)
・Employees	Approx.280
・NSSMC's equity share	80.0%
・Major facility	1GAPL (continuous galvanizing annealing and processing line) (480,000 metric tons/y)

JAMSHEDPUR CONTINUOUS ANNEALING & PROCESSING COMPANY PRIVATE LIMITED (JCAPCPL)

・Business	Manufacture and sale of automotive cold-rolled steel sheets
・Location	Jamshedpur, Jharkhand, India
・Start-up	May 2014 (established in Aug. 2012)
・Capital	INR 9.3 billion
・Managing Director	CV Sastry
・Vice President	H. Tsuchiya (dispatched from NSSMC)
・Employees	Approx. 300
・NSSMC's equity share	49.0%
・Major facility	1 C.A.P.L. (continuous annealing and processing line) — (600,000 tons/y)

Note: Figures in parentheses in the “Equity participation by NSSMC” are NSSMC’s indirect ownership through share ownership of consolidated subsidiaries.

Non-Automotive Steel Sheet Manufacturing & Sales Bases



Non-Automotive Steel Sheet Manufacturing & Sales Bases

Guangzhou Pacific Tinplate Co., Ltd. (PATIN)

・Business	Manufacture and sale of tinplate
・Location	Guangzhou City, Guangdong Province, China
・Start-up	Feb. 1997 (established in Dec. 1994)
・Capital	US$ 36 million
・President	Y. Muraoka (dispatched from NSSMC)
・Employees	242
・NSSMC's equity share	25.0%
・Production capacity	200,000 tons/y
・Major facilities	1 tinning line
	3 shearing lines

WISCO-NIPPON STEEL Tinplate Co., Ltd. (WINSteel)

・Business	Manufacture and sale of tinplate, tin mill black plate, etc.
・Location	Wuhan City, Hubei Province, China
・Start-up	Dec. 2013 (established in Oct. 2011)
・Capital	RMB 2,310 million
・President	T. Itagaki (dispatched from NSSMC)
・Employees	Approx. 500
・NSSMC's equity share	50.0%
・Major facilities	1 CDCM (continuous descaling and cold-rolling mill) (800,000 tons/y)
	2 C.A.P.L. (continuous annealing and processing lines) (800,000 tons/y)
	2 electrolytic tinning lines (400,000 tons/y)

Siam Tinplate Co., Ltd. (STP)

・Business	Manufacture and sale of tinplate and tin-free steel
・Location	Map Ta Phut Industrial Estate, Rayong Province, Thailand
・Start-up	Feb. 1992 (established in Aug. 1988)
・Capital	THB 800 million
・President	M. Kobayashi
・Vice president	S. Suenaga (dispatched from NSSMC)
・Employees	520
・NSSMC's equity share	15.6%
・Major facilities	1 tinning/tin-free steel line (150,000 tons/y)
	1 tin-free steel line (120,000 tons/y)
	4 shearing lines

CHINA STEEL SUMIKIN VIETNAM JOINT STOCK COMPANY (CSVC)

・Business	Manufacture and sales of pickled and oiled, cold rolled, electorical, and hot-dip galvanized steel sheet
・Location	My Xuan, Ba Ria-Vung Tau Province, Vietnam
・Start-up	Apr. 2013 (established in May 2009)
・Capital	US$ 574 million
・President	Wong, Chao-Tung
・Employees	874
・NSSMC's equity share	30.0%
・Production capacity	1.2 million tons/y
・Major facilities	1 PLTCM（pickling and tandem cold mill）
	1 CAL（continuous annealing line）
	1 annealing and coating line
	1 continuous galvanizing line

Nippon EGalv Steel Sdn. Bhd. (N-EGALV)

・Business	Manufacture and sale of electro-galvanized steel sheets
・Location	Prai Industrial Estate IV, Penang, Malaysia
・Start-up	Feb. 2009 (established in Jan. 2006)
・Capital	MYR 34.4 million
・President	I. Hidaka (dispatched from NSSMC)
・Employees	123
・NSSMC's equity share	50.1%
・Major facility	1 electrogalvanizing line (120,000 tons/y)

NS BlueScope Coated Products (NSBS)

・Business	Manufacture and sale of hot-dip galvanized steel sheet, painted steel sheet, and roll-formed building products
・Location	ASEAN and USA
・Start-up	Mar. 2013 (capital participation by NSSMC)
・CEO	Sanjay Dayal
・Employees	Approx. 3,000
・NSSMC's equity share	50.0%
・Major facilities	cold-rolling (800,000 tons/y) hot-dip galvanizing (1,400,000 tons/y) painting (500,000 tons/y) steel manufacturing & roll-forming bases (32 bases)

PT. Pelat Timah Nusantara (Latinusa)

・Business	Manufacture and sale of tinplate
・Location	Cilegon, Indonesia
・Establishment	1982
・Capital	IDR 252.3 billion
・Vice President	M. Enjuji (dispatched from NSSMC)
・Employees	342
・NSSMC's equity share	35.0%
・Production capacity	160,000 tons/y
・Major facilities	1 tinning line 1 shearing line

Al Ghurair Iron & Steel L.L.C. (AGIS)

・Business	Manufacture and sale of hot-dip galvanized steel sheets
・Location	The Industrial City of Abu Dhabi, the United Arab Emirates
・Start-up	2009 (established in May 2005)
・Capital	AED 165 million
・President	Abu Bucker Husain
・Employees	411
・NSSMC's equity share	20.0%
・Major facilities	1 pickling line (460,000 tons/y) 1 cold-rolling line (360,000 tons/y) 1 continuous galvanizing line (250,000 tons/y) +1 (200,000 tons/y) (expansion plan)

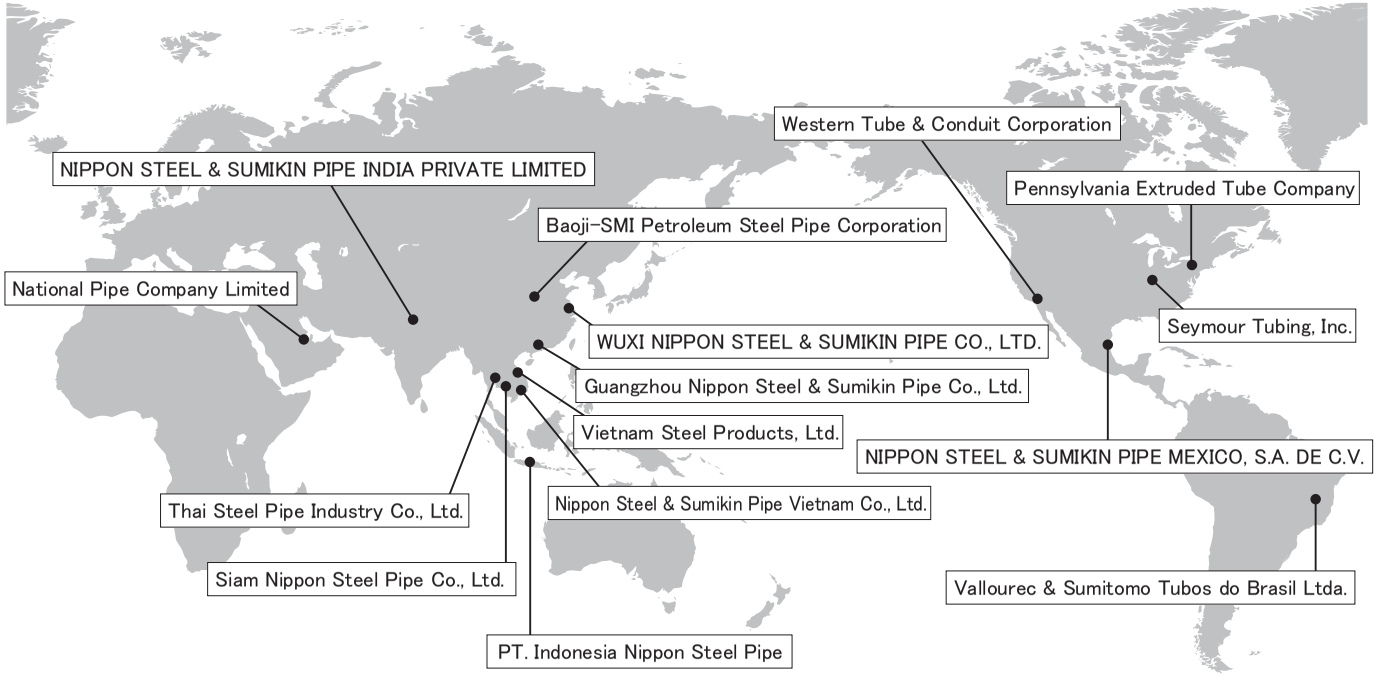
Midland Rolling Mills Limited (MRM)

・Business	Manufacture and sale of cold rolled steel sheets and coils
・Location	Abeokuta, Ogun State, Nigeria
・Start-up	Apr. 2011 (established in Nov. 2006)
・Capital	NGN 1.7 billion
・President	M. P. Singh
・Employees	170
・NSSMC's equity share	10.0%
・Major facilities	1 pickling line (300,000 tons/y) 1 cold rolling line (150,000 tons/y)

SAFAL STEEL (PROPRIETARY) LIMITED

・Business	Manufacture and sale of galvanized and color coated steel sheets
・Location	Durban, Kwazulu Natal, South Africa
・Start-up	Apr. 2010
・Capital	ZAR 120 million
・President	Raghu Ram
・Employees	345
・NSSMC's equity share	2.4%
・Major facilities	1 pickling line (300,000 tons/y) 1 cold-rolling line (150,000 tons/y) 1 continuous galvanizing line (150,000 tons/y) 1 cold coating line (100,000 tons/y)

Pipe & Tube and Building Materials: Manufacturing & Sales Bases



Pipe & Tube and Building Materials: Manufacturing & Sales Bases

■Energy

Vallourec & Sumitomo Tubos do Brasil Ltda. (VSB)

・Business	Production of seamless pipe at integrated steel works
・Location	Jeceaba, Minas Gerais State, Brazil
・Start-up	Dec. 2010 (produced its first steel pipe)
・Capital	BRL 5,376 million
・President	Denis Husson
・Employees	2,379
・NSSMC's equity share	40.4%
・Production capacity	600,000 tons/y of seamless pipe
・Major facilities	Upstream facilities for iron & steel making processes Seamless pipe mill and finishing facilities

Pennsylvania Extruded Tube Company (PEXCO)

・Business	Manufacture of stainless seamless steel hot finished pipe
・Location	Clarks Summit City, Pennsylvania, U.S.A.
・Start-up	October 1993 (established in May 1992)
・Capital	US$ 27.508 million
・President	Jennifer Staples
・Employees	95
・NSSMC's equity share	30.0%
・Production capacity	12,000 st/y
・Major facilitiy	1 extrusion press machine (1,820 tons)

Baoji-SMI Petroleum Steel Pipe Corporation

・Business	Manufacture and sale of ERW steel pipe for oil field and pipeline project
・Location	Baoji City, Shaanxi Province, China
・Start-up	Apr. 2001 (established in Dec. 2000)
・Capital	US$ 40.3 million
・President	Y. Naito (dispatched from NSSMC)
・Employees	310
・NSSMC's equity share	25.0%
・Production capacity	200,000 tons/y (ERW line)
・Major facilities	1 16" ERW steelpipe manufacturing line 1 OCTG steelpipe threading line

National Pipe Company Limited (NPC)

・Business	Production and sale of spirally welded and straight seam welded steel pipes
・Location	Al-Khobar City, Eastern Province, Saudi Arabia
・Start-up	Dec. 1980
・Capital	SAR 200 million
・President	M. Nagase (dispatched from NSSMC)
・Employees	482
・NSSMC's equity share	51.0%
・Production capacity	430,000 tons/y
・Major facilities	2 helical mills (20"-84") (250,000 tons/y) 1 three roll bender (24"-60") (180,000 tons/y)

■Mechanical

Seymour Tubing Inc. (STI)	
・Business	Manufacture and sales of ERW & ERW cold drawn mechanical tube
・Location	Seymour, Indiana, U.S.A.
・Start-up	Feb. 1990 (established in Mar. 1989)
・Capital	US$ 10 million
・President	T. Nishikado (dispatched from Nippon Steel & Sumikin Pipe Co.)
・Employees	460
・NSSMC's equity share	(Nippon Steel & Sumikin Pipe Co. 80%)
・Production capacity	84,000 tons/y
・Major facilities	4 electric resistance welded pipe lines 5 cold draw benches heat-treating furnaces

NIPPON STEEL & SUMIKIN PIPE MEXICO, S.A. DE C.V. (NPM)	
・Business	Manufacture and sale of machine structural steel pipe
・Location	Inland Port Industrial Park, Silao, Guanajuato, Mexico
・Start-up	May 2013 (established in Jun. 2012)
・Capital	US$ 23.6 million
・President	K. Kawamura (dispatched from Nippon Steel & Sumikin Pipe Co.)
・Employees	95
・NSSMC's equity share	(Nippon Steel & Sumikin Pipe Co. 80%)
・Production capacity	24,000 tons/y
・Major facilities	1 electric resistance-welded pipe line 1 cold-drawing machine 1 heat-treating furnace

Guangzhou Nippon Steel & Sumikin Pipe Co., Ltd. (GYA)	
・Business	Manufacture and sale of automotive steel pipe and automotive parts
・Location	Guangzhou City, China
・Start-up	Jul. 2004 (established in Nov. 2003)
・Capital	US$ 6.47 million
・President	A. Zaima (dispatched from Nippon Steel & Sumikin Pipe Co.)
・Employees	140
・NSSMC's equity share	(Nippon Steel & Sumikin Pipe Co. 66%)
・Production capacity	36,000 tons/y
・Major facilities	2 electric resistance-welded pipe lines 7 cutting machines

WUXI NIPPON STEEL & SUMIKIN PIPE CO., LTD (WNSP)	
・Business	Manufacture and sale of automotive steel pipe and automotive parts
・Location	Wuxi City, Chiangsu Province, China
・Establishment	Aug. 2004
・Capital	RMB 89.9 million
・President	T. Miura (dispatched from Nippon Steel & Sumikin Pipe Co.)
・Employees	264
・NSSMC's equity share	(Nippon Steel & Sumikin Pipe Co. 71%)
・Production capacity	24,000 tons/y
・Major facilities	2 electric resistance-welded pipe lines 4 cold-drawing machines 2 heat-treating fumaces

Note: Figures in parentheses for "NSSMC's equity share" are NSSMC's indirect ownership through share ownership of consolidated subsidiaries.

Thai Steel Pipe Industry Co., Ltd. (TSP)	
・Business	Manufacture and sales of mechanical steel pipe
・Location	Amatanakorn Industrial Park, Chonburi Province, Thailand
・Start-up	Jan. 1965 (established in Nov. 1963)
・Capital	THB 365.8 million
・President	T. Hara (dispatched from Nippon Steel & Sumikin Pipe Co.)
・Employees	516
・NSSMC's equity share	(Nippon Steel & Sumikin Pipe Co. 55%)
・Production capacity	84,000 tons/y
・Major facilities	3 electric resistance-welded pipe machines 2 heat-treating furnaces 4 cold-drawing machines

Siam Nippon Steel Pipe Co., Ltd. (SNP)	
・Business	Manufacture and sale of machine structural steel pipe
・Location	Siam Eastern Industrial Park, Rayong Province, Thailand
・Start-up	Jan. 1996 (established in Mar. 1995)
・Capital	THB 783 million
・President	H. Okuda (dispatched from Nippon Steel & Sumikin Pipe Co.)
・Employees	1,015
・NSSMC's equity share	(Nippon Steel & Sumikin Pipe Co. 60.5%)
・Production capacity	71,000 tons/y
・Major facilities	3 electric resistance-welded pipe lines 5 cold-drawing machines 4 heat-treating furnaces

Vietnam Steel Products, Ltd. (VSP)	
・Business	Manufacture and sale of machine structural steel pipe
・Location	Noi bai Industrial Zone. Quang Tien, Soc Son, Hanoi, Vietnam
・Start-up	Nov. 1997(established in Jun. 1997)
・Capital	VND 72,898 million
・President	T. Akamune (dispatched from Nippon Steel & Sumikin Pipe Co.)
・Employees	207
・NSSMC's equity share	(Nippon Steel & Sumikin Pipe Co. 60%)
・Production capacity	48,000 tons/y
・Major facilities	2 electric resistance-welded pipe lines

PT. Indonesia Nippon Steel Pipe (INP)	
・Business	Manufacture and sale of automotive machine structural steel pipe
・Location	Bukit Indah Industrial Park, Cikampek, Karawang Province, West Jawa, Indonesia
・Start-up	Jan. 2007 (established in Dec. 2005)
・Capital	US$11.6 million
・President	K. Hada (dispatched from Nippon Steel & Sumikin Pipe Co.)
・Employees	642
・NSSMC's equity share	(Nippon Steel & Sumikin Pipe Co. 96.3%)
・Production capacity	42,000 tons/y
・Major facilities	2 electric resistance-welded pipe lines 3 cold-drawing machines 2 heat-treating furnaces

Note: Figures in parentheses for "NSSMC's equity share" are NSSMC's indirect ownership through share ownership of consolidated subsidiaries.

NIPPON STEEL & SUMIKIN PIPE INDIA PRIVATE LIMITED (NPI)	
・Business	Manufacture and sale of automotive machine structural steel pipe
・Location	Neemrana Industrial Park, Rajasthan, India
・Start-up	Jan. 2012 (established in Sep. 2010)
	Jan. 2013 Integrated production system from the pipe-making process
・Capital	INR 2.18 billion
・President	M. Suzuki (dispatched from Nippon Steel & Sumikin Pipe Co.)
・Employees	155
・NSSMC's equity share	(Nippon Steel & Sumikin Pipe Co. 99.28%)
・Production capacity	24,000 tons/y
・Major facilities	1 electric-resistance-welded pipe line
	1 cold drawing
	1 heat-treating furnace

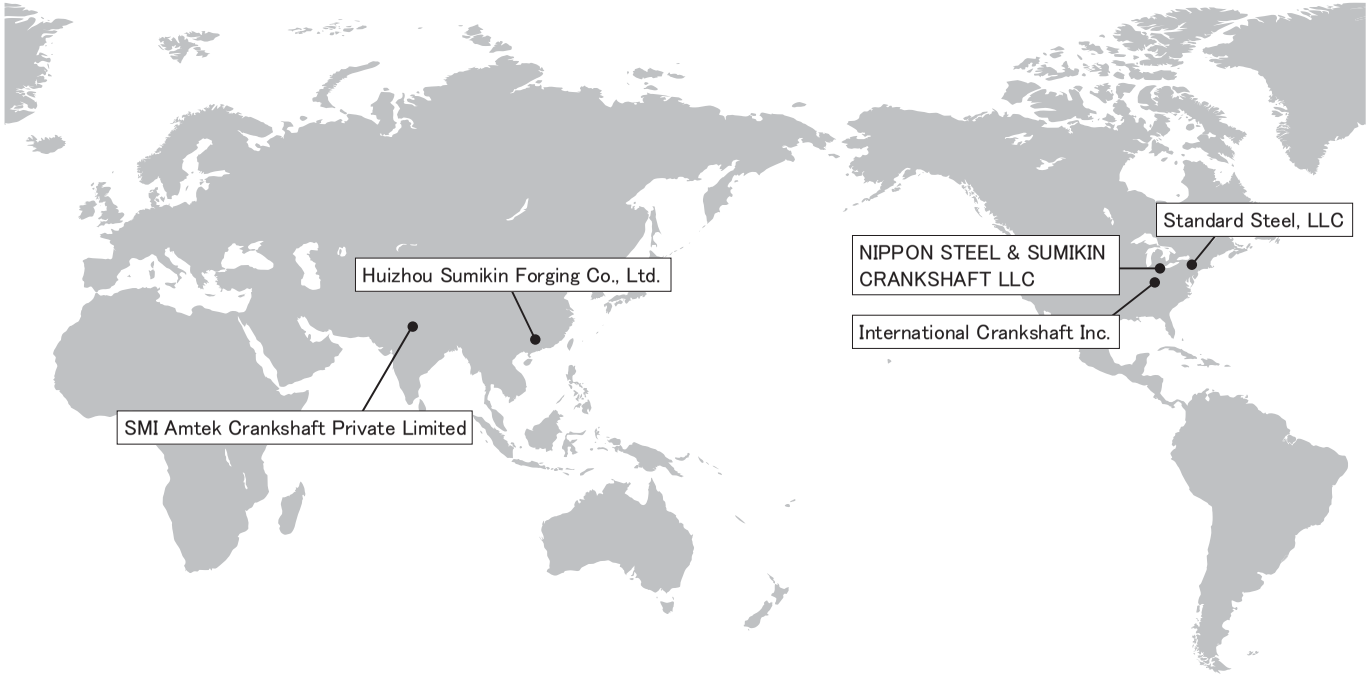
■**Others**

Western Tube & Conduit Corporation (WTC)	
・Business	Manufacture and sale of electric resistance welded steel pipe
・Location	Long Beach, California, U.S.A. (Relocated to current location in Jun. 1975)
・Start-up	Apr. 1966 (established in Dec. 1964)
・Capital	US$ 17 million
・President	I. Yasumura (dispatched from NSSMC)
・Employees	228
・NSSMC's equity share	96.7%
・Production capacity	238,000 tons/y
・Major facilities	6 electric resistance welded steel pipe lines (incl. 3 inline galvanizing lines)
	1 hot dip galvanizing line
	3 threading machines
	7 cutting machines
	1 slitter

Nippon Steel & Sumikin Pipe Vietnam Co., Ltd. (NPV)	
・Business	Manufacture and sale of steel pipe piles & steel pipe sheet piles
・Location	Phu My Ⅱ Industrial Zone, Ba Ria-Vung Tau Province, Vietnam
・Start-up	May 2011 (established in Jun. 2010)
・Capital	US$ 39 million
・President	K. Kanezaki (dispatched from NSSMC)
・Employees	164
・NSSMC's equity share	76.3%
・Major facilities	1 spiral pipe line (60,000 tons/y)

Note: Figures in parentheses for "NSSMC's equity share" are NSSMC's indirect ownership through share ownership of consolidated subsidiaries.

Railway, Automitive & Machinery Part Manufacturing & Sales Bases



Railway, Automitive & Machinery Parts Manufacturing & Sales Bases

International Crankshaft Inc. (ICI)

・Business	Manufacture and sale of small-size forged crankshafts
・Location	Georgetown, Kentucky, U.S.A.
・Start-up	Apr. 1992 (established in Feb. 1990)
・Capital	US$ 22 thousand
・President	N. Masuda (dispatched from NSSMC)
・Employees	281
・NSSMC's equity share	80.0%
・Production capacity	2.65 million crankshafts/y Plan: increase to 4 million crankshafts/y in fiscal 2015
・Major facilities	2 6,000-ton die forging press lines 1 7,000-ton die forging press line

NIPPON STEEL & SUMIKIN CRANKSHAFT LLC

・Business	Manufacture and sale of machining crankshafts
・Location	Fostoria, Ohio, U.S.A.
・Start-up	Oct. 2008
・Capital	US$ 25.5 million
・President	N. Tanimoto (dispatched from NSSMC)
・Employees	103
・NSSMC's equity share	60.0%
・Major facilities	5 Crankshaft machining lines (MQL drills, CBN grinders, induction hardening machines, polishers, CMM / Adcole)

Standard Steel, LLC

・Business	Manufacture and sale of forged wheels and axles
・Location	Burnham, Pennsylvania, U.S.A.
・Establishment	1795
・Capital	US$ 47 million
・President	Y. Akimoto (dispatched from NSSMC)
・Employees	692
・NSSMC's equity share	80.0%
・Production capacity	300,000 wheels/y
・Major facilities	1 9,000-ton forging press line

Huizhou Sumikin Forging Co., Ltd.

・Business	Manufacture and sale of small-size forged crankshafts
・Location	Huizhou City, Guangdong Province, China
・Start-up	Nov. 2004 (established in Jul. 2003)
・Capital	RMB 239 million
・President	J. Takaoka (dispatched from NSSMC)
・Employees	212
・NSSMC's equity share	60.0%
・Production capacity	2.1 million crankshafts/y
・Major facilities	1 6,000-ton die forging press line 1 5,000-ton die forging press line

SMI Amtek Crankshaft Private Limited	
・Business	Manufacture and sale of small-size forged crankshafts
・Location	Dharuhera, Haryana, India
・Start-up	April 2010
・Capital	INR 1,540 million
・President	T. Matsui (dispatched from NSSMC)
・Employees	177
・NSSMC's equity share	40.0%
・Production capacity	2.2 million crankshafts/y
・Major facilities	1 4,000-ton die forging press line 1 5,000-ton die forging press line

Bar & Wire Rod Processing & Service Bases

Bar & Wire Rod Processing & Service Bases

Nippon Steel & Sumikin Cold Heading Wire (Suzhou) Co., Ltd. (NSCh (Suzhou))	
・Business	Manufacture and sale of steel wire for cold heading
・Location	Jiangsu Sheng Suzhou Wuzhong Economic and Technological Development Zone, Jiangsu Province, China
・Start-up	Sep. 2007 (established in Sep. 2006)
・Capital	US$ 15 million
・Managing director	A. Kita (dispatched from NSSMC)
・Employees	59
・NSSMC's equity share	25.0%
・Production capacity	7,000 tons/y (Plan: increase to 48,000 tons/y)
・Major facilities	2 wire drawing machines Future plan: 3 wire drawing machines 1 pickling and film-application line 2 heat-treating furnaces

NIPPON STEEL & SUMIKIN Steel Processing (Thailand) Co., Ltd. (NSSPT)	
・Business	Manufacture and sale of steel wire for cold heading and cold drawn bar
・Location	Eastern Seaboard Industrial Estate, Rayong Province, Thailand
・Start-up	Jan. 2013 (established in Jan. 2013)
・Capital	THB 570 million
・President	S. Inaba (dispatched from NSSMC)
・Employees	266
・NSSMC's equity share	58.9%
・Production capacity	100,000 tons/y
・Major facilities	3 pickling and surface treatment lines 11 wire drawing machines 6 heat-treating furnaces

Suzuki Garphyttan AB	
・Business	Manufacture and sale of valve spring wire and stainless wire
・Location	Garphyttan, Orebro, Sweden
・Establishment	1906
・Capital	SEK 15 million
・President	Jan Pieters
・Employees	340
・NSSMC's equity share	(Suzuki Metal Industry 100.0%)
・Major facility	1 wire drawing line (40,000 tons/y)

Note: Figures in parentheses for “NSSMC's equity share” are NSSMC’s indirect ownership through share ownership of consolidated subsidiaries.

Environmental Considerations

The NSSMC Group is committed to "contribute to society by providing excellent products and services" as stated in its Corporate Philosophy. By implementing our Three Eco-Friendly Initiatives and developing innovative technologies, we strive earnestly to reduce waste in production activities and manufacturing processes, promote recycling, and reduce environmental burden. We are also determined to take actions for solving global environmental issues such as global warming and effective utilization of energy resources.

* The group intends to tackle the three “ecos” by drawing on the overall strength of its five business segments (steelmaking, engineering, chemistry, new materials, and system solutions).

Eco-processes: Reduction of the burden on the environment at all stages of business activities of the group

At all stages of business activities including the production process and transportation of products, the NSSMC Group is aiming not only to observe the environmental laws and regulations, but also to realize further environmental conservation, improvement in resource and energy efficiency, and also reduction of waste and recycling in and out of the group. In addition, it intends to collaborate and cooperate with consumers and other industries, and promote activities aimed at reducing the burden on the environment.

Eco-products™: Offering environmentally friendly products

The NSSMC Group is aiming to develop and offer high performance steel products that contribute to the reduction of CO_2 when incorporated in the final product such as automobile or home appliance and used by the customer.

Eco-solutions: Proposals for environmental conservation from a global viewpoint

The NSSMC Group intends to offer its technology built up over many years, which is useful for environmental conservation, saving of resources and saving of energy, as well as its environmental management system, to customers in Japan and overseas. In this way, the group is aiming to contribute to the reduction of the burden on the environment, build up a social infrastructure for disaster prevention that takes account of nature and scenery, and solve overseas environmental issues through transfer of technology.

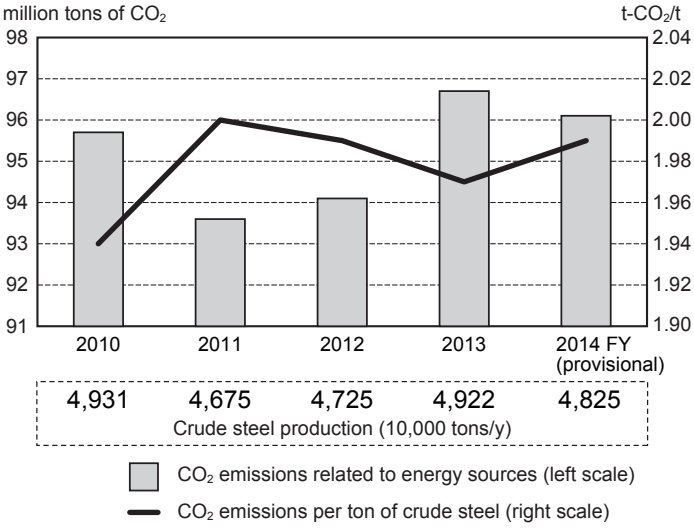
Development of innovative technology

To enable the group to provide society its innovative technology and products that contribute to environmental conservation and saving of resources and energy, the NSSMC Group intends to develop leading technology aimed at overcoming future resource and environmental issues, from a medium- to long-term viewpoint.

Tackling the issue of CO_2 reduction

From the time of the first oil shock in early 1970’s to around 1990, the NSSMC Group intensively promoted measures such as the adoption of continuous processes and recovery of waste heat, and attained a significant energy saving of more than 20%. Then, the Japanese steel industry including the group addressed a voluntary action plan, and during the period from fiscal 2008 and fiscal 2012 the NSSMC Group achieved its target of a 10% reduction in energy consumption (9% reduction in CO_2 emissions) compared to fiscal 1990. At present, as a representative corporation in the Japanese steel industry, NSSMC is drawing up a low-carbon society implementation plan, aiming at achieving a 5-million ton reduction of CO_2 compared to the CO_2 emission quantity assumed to be emitted on the basis of a constant production volume of crude steel in fiscal year 2020, by making full use of the most up-to-date technology.

Reduction in CO_2 Emissions



Average decrease of 11.2% in 2008-2012
Achieved target of 9% reduction

Notes: Values in the above graph are the total for five corporations consisting of NSSMC, related electric furnace companies, and others.

ECO-PRODUCTS™ (Environmentally-friendly steel products)

	Promotion of measures against global warming (Energy conservation and CO_2 reduction)	**Promotion of environmental risk management** (Environmental conservation and control over chemical substances)	**Active participation in the creation of a recycling-based society** (Longer life and recyclability of products)
Electrical power and energy	■Higher power generation efficiency ●High-temperature boiler steel pipes ●Stainless steel boiler tubes for ultra supercritical coal-fired power generation ●Stainless steel sheet for polymer electrolyte fuel cell separator ■Higher transformer efficiency ●Grain-oriented electrical steel sheets (ORIENTCORE HI-B™) ■Higher efficiency for energy transportation ●High-strength transportation line pipes ■Promotion of energy conversion ●Super high-strength oil country tubular goods (OCTG) for sour service ●High alloy OCTG ●Steam generator (SG) heat transfer tubes for pressurized water reactor (PWR) nuclear power plants ●"Super 13Cr steel pipe" for pipelines	■Increased use for LNG ●Highly corrosion-resistant thick plates for smoke stacks ●6-7% Ni steel for LNG storage tank ■Materials free of substances causing environmental impact ●"CLEANWELL™ DRY" oil well pipe joints	■Measures to aid incineration plant. ●S-TEN™1 ●Highly corrosion-resistant steel pipes for boilers ■Waste reduction through extended product lifespan ●Highly corrosion-resistant thick stainless steel plates for chemical tankers and food storage tanks
Automobiles	■Weight reduction and improved safety ●High-strength steel sheets (hot rolled, cold rolled, coated /dual phase, TRIP, high-hole expanding, hotstamping material, etc.) ●High-tensile strength steel tubes, three dimensional hot bending and quenching (3DQ) tubes ●High-strength steel sheets, pipes, and bar and wire materials ●Extra-heavy wall, small diameter ERW tubes ●High-efficiency crash box ●High heat-resistance stainless steel "NAR-AH-4" for exhaust components and "dual-wall exhaust manifold" ●"NAR-301L HS1" stainless steel plate for cylinder head gaskets ■Higher efficiency for motors in hybrid cars ●Highly efficient non-oriented electrical steel sheets ■Simpler manufacturing and forming processes for users ●High formable anti-rust steel sheets (L-treatment) ●Steel pipes for hydro-form processing ●Non-heat treated nitrocarburized high-strength crankshaft steel ●High-strength steel for forged connecting rods	■Materials free of substances causing environmental impact ●Lead-free free-cutting steel for crank shafts (steel bar) ●Lead-free galvanized steel sheets for fuel tanks (ECOKOTE™-S) ●Chromate-free galvanized steel plates for automobiles ■Improved purification performance for exhaust gas ●Heat-resistant stainless steel for exhaust emission parts ●High-pressure fuel injection pipe for diesel engines ■Products that address noise and vibration ●Laminated damping steel sheets	■Waste reduction through extended product lifespan ●Galvanized steel sheets with high corrosion-resistance ●SUPERNICKEL steel sheets for hybrid car batteries

	Promotion of measures against global warming (Energy conservation and CO_2 reduction)	**Promotion of environmental risk management** (Environmental conservation and control over chemical substances)	**Active participation in the creation of a recycling-based society** (Longer life and recyclability of products)
Home appliances and electrical devices	■Improved motor efficiency ●Highly efficient non-oriented electrical steel sheets ■Simpler manufacturing process for users ●Pre-coated steel sheets ●Steel sheets treated with lubricant film ●Thin highly workable stainless steel sheets ●Precoated antistatic steel sheets ■Higher heat dissipation efficiency ●Steel sheets with higher endothermic properties ●Heat-releasing pre-painted steel sheets	■Materials free of substances causing environmental impact ●Lead-free galvanized steel sheets (ECOKOTE™, ECOTRIO™) ●Chromate-free electro-galvanized steel sheets for home appliances (NS ZINKOTE™, NS ZINKOTE™COLOR) ●Chromate-free precoated steel sheets for home appliances (Non-Chro VIEWKOTE™) ●Low-carbon lead-free free-cutting steel ■Reduced noise and magnetic shields ●Directional electrical steel sheets ●Stainless steel damping sheets	■Waste reduction through extended product lifespan ●Transparent coated stainless steel sheets ●Galvanized steel sheets with high corrosion resistance ●Titanium sheets
Containers	■Weight reduction of materials used in cans ●Extremely thin tin and laminated steel sheets	■Materials free of substances causing environmental impact ●Laminated steel sheets	■Increased recycling rate ●Materials for steel cans (tin and laminated steel sheets)
Construction and civil engineering, etc.	■Improved construction efficiency ●Mechanical joint for steel pipe pile (laqnican™ joint, Hi-SHJ™) ●Hat-type sheet pile ●HTUFF™ (Super High HAZ (heat-affected-zone) toughness technology with fine microstructure imparted by fine particles) steel ●Fixed external dimension H-section steel ●Fire-resistant steel "NSFR™" ●Super high tension bolt SHTB™ ■Energy conservation ●"SMart BEAM™" lightweight welded H-beam ●Steel house (NS Super Frame™ method of construction) ●High-speed railway wheels, axles, and bogie trucks ●Pure titanium sheet for aircraft, titanium alloy rods for aircraft engines	■Environmental conservation (Reductions in surplus soil, noise and vibration) ●NS ECO-PILE™, steel-pipe piles for gyro-press method™ ●GANTETSU™ pile, steel-pipe piles for TN Method ●Steel-pipe piles for TN-X Method ●Water-permeable steel sheet pile ●Steel pipe pile of low noise, low vibration and highly supporting power "RS Plus™" ●Plate for Shipbuilding with Improved Collision Safety (NSafe™-Hull) ●Non-fraime method ■Improved marine safety ●High-Strength steel for ship EH47 ●Low Noise Gear Units ●NS-Ship-Safety 235 ■Reduced use of rare metals ●Stainless steel that contains a very small amount of tin (NSSC FW1, FW2)	■Longer life and improved endurance and reliability ●High performance steel for bridge (SBHS) ●Steel for high-strength structures, high-tensile steel wires ●Abrasion nesistant steel plate (ABREX™) ●Rails for heavy-load railway ●Bogies equipped with steering devices for metro ●Titanium roof ■Improved corrosion-resistance capabilities ●Ni-based weather-resistant steel (NAW-TEN®) ●COR-TEN™ ●Highly corrosion-resistant galvanized steel sheets (Super Dyma™, etc.) ●Highly corrosion-resistant steel plates for crude oil tankers (NSGP™-1, 2) ●Low alloy steel with superior anti-rusting resistance (ARU-TEN™) ●MARILOY™ ●Alloyed titanium (Super-TIX™) ●Corrosion Resistance steel for Painting cycle Extension (CORSPACE™)

ECO-PROCESS
(Environmentally-designed manufacturing processes)

■Recycling and Reuse of Resource: about 99% (of total by-products generated in steelworks is recycled)

Recycling steel slag and dust

Nearly all the steel slag, that makes up the majority of steel by-products is used as raw materials for cement, ground improvement material, road bed material, and so forth. This also helps natural resource conservation and energy conservation.Dust generated in the process of iron manufacture is processed by the “RHF” (rotary hearth furnace) equipment and to recover usable resources, thus establishing zero emission system for steel dust.

Recycling of resources from plastics of containers and packaging waste

Nippon Steel & Sumitomo Metal (NSSMC) recovers 100% of resources (coke, oil, gas) from the container and packaging plastics collected by individual local governments from ordinary homes. At present, NSSMC has established the world's largest, waste-plastics reception network by which its seven steelworks in nationwide locations are servicing the entire country. NSSMC recycles about 30% (200,000 tons) of the container and packaging plastic collected from municipalities throughout Japan, and has processed a total of 2.3 million tons (between 2000 and 2014). This is equivalent to a total CO_2 reduction of approximately 7.2 million tons. In addition, the company also recycles fiber products including discarded uniforms and food trays in cooperation with tray producing companies into petrochemical products, using our above-mentioned technology.

Recycling of resources from waste tire

Hirohata Works recycles waste tires gathered from all over the country. In resource recovery, waste tires are used as raw materials and fuel by the Scrap Melting Process (SMP) for iron manufacture. Also, the world’s first technology of thermal cracking by the gasification recycling equipment for 100% resource recovery has been successfully established. These equipments can recycle 120,000 tons or about 10% of Japan’s total quantity of waste tires. This is equivalent to about 300,000 tons a year in its effect in CO_2 reduction.

■Energy Recycling: about 90% (of the total power generation in steelworks is generated from recovered waste heat and by-product gas)

Electric power generation through recovered waste heat and by-product gases

NSSMC Group recovers high-temperature waste heat and by-product gas generated in blast furnaces, coke ovens, converters, and so on, and efficiently uses them as electric power. The company uses the facilities located in the steelworking facilities to generate 84% of the total electric power that it needs, and purchases the remaining 16% from outside. A total of 90% of the total electric generation used by the steelworking facilities is generated from recovered waste heat and by-product gases.

CDQ (Coke Dry Quenching): Nippon Steel & Sumikin Engineering Co., Ltd.

By introducing CDQ (a power generation system using recovered waste heat), a major-scale CO_2 reduction has been realized.

■Water Circulation: about 90% achieved

About 90% of the water used for cooling and cleaning products and manufacturing equipment is being re-circulated.

ECO-SOLUTION
(Proposals of solutions to energy-saving and environmental problems)

Bio-oil & bio-mass from residual wood from the thinning of mountain forest bio-mass from coffee grounds

Wood from the thinning of mountain forests is made into chips, mixed with solvents, and subjected to microwave irradiation. The wood is thus decomposed into bio-oil, for possible use as a substitute fuel for petroleum and a raw material for chemical products. Verification tests are under way. (Nippon Steel & Sumikin Chemical Co., Ltd.)

Kamaishi Works and Oita Works are using such wood chips and non-commercial-grade timber for a coal-fired thermal power station. Mixing woody bio-mass with coal for combustion can serve the purpose of using less coal, which is a fossil fuel Japan imports, and thus reduce CO_2 emissions, while also helping to forest management. Kashima Works is making the similar effort by using coffee grounds.

Marine forest creation

Desertification of seashores has emerged recently as a new environmental problem. Decreasing seaweeds growth is an alarming sign of worsening environments for fish and other living things in coastal areas and telltale signs of immediate impact on coastal fisheries. One element of the causes is said to be a shortage of iron. To revitalize fields of seaweeds and marine plants, NSSMC has developed an iron-supply unit by mixing steel slag, a by-product of its iron manufacture, with leaf mold.

Creation of Hometown Forests

In 1971, Nippon Steel launched “Creation of Hometown Forests” programs at all of its steelworks scattered throughout the country. After studies on natural vegetation inherent to the surrounding areas, seeding, and planting seedlings, the steelworks’ programs have produced forests covering an area of about 900 hectares with 30-meter-high trees, providing habitats for various wild birds and animals.

■Global Sectoral Approach

The world steel industry is now promoting a global sectoral approach through which to spread the existing technologies and accelerate technological innovations for CO_2 reduction.

Japan-China cooperation in environmental and conservation matters

The steel industries of Japan and China, since 2005, have been holding the “Advanced Technology Exchange Meeting for Environmental Protection and Energy Conservation” as a rule each year. Exchanges between specialists of both countries have been contributing to the improved technological strengths of Chinese steelmakers.

Action through GSEP (Global Superior Energy Performance Partnership)

The Steel Working Group (chair country: Japan) of the GSEP was started in fiscal 2011 as a public-private partnership organization for multi-national countries. In March 2012, the first meeting was held in Tokyo, and the group is striving to spread energy saving and environment technologies so that regional partnerships with more countries including the EU may be achieved. In fiscal 2013, the Steel WG workshop was held in Paris in September 2014 with the participation of Japan, US, EU, China, India and South Korea, and active discussion on energy management was performed.

Action through World Steel Association

The World Steel Association has employed the universal method that calculates and reports the CO_2 emission from steel mills. The Japanese steel industry has mainly taken the action to standardize this calculation method into the ISO. In March 2013, it was published as ISO14404 “Calculation method of carbon dioxide emission intensity from iron and steel production”. This has allowed steel mills, which are not the members of the World Steel Association, to calculate the consumption rate of CO_2 with the universal method. It was the first step to greatly drive forward the global spectral approach set out by the steel industry.

R&D of a Revolutionary Iron-making Method

■COURSE50

The present iron-making process uses coal as a reducing agent for iron ores and, for this reason, unavoidably results in CO_2 emission. NSSMC and three other Japanese integrated steel producers, together with Nippon Steel & Sumikin Engineering Co., Ltd., are undertaking the “Environmentally Harmonized Steelmaking Process Technology Development Project” (COURSE50).

COURSE50 envisages the development of the iron-making technology of hydrogen reduction in the blast-furnace gas, utilizing hydrogen contained in the coke-oven gas, and the technology of separation and recovery of CO_2 from the blast-furnace gas. The eventual aim is to reduce CO_2 emissions by about 30% from the level now possible, by completing R&D by 2030 and industrialization and spread by around 2050.

■SCOPE21

This next-generation coke manufacturing technology, SCOPE21, designed for dramatic energy-saving, CO_2 emission reduction, and expansion of the use of low-grade metallurgical coal, was introduced at Oita Works in 2008 for the first time in the world. A second installation of the equipment was made at Nagoya Works in 2013.

Personnel and Labor Relations

Employees

●Number of employees

As of March 31	2009	2010	2011	2012	2013	2014	2015
Employees by division							
Nippon Steel & Sumitomo Metal Corporation (Nippon Steel Corporation)[*1]	15,503	15,845	16,150	16,158	24,510	24,152	23,775
Those seconded to subsidiaries and other organizations (excluded from above numbers)	2,143	1,945	1,711	1,168	1,215	1,138	1,208
Sumitomo Metal Industries, Ltd.	7,084	7,079	7,104	8,413	—	—	—
Those seconded to subsidiaries and other organizations (excluded from above numbers)	125	133	125	156	—	—	—
・Head office (Nippon Steel & Sumitomo Metal (Nippon Steel))	1,129	1,154	1,192	1,473	2,173	2,122	2,071
・Head office (Sumitomo Metals)[*2]	1,432	1,374	1,368	1,407	—	—	—
・Steelworks							
Kashima	2,918	2,914	2,934	2,925	2,781	2,711	2,726
Kimitsu	3,363	3,416	3,474	3,510	3,521	3,504	3,550
Nagoya	2,922	2,971	3,044	2,994	3,006	2,982	3,010
Wakayama[*3]	1,159	1,160	1,144	1,166	1,197	1,132	1,377
Hirohata	1,191	1,244	1,293	1,286	1,255	1,239	1,224
Yawata	2,810	2,856	2,850	2,861	2,778	2,739	3,659
Oita	1,629	1,696	1,767	1,998	1,987	1,960	1,963
Hikari[*4]	244	245	243	—	—	—	—
Muroran	583	579	604	584	584	593	601
Kamaishi	216	223	224	223	226	231	228
Kokura[*5*6]	1,236	1,192	1,136	1,041	1,059	1,066	—
Sakai[*7]	327	354	346	332	324	328	—
Tokyo[*8]	117	119	119	116	113	107	—
Amagasaki	682	702	690	662	638	638	645
Osaka	893	929	968	982	1,062	1,058	1,072
Naoetsu[*5]	294	269	259	230	198	184	167
・Technical Development Bureau	—	—	—	—	1,180	1,165	1,097
(Futtsu)[*9]	746	758	765	549	(616)	(645)	(669)
(Amagasaki)	—	—	—	—	(416)	(385)	(330)
(Hazaki)	—	—	—	—	(148)	(135)	(98)
・Domestic sales offices	209	219	218	222	414	379	368
・Overseas offices[*10]	17	11	11	10	14	14	17

*1 Those seconded to Nippon Steel & Sumitomo Metal from other companies are included from 2013 onward
*2 Those working at laboratories (Amagasaki, Hazaki) and domestic sales offices of Sumitomo Metals are included in Head office.
*3 Those working at Nippon Steel & Sumikin Koutetsu Wakayama Corporation are not included.
*4 Hikari Works was integrated into Oita Works in April 2011.
*5 In January 2012, Sumitomo Metals (Naoetsu), Ltd. and Sumitomo Metals (Kokura), Ltd. were merged to Sumitomo Metals. (Not included in Sumitomo Metals before the merger.)
*6 Kokura Works was integrated into Yawata Works in April 2014.
*7 Sakai Works was integrated into Wakayama Works in April 2014.
*8 Tokyo Works was integrated into Kimitsu Works in April 2014.
*9 Those shifted from T.D.B. to Plant Engineering and Facility Management Center in Head office, when reorganized in November 2011.
*10 Those working at following companies are included in those seconded to subsidiaries and other organizations.
NIPPON STEEL & SUMITOMO METAL U.S.A., INC., NIPPON STEEL & SUMITOMO METAL Empreendimentos Siderúrgicos Ltda., NIPPON STEEL & SUMITOMO METAL Australia Pty. Limited, NIPPON STEEL & SUMITOMO METAL Consulting (Beijing) Co., Ltd., PT.NIPPON STEEL & SUMITOMO METAL INDONESIA, NIPPON STEEL & SUMITOMO METAL Southeast Asia Pte. Ltd., NIPPON STEEL & SUMITOMO METAL (Thailand) Co., Ltd., NIPPON STEEL & SUMITOMO METAL India Private Limited

(Reference, as of March 31, 2015)

Number of Employees	23,775	Average age	39.3	Average years of continuous service	17.8

∗ Those seconded to subsidiaries and other organizations and those seconded to Nippon Steel & Sumitomo Metal from other companies are not included in the average age and the average years of continuous services.

●Number of newly employed

Fiscal Year	2013	2014	2015[*1]
Sales & administration	90	89	115
Engineers	181	151	177
Workers[*2]	523	330	596
Total	794	570	888
Female	109	86	202

∗1 As of April 1, 2015

∗2 Mostly employees who are engaged in operation and maintenance of steelmaking facilities

●Number of newly employed, 2008-2014

Fiscal Year	2008	2009	2010	2011	2012	2013	2014
Nippon Steel & Sumitomo Metal Corporation (Nippon Steel Corporation)	749	876	943	864	637	794	570
(Female)	(33)	(72)	(62)	(156)	(128)	(109)	(86)
Sumitomo Metal Industries, Ltd.	475	621	452	394	322	—	—
(Female)	(20)	(37)	(35)	(30)	(29)	—	—

●Number of employees studying abroad

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015
Employees newly studying abroad	3	7	5	5	8	6	11	4

Note: Aggregated numbers of Nippon Steel and Sumitomo Metals from 2008 to 2012

Wages and Bonuses

●Increase in monthly wages

(¥/month)

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015
Wage improvement	0	0	0	0	0	0	1,000	1,000
Regular wage increase	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700
Total wage increase	3,700	3,700	3,700	3,700	3,700	3,700	4,700	4,700

Note: Multiple-year (2 year) agreement from fiscal 1998

●Starting salaries

(¥/month)

Fiscal Year	2013	2014	2015
University graduates	203,000	203,500	204,500
High school graduates	160,000	160,000	161,000

●Annual bonus payment

(¥1,000/year)

Fiscal Year	2013	2014	2015
Standard amount	1,200	1,610	1,700
Summer	600	805	850
Winter	600	805	850

Profit-linked bonus

The bonus is determined by a formula (adopted in 2013) wherein the standard bonus amount in yen is calculated by adding 1,200,000 to the previous fiscal year's non-consolidated ordinary profit multiplied by 10,000/5,495,000,000.

There can be one exception: In case ordinary profit is less than ¥25 billion, in which case there is to be negotiation between the management and the labor union.

Working Hours

(days and hours)

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015
Annual number of holidays								
Regular daytime workers	118	118	118	118	118	118	119	119
Daytime/nighttime shift workers	103	103	103	103	103	103	103	103
Annual fixed working hours								
Regular daytime workers	1,916	1,916	1,916	1,916	1,916	1,916	1,908	1,908
Daytime/nighttime shift workers	1,899	1,899	1,899	1,899	1,899	1,899	1,899	1,899
Average	1,908	1,908	1,908	1,908	1,908	1,908	1,904	1,904

Note: Daily working hours: 7.75 hours for regular daytime workers
7.25 hours for daytime/nighttime shift workers

Welfare Systems for Supporting Family Life

Childcare

●Childcare leave

- Employees with children less than 18 months old who desire to take child-care leave shall be eligible for this leave until the child reaches the age of 18 months (or three years, under special circumstances such as waiting for admission to nursery school).
- Paid up to 50 days by using allotted Welfare Holidays (see below).

●Short-time work days

- Employees with children up to the third grade of elementary school can be exempted by two hours of working time per day.

●Work at home

- Employees bringing up children up to three years old can work at home up to two days in a month.

●Welfare holidays

- Expired paid holidays accumulated as 'Welfare Holidays' (up to 50 days) can be taken as paid leave for bringing up children.

●Childbirth leave for husbands

- Male employees can take two days of paid leave during any ten days before or after the birth of a child.

Nursing Care

●Long-term care leave

・Employees whose family members are in need of nursing care who desire to take family-care leave shall be eligible for this leave for a maximum period of one continuous year from the start, or non-continuously for a total of ninety-three days from the start.

●Short-time working for nursing

・Employees whose family members are in need of nursing care can be exempted from two hours of working time per day.

●Welfare holidays

・Expired paid holidays accumulated as 'Welfare Holidays' (up to 50 days) can be taken as paid leave for nursing care of a family member.

●Career return system

・Employees who leave the company due to childbirth, childcare, nursing care, or relocation of their spouse may re-enter the company within three years, if approved by the company.

Benefit Program

●Company houses and apartments:

About 5,300 units (about 700 for head office area)

●Bachelor houses and apartments:

About 8,000 units (about 700 for head office area)

●Loan system for house purchase:

Loan limit of ¥50 million for employees with more than 10 years of continuous service and of more than 30 years of age

●Child education support system:

Loan limit of ¥5 million

●Family care support system:

Loan limit of ¥5 million

●Refreshment holiday system:

	Travel coupon	Special holidays
Employees with 15 years of continuous service	¥100,000	5 holidays
Employees with 30 years of continuous service	¥500,000	10 holidays

●Work-life surpport system:

- Day care center subsidy for raising children
- Support for tuition fee of raising children, medical, health, sport, leisure activities, etc.
- Membership discount service for affiliated leisure facilities

Sporting Activities

Judo－Hirohata Works, Head Office

■ Recent major results

- All-Japan Business Team Tournament: Victory in 1996, 2nd best in 1997, victory in 1998, 3rd best in 1999, victory in 2000, 3rd best in 2001-2004, 2nd best in 2005-2006, 3rd best in 2009, victory in 2010-2011, 3rd best in 2013, 2nd best in 2014
- All-Japan Team Tournament: 2nd best in 1996-1997, 3rd best in 1998-1999

■ Recent major individual results at world tournaments

- Olympics: Barcelona (1992) -78 kg H. Yoshida Victory／-95 kg Y. Kai 7th place; Atlanta (1996) -86 kg H. Yoshida 5th place; Sydney (2000) -90 kg H. Yoshida Entry; London (2012) -90 kg M. Nishiyama 3rd place
- World Championship: Japan (1995) -86 kg H. Yoshida 2nd best／-95 kg S. Okaizumi 3rd place; Birmingham (1999) -90 kg H. Yoshida Victory; Munich (2001) -90 kg M. Tobitsuka Entry; Tokyo (2010) +100 kg K. Takahashi 5th place
- Kano Jigoro Cup: Japan (1996) Open N. Yabu 3rd place
- Grand Slam: Tokyo (2009) +100 kg K. Takahashi Victory; Rio de Janeiro (2010) +100 kg K. Takahashi Victory; Tokyo (2010) -90 kg M. Nishiyama Victory／+100 kg K. Takahashi 2nd best; Tokyo (2011) -90 kg M. Nishiyama Victory; Tokyo (2012) -90 kg M. Nishiyama 2nd best; Tokyo (2014) -90 kg D. Nishiyama 2nd best
- World Master: Kazakhstan (2012) -90 kg M. Nishiyama Victory
- Asian Games: China (2010) Open K. Takahashi Victory

■ Recent major individual results at Japanese tournaments

- All-Japan Championship: 1997 T. Ishida 3rd place／K. Masuchi 3rd place; 1998 K. Masuchi 3rd place／2010 K. Takahashi Victory
- All-Japan Championship by Weight: 1997 -86 kg H. Yoshida 2nd best／1999 -90 kg H. Yoshida Victory; 2000 -90 kg H. Yoshida Victory／-90 kg M. Tobitsuka 2nd best, -100 kg T. Inoue 3rd place +100 kg K. Masuchi 3rd place; 2001 -90 kg M. Tobitsuka Victory; 2009 -90 kg M. Nishiyama Victory +100 kg K. Takahashi Victory; 2012 -90 kg M. Nishiyama 2nd best
- Kodokan Cup All-Championship by Weight: 1997 +100 kg N. Yabu 2nd best -100 kg S. Okaizumi 3rd place; 1998 +100 kg N. Yabu 2nd best -90 kg H. Yoshida Victory; 1999 +100 kg K. Masuchi 2nd best -100 kg T. Inoue 2nd best; 2000 -90 kg M. Tobitsuka Victory／2001 -100 kg H. Yoshida 2nd best; 2005 -81 kg S. Yoshinaga Victory／2008-2011 -90 kg M. Nishiyama Victory; 2009 +100 kg K. Takahashi Victory; 2014 -90 kg D. Nishiyama Victory

Volleyball－Sakai Blazers

(Incorporated in December 2000 as a 100% subsidiary of NSSMC)

■ Recent major results

- Japan League: 3 continuous victories from 1988, 2nd best in 1991, 4th place in 1992, 3rd best in 1993, 13 cumulative victories
- V-League: Victory in 1996, 1997, 2005, 2011 and 2013; 2nd best in 1994, 1995, 2009 and 2010; 3rd best in 2001 and 2014

■ Athletes in national team

・Olympics	Seoul (1988)	10th place	M. Manabe
	Barcelona (1992)	6th place	T. Ueda, Y. Nakagaichi
	Beijing (2008)		T. Ueda (Head Coach), K. Tomonaga, Y. Ishijima
・World Cup	Japan (1991)	6th place	T. Ueda, Y. Nakagaichi
	Japan (1995)	5th place	M. Manabe, Y. Nakagaichi
・World Championship	Greece (1994)	Best 12	Y. Nakagaichi

	Japan (1998)	Best 16	M. Manabe, Y. Nakagaichi
・Asian Games	China (2010)	Victory	T. Ueda (Head Coach), Y. Ishijima

Rugby－Kamaishi Seawaves RFC

(Reorganized as a club team centering on Kamaishi Works in April 2001)

■ Recent major results

・All-Japan Company Team Tournament　Best 8 in 1992, 7 continuous victories since 1978

・All-Japan Championship　7 continuous victories since 1978

■ National team

・World Cup　3rd (1995) Y. Sakuraba／4th (1999) Y. Sakuraba

Baseball－Kashima, Kimitsu, Nagoya

■ Recent major results

・Inter-City Baseball Championship Tournament	Victory:	1937, 1954 Yawata 1968, 1971 Hirohata 1982 Wakayama
	2nd best:	1934 Yawata 1959 Kamaishi 1963 Muroran 1965, 1966 Wakayama 1974 Yawata 1983 Nagoya 1990 Hirohata
	Kashima	2000 Best 4, 2005 Best 8, 2010 Best 4, 2011 Best 4
	Kimitsu	1996 Best 8, 2000 Best 4
	Nagoya	1995 Best 8
	Hirohata	1981 Best 4, 1983 Best 4, 1991 Best 8
・Japan Amateur Baseball Championship	Victory:	2013 Nippon Steel & Sumitomo Metal Kazusa Magic

■ National team

・Olympics　Atlanta (1996) N. Matsunaka／Sydney (2000) S. Watanabe, K. Noda

＊ The baseball teams in Kimitsu and Nagoya have become "Nippon Steel & Sumitomo Metal Kazusa Magic" and "Nippon Steel & Sumitomo Metal Tokai Rex" respectively, in 2003

Cultural Activities

Nippon Steel & Sumitomo Metal Mixed Chorus (originally the Sumitomo Metals Mixed Chorus, renamed in October 2012 post-merger)

Chorus Timeline

1947	Established as the Fuso Metal Mixed Chorus
1952	Renamed as the Sumitomo Metals Mixed Chorus
Oct. 2012	Renamed as the Nippon Steel & Sumitomo Metal Mixed Chorus (NSSMMC)
As of 2013	44 appearances in the Japan Choral Association National Choral Competition; winners of the Gold Medal on 27 consecutive occasions from 1987 to 2013; Gold Medal winners in a total of 31 occasions

Recent Achievements

Gold Award in the National Choral Competition (University / Company / Community Choruses Division) held by the Japan Choral Association (November 2013, Chiba Cultural Center)

Other Activities

- In addition to participation in competitions, the NSSMMC gives regular concerts in Osaka about once every four years and provincial concerts in workplace locations such as Tokyo, Kashima, Wakayama, Kokura, and Kamaishi.
- The NSSMMC has accepted invitations to perform at special concerts in Okinoshima, Shimane Prefecture and in Koriyama City, Fukushima Prefecture. The Chorus also makes a broad contribution to society through its performances at charity concerts, etc.
- In 2004, the NSSMMC was invited to perform in Shanghai, China as part of the 30th anniversary celebrations of the friendship city relationship between Osaka City and Shanghai. Accordingly, the NSSMMC gave its first overseas performance at the Japan Harmony Shanghai event.

Organization of Labor Unions

Japanese Trade Union Confederation
Established in 1989
President: N. Koga
General Secretary: R. Kozu
51 organizations
-Membership: 6,820,000
Phone: 81-3-5295-0550
(as of May 2015)

Japan Council of Metal Workers' Unions (JCM)
Established in 1964
President: Y. Aihara
5 organizations -Membership: 2,000,000
Phone: 81-3-3274-2461
(as of May 2015)

Japan Federation of Basic Industry Workers' Unions
Established in 2003
President: S. Kudo
Vice-president: K. Kuritani
Vice-president: R. Takahashi
Vice-president: M.Yoshioka
General Secretary: K. Kanda
394 organizations
-Membership: 259,104
Phone: 81-3-3555-0401～4
(as of March 2015)

Federation of Nippon Steel & Sumitomo Metal Workers' Unions
(established in 2012)
President: T. Omori
Vice-president: Y. Todaka
Vice-president: K. Aogumo
General Secretary: N. Kohno
Assistant General Secretaries
Y. Yamauchi
H. Egami
T. Sato
K. Kodera
The Headquarters Members of the Executive Committee
T. Takada
K. Yanagitani
I. Kuroshima
T. Baba
Membership: 26,757
Phone: 81-3-6867-6284
(as of May 2015)

Oita Workers' Union (established in 1971)
President: R. Matsuo
General Secretary: A. Uemura
Vice-president: K. Ishimoto
Membership: 1,983
Phone: 81-97-551-1056

Kamaishi Workers' Union (established in 1946)
President: K. Miura
General Secretary: Y. Kobayashi
Vice-president: K. Tanaka
Membership: 230
Phone: 81-193-24-3013

Osaka Workers' Union (established in 1945)
President: M. Imamiya
General Secretary: K. Sugimoto
Vice-president: O. Kanazawa
Membership: 1,047
Phone: 81-6-6466-6181

Head Office Workers' Union (established in 2013)
President: M. Kobayashi
General Secretary: T. Hojo
Vice-president: K. Irasawa
Membership: 939
Phone: 81-3-3217-5880

Nippon Steel & Sumitomo Metal Chemical Workers' Union (established in 1972)
President: N. Yamasaki
General Secretary: T. Tamai
Membership: 1,020
Phone: 81-93-871-7851

Nippon Steel & Sumitomo Metal Engineering Workers' Union (established in 2007)
President: T. Ienaga
General Secretary: O. Oi
Vice-president: K. Noda
Membership: 850
Phone: 81-3-6665-4603

Kashima Workers' Union (established in 1969)
President: Y. Akazawa
General Secretary: T. Yamanaka
Vice-president: K. Shinotsuka
Membership: 2,983
Phone: 81-299-84-2951

Kimitsu Workers' Union (established in 1972)
President: H. Odani
General Secretary: S. Kato
Membership: 3,213
Phone: 81-439-52-8711

Nagoya Workers' Union (established in 1962)
President: K. Mochida
General Secretary: M. Matsumura
Membership: 2,659
Phone: 81-52-601-1881

Wakayama Workers' Union (established in 1946)
President: Y. Ikeda
Vice-president: M. Deguchi
Vice-president: T. Ozaki
General Secretary: R. Yamamoto
Membership: 2,245
Phone: 81-73-451-3561

Hirohata Workers' Union (established in 1945)
President: T. Kirino
General Secretary: S. Hasegawa
Membership: 1,599
Phone: 81-79-236-1491

Yawata Workers' Union (established in 1945)
President: K. Shinagawa
General Secretary: T. Masuda
Deputy President: S. Fukushima
Deputy General Secretary: T. Yamamoto
Vice-president: H. Nakama
Membership: 3,943
Phone: 81-93-671-2861

Muroran Workers' Union (established in 1945)
President: K. Ogara
General Secretary: T. Arakawa
Membership: 1,357
Phone: 81-143-44-5349

Amagasaki Workers' Union (established in 1945)
President: M. Ono
General Secretary: H. Komiya
Membership: 662
Phone: 81-6-6411-2512

Naoetsu Workers' Union (established in 1946)
President: Y. Honma
General Secretary: T. Toma
Membership: 175
Phone: 81-25-543-4632

Technical Research & Development Workers' Union (established in 2013)
President: M. Kawano
Vice-president: N. Shibata
Vice-president: K. Noda
General Secretary: Y. Ito
Membership: 706
Phone: 81-6-6489-5749

Nippon Steel & Sumikin Stainless Steel Workers' Union (established in 2005)
President: T. Ichikura
General Secretary: E. Fujita
Vice-president: H. Nakamura
Membership: 1,054
Phone: 81-833-71-5255

Nippon Steel & Sumitomo Metal Materials Workers' Union (established in 2008)
President: H. Yasuda
General Secretary: R. Segawa
Membership: 92
Phone: 81-90-6658-7841

Financial Summary

Nippon Steel & Sumitomo Metal Group (consolidated)

Fiscal year	2005	2006	2007
Crude steel (million tons)	33.95	34.52	36.23
Net sales	3,906,301	4,302,145	4,826,974
Operating profit (loss)	576,319	580,097	545,580
Ordinary profit (loss)	547,400	597,640	564,119
Net income (loss)	343,903	351,182	354,989
Net assets	1,677,889	2,369,228	2,413,954
Total assets	4,542,766	5,344,924	5,193,498
Net assets per share	¥252.65	¥295.78	¥303.33
Net income (loss) per share	¥51.07	¥54.28	¥56.33
Net income per share after dilution	¥51.04	¥53.18	¥53.51
Shareholders' equity	1,677,889	1,892,883	1,908,777
Ratio of shareholders' equity to total assets (%)	36.9	35.4	36.8
Ratio of net income (loss) to shareholders' equity (%)	24.0	19.7	18.7
Ratio of cash dividends to net income (%)	17.6	18.4	19.5
Net cash provided by operating activities	392,996	478,460	525,777
Net cash used in investing activities	(226,894)	(374,669)	(438,121)
Net cash provided by (used in) financing activities	(136,110)	19,387	(200,604)
Interest-bearing debt	1,223,837	1,213,057	1,192,027
Interest expenses	13,647	11,293	12,639
Capital expenditure	203,973	273,440	308,993
Depreciation	183,365	192,454	244,038
No. of consolidated subsidiaries	251	258	254
No. of equity-method affiliates	69	67	72
Number of employees	46,143	47,257	48,757
Net sales by business segment			
Steelmaking and steel fabrication	3,057,510	3,482,377	3,994,526
Engineering and construction	336,179	367,968	359,884
Urban development	104,045	94,347	93,839
Chemicals	—	*2 318,755	*2 289,029
New materials	—	65,601	76,157
(Chemicals and nonferrous materials)	373,072	—	—
System solutions	148,339	156,505	165,360
(Other businesses)	69,057	—	—
Total	4,088,205	4,485,555	4,978,797
Elimination of intersegment transactions	(181,903)	(183,410)	(151,823)
Consolidated total	3,906,301	4,302,145	4,826,974
Ordinary profit (loss) or Operating profit (loss) by business segment (Note 5)			
Steelmaking and steel fabrication	513,977	514,562	475,951
Engineering and construction	9,517	13,031	21,496
Urban development	14,155	14,301	12,602
Chemicals	—	*1 23,645	*1 21,050
New materials	—	3,129	559
(Chemicals and nonferrous materials)	*1 27,037	—	—
System solutions	11,806	13,992	14,756
(Other businesses)	(1,185)	—	—
Total	575,308	582,662	546,416
Elimination of intersegment transactions	1,010	(2,564)	(835)
Consolidated total	576,319	580,097	545,580
Dividends per share	¥9.0	¥10.0	¥11.0

Notes: The figures between fiscal 2005 ended March 31, 2006 to the fiscal 2011 ended March 31, 2012 are those of Nippon Steel.
The figures of fiscal 2012 ended March 31, 2013 is the aggregate of the first half period of Nippon Steel and the second half period of Nippon Steel & Sumitomo Metal.

(¥ million)

2008	2009	2010	2011	2012	2013	2014
31.24	29.92	34.92	32.44	39.50	48.16	47.32
4,769,821	3,487,714	4,109,774	4,090,936	4,389,922	5,516,180	5,610,030
342,930	32,005	165,605	79,364	20,110	298,390	349,510
336,140	11,833	226,335	143,006	76,931	361,097	451,747
155,077	(11,529)	93,199	58,471	(124,567)	242,753	214,293
2,174,809	2,335,676	2,380,925	2,347,343	2,938,283	3,237,995	3,547,059
4,870,680	5,002,378	5,000,860	4,924,711	7,089,498	7,082,288	7,157,929
¥265.23	¥293.19	¥295.84	¥290.77	¥263.81	¥294.10	¥326.30
¥24.60	(¥1.83)	¥14.81	¥9.29	(¥16.23)	¥26.67	¥23.48
¥23.71	—	¥14.51	—	—	—	—
1,668,682	1,844,382	1,860,799	1,828,902	2,394,069	2,683,659	2,978,697
34.3	36.9	37.2	37.1	33.8	37.9	41.6
8.7	(0.7)	5.0	3.2	(5.9)	9.6	7.6
24.4	—	20.2	26.9	—	18.7	23.4
127,540	437,668	369,500	237,414	313,317	574,767	710,998
(306,603)	(412,827)	(325,781)	(226,096)	(327,336)	(196,856)	(263,667)
170,209	(79,985)	(47,244)	(31,785)	33,332	(367,115)	(451,843)
1,454,214	1,383,794	1,337,851	1,334,512	2,543,062	2,296,326	1,976,590
15,839	17,999	15,609	14,533	19,670	20,781	14,630
305,738	329,356	287,236	281,748	355,873	257,019	304,389
273,744	284,092	291,587	280,940	288,770	331,801	320,046
251	255	270	286	370	377	356
73	73	74	76	107	109	105
50,077	52,205	59,183	60,508	83,187	84,361	84,447
4,038,685	2,823,193	3,473,495	3,476,855	3,790,450	4,877,909	4,939,239
386,643	331,905	254,941	248,934	303,002	314,174	348,699
70,152	80,073	86,556	80,419	—	—	—
212,172	179,412	193,896	197,669	195,719	230,130	212,777
59,907	58,799	60,888	54,245	42,211	37,241	36,449
—	—	—	—	—	—	—
161,541	152,234	159,708	161,582	171,980	179,856	206,032
—	—	—	—	—	—	—
4,929,103	3,625,619	4,229,485	4,219,706	4,503,364	5,639,312	5,743,199
(159,281)	(137,904)	(119,711)	(128,769)	(113,442)	(123,132)	(133,168)
4,769,821	3,487,714	4,109,774	4,090,936	4,389,922	5,516,180	5,610,030
307,047	(20,589)	181,968	98,846	41,522	321,287	401,987
24,674	31,655	14,883	12,775	18,189	17,702	18,758
3,929	2,937	9,273	9,371	—	—	—
894	10,431	13,244	13,598	9,778	10,057	6,898
(2,397)	444	2,111	607	984	1,391	2,482
—	—	—	—	—	—	—
11,479	10,732	11,332	11,215	11,673	12,760	16,565
—	—	—	—	—	—	—
345,627	35,613	232,814	146,415	82,148	363,199	446,693
(2,696)	(3,607)	(6,478)	(3,408)	(5,217)	(2,101)	5,053
342,930	32,005	226,335	143,006	76,931	361,097	451,747
¥6.0	¥1.5	¥3.0	¥2.5	¥1.0	¥5.0	¥5.5

*1 Losses of ¥2.7 billion incurred as a result of Nippon Steel Chemical becoming the wholly owned subsidiary of Nippon Steel are included.

*2 Nippon Steel Chemical transferred coke operations to Nippon Steel in July 1, 2007.
Sales of coke operations are ¥60.1 billion in fiscal 2006 and ¥16.3 billion in fiscal 2007.

Notes:

1) Amounts of money are rounded down.
   Other figures are rounded to the nearest unit.
2) Figures for crude steel include, in addition to the Company's, production of its subsidiaries: of Osaka Steel Co., Ltd., Nippon Steel & Sumikin Stainless Steel Corporation, Shin-Hokkai Steel Co., Ltd., Tokai Spcial Steel Co., Ltd., Oji Steel Co., Ltd., Nippon Steel & Sumikin Koutetsu Wakayama Corporation, and Nippon Steel & Sumikin Shapes Corporation. Production of Oji Steel Co.,Ltd., has been included since the second half of fiscal 2007 ended March 31, 2008. Production of Nippon Steel & Sumikin Koutetsu Wakayama Corporation and Nippon Steel & Sumikin Shapes Corporation is included since the second half of fiscal 2012 ended March 31, 2013. Production of Shin-Hokkai Steel Co., Ltd., has been included until fiscal 2013 ended March 31, 2014.
3) Since July 1 of fiscal 2006 ended March 31, 2007, "Chemicals" and "New materials", which were included in the chemicals and nonferrous materials segment, have been independent businesses, and "titanium and aluminum operations", which were part of the chemicals and nonferrous materials sector, have been transferred to "Steelmaking and steel fabrication". "Other businesses" (electric power supply, services, and others) has been transferred to "Steelmaking and steel fabrication".

Sumitomo Metals Group (consolidated)

Fiscal year	2005	2006	2007
Crude steel (million tons) *1	13.31	13.38	13.62
Net sales	1,552,765	1,602,720	1,744,572
Operating profit (loss)	305,804	303,774	274,396
Ordinary profit (loss)	280,733	327,676	298,218
Net income (loss)	221,252	226,725	180,547
Net assets*2	720,866	924,798	949,303
Total assets	2,113,391	2,301,556	2,418,310
Net assets per share	¥150.07	¥189.81	¥194.43
Net income (loss) per share	¥46.03	¥47.89	¥39.43
Net income per share after dilution	¥46.02	¥47.87	—
Shareholders' equity	720,866	880,807	901,946
Ratio of shareholders' equity to total assets (%)	34.1	38.3	37.3
Ratio of net income (loss) to shareholders' equity (%)	36.7	28.3	20.3
Net cash provided by operating activities	311,943	171,833	230,043
Net cash used in investing activities	(63,892)	(108,934)	(274,316)
Net cash provided by (used in) financing activities	(258,367)	(83,456)	48,751
Interest-bearing debt*3	679,778	717,984	883,888
Capital expenditure (Property, plant and equipment)	82,679	135,868	178,887
Depreciation (Property, plant and equipment)	75,255	72,291	102,565
No. of consolidated subsidiaries	72	70	71
No. of equity-method affiliates	27	31	33
Number of employees	25,639	24,982	24,926
Dividends per share	¥7.0	¥8.0	¥10.0

4) Minority interest in consolidated subsidiaries and deferred hedge income (loss) are included in shareholders' equity from fiscal 2006 ended March 31, 2007.
5) Beginning with fiscal 2010 ended March 31, 2011, “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17) and the “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20) have been applied. As a result of this, ordinary profit (loss) is presented from fiscal 2010 ended March 31, 2011 and operating profit (loss) is presented up to fiscal 2009 ended March 31, 2010.
6) 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 reporting segments and are presented within the Elimination of intersegment transactions amount.

(¥ million, unless specified)

2008	2009	2010	2011	2012
12.87	11.65	12.90	12.72	6.44
1,844,422	1,285,845	1,402,454	1,473,367	693,601
226,052	(928)	56,301	76,801	15,759
225,736	(36,634)	34,049	60,803	10,815
97,327	(49,772)	(7,144)	(53,799)	(133,849)
904,371	879,209	818,080	761,484	552,741
2,452,535	2,403,670	2,440,761	2,386,158	2,218,959
¥184.92	¥178.87	¥165.41	¥153.02	¥119.53
¥20.98	(¥10.74)	(¥1.54)	(¥11.61)	(¥29.35)
—	—	—	—	—
857,697	829,219	766,777	709,315	500,102
35.0	34.5	31.4	29.7	22.5
11.1	(5.9)	(0.9)	(7.3)	(22.1)
190,582	67,002	202,340	88,065	—
(214,977)	(172,933)	(144,009)	(120,110)	—
52,623	87,843	(1,325)	(32,714)	—
990,010	1,138,353	1,173,382	1,172,120	1,263,938
159,118	136,643	109,934	115,797	65,605
109,854	120,853	126,267	122,937	49,279
73	72	68	72	71
35	36	37	38	37
24,245	23,674	22,597	23,007	—
¥10.0	¥5.0	¥3.5	¥2.0	—

Notes: Amounts of money disregard fractions.
Other figures are rounded to the nearest unit.

∗1 Figures for crude steel include, in addition to Sumitomo Metals, production of its subsidiaries: Sumitomo Metals (Kokura), Ltd., Sumitomo Metals (Naoetsu), Ltd. and Sumikin Iron & Steel Corporation.
∗2 Net assets include minority interests and deferred gains (losses) on hedges from fiscal 2006.
∗3 Figures for "Interest-bearing debt" up to fiscal 2011 ended March 31, 2012 are amounts of debt.
∗4 Figures for fiscal 2012 are the first-half results of Sumitomo Metals.

Capital Procurement from Capital Markets

Bonds and notes	Date of issue	Total amount (¥ million)	Annual interest rate	Due date
29th straight bond	Mar. 17, '97	10,000	3.30%	Mar. 17, '17
30th straight bond	Sep. 11, '97	10,000	3.175%	Sep. 11, '17
Japanese Yen straight bond due 2019	Feb. 15, '99	700	3.00%	Feb. 15, '19
Subordinated bonds*	Nov. 9, '06	300,000	6 month LIBOR rate + 1.7%	-
53rd straight bond	Nov. 30, '07	30,000	1.77%	Sep. 20, '17
55th straight bond (issued by Nippon Steel)	Jan. 25, '08	30,000	1.66%	Dec. 20, '17
57th straight bond (issued by Sumitomo Metals)	Apr. 25, '08	10,000	1.35%	Apr. 24, '15
57th straight bond (issued by Nippon Steel)	May 23, '08	30,000	1.92%	Mar. 20, '18
58th straight bond	Sep. 2, '08	30,000	1.714%	Jun. 20, '18
59th straight bond (issued by Nippon Steel)	Sep. 2, '08	10,000	2.491%	Jun. 20, '28
61st straight bond (issued by Nippon Steel)	Dec. 2, '08	15,000	1.891%	Sep. 20, '18
63rd straight bond (issued by Nippon Steel)	Jun. 9, '09	20,000	1.942%	Jun. 20, '19
60th straight bond	Jul. 24, '09	10,000	1.118%	Jul. 24, '15
64th straight bond (issued by Nippon Steel)	Apr. 20, '10	20,000	1.53%	Mar. 19, '20
61st straight bond (issued by Sumitomo Metals)	Apr. 23, '10	10,000	0.815%	Apr. 22, '16
62nd straight bond (issued by Sumitomo Metals)	Jul. 23, '10	10,000	0.73%	Jul. 21, '17
65th straight bond (issued by Nippon Steel)	Aug. 31, '10	15,000	1.076%	Jun. 19, '20
63rd straight bond (issued by Sumitomo Metals)	Nov. 30, '10	10,000	0.543%	Nov. 30, '15
66th straight bond (issued by Nippon Steel)	May 24, '11	10,000	0.58%	Mar. 18, '16
67th straight bond (issued by Nippon Steel)	May 24, '11	30,000	1.293%	Mar. 19, '21
64th straight bond (issued by Sumitomo Metals)	May 31, '11	10,000	0.583%	May 31, '16
65th straight bond (issued by Sumitomo Metals)	May 31, '11	10,000	0.846%	May 31, '18
66th straight bond (issued by Sumitomo Metals)	Jul. 25, '11	10,000	0.491%	Jul. 25, '16
68th straight bond (issued by Nippon Steel)	Oct. 20, '11	15,000	1.109%	Sep. 17, '21
67th straight bond (issued by Sumitomo Metals)	Oct. 20, '11	10,000	0.48%	Oct. 20, '16
68th straight bond (issued by Sumitomo Metals)	Oct. 20, '11	10,000	0.7%	Oct. 19, '18

Bonds and notes	Date of issue	Total amount (¥ million)	Annual interest rate	Due date
69th straight bond (issued by Sumitomo Metals)	Apr. 20, '12	10,000	0.448%	Apr. 20, '17
70th straight bond (issued by Sumitomo Metals)	Apr. 20, '12	10,000	0.697%	Apr. 19, '19
69th straight bond (issued by Nippon Steel)	Jul. 20, '12	10,000	0.556%	Jun. 20, '19
70th straight bond (issued by Nippon Steel)	Jul. 20, '12	20,000	0.951%	Jun. 20, '22
Total		725,700		

Note:

* Subordinated bonds are perpetual bonds that have the same contents as the mandatorily acquirable interest-bearing deeply subordinated convertible bonds (Due date: January 20, 2012, Annual interest rate: 2.228%) .

Equipment Investment by Nippon Steel & Sumitomo Metal (Nippon Steel)

(¥billion)

Fiscal year	Nippon Steel & Sumitomo Metal (Nippon Steel)				Sumitomo Metals	
	Consolidated		Non-consolidated		Consolidated	
	Investments	Depreciation	Investments	Depreciation	Investments	Depreciation
1970			275.0	111.9		
1971			250.0	113.3		
1972			173.0	130.1		
1973			96.0	136.1		
1974			197.0	139.6		
1975			325.0	151.4		
1976			280.0	174.4		
1977			200.0	178.3		
1978			160.0	178.9		
1979			170.0	201.6		
1980			165.0	201.5		
1981			220.0	194.9		
1982			300.0	197.0		
1983			210.0	190.1		
1984			170.0	185.1		
1985			175.0	181.1		
1986			165.0	179.3		
1987			105.0	184.9		
1988			125.0	178.3		
1989			150.0	166.9		
1990			170.0	166.7		
1991			200.0	172.3		
1992			200.0	166.6		
1993	(Consolidated figures		170.0	146.8		
1994	available from FY1995)		130.0	141.7		
1995	234.9	238.0	120.0	154.3		
1996	241.4	232.5	100.0	149.3		
1997	232.5	241.0	100.0	148.1	128.9	119.4
1998	234.8	221.4	135.0	139.4	137.3	119.7
1999	227.0	214.2	180.0	153.3	106.6	146.8
2000	157.3	207.0	135.0	150.9	77.0	132.2
2001	195.8	197.3	175.0	144.4	74.6	121.1
2002	163.3	196.7	85.0	148.1	50.9	91.7
2003	149.6	183.5	120.0	134.3	67.1	78.3
2004	195.2	180.6	140.0	129.9	60.3	79.2
2005	204.0	183.4	165.0	130.6	82.6	75.2
2006	273.4	192.5	200.0	134.2	135.8	72.2
2007	309.0	244.0	230.0	174.9	178.8	102.5
2008	305.7	273.7	220.0	197.2	159.1	109.8
2009	329.4	284.1	270.0	214.3	136.6	120.8
2010	287.2	291.6	210.0	220.9	109.9	126.2
2011	281.7	280.9	180.0	212.3	115.7	122.9
2012	355.8	288.7	260.0	214.7	65.6	49.2
2013	257.0	331.8	161.9	246.8		
2014	304.3	320.0	214.0	230.2		

Notes:

1) Investments are construction-based.

2) Amounts for Sumitomo Metals are only for property, plant and equipment.

3) Figures of NSSMC for fiscal 2012 consists of those of the first half of NSC and the second half of NSSMC.
Figures of Sumitomo Metals for fiscal 2012 consists of the first half of Sumitomo Metals.

Major New Installations at Nippon Steel and Sumitomo Metal:
Major Equipment Investment Completed (last 5 years)

Steelworks	Investment work	Completion	Capacity
Kimitsu	Expansion of secondary refining	Apr. 2010	+ approx. 160,000 tons/m
Yawata	Innovation in steelmaking processes	Oct. 2010	
Kashima	Production capacity expansion for ultra high strength line pipes	Jan. 2011	
Kimitsu	Relining of No. 2 blast furnace	May 2012	4,500 m^3
Amagasaki (R&D Center)	Renewal of Corporate Research & Development Laboratories	May 2012	
Nagoya	No.5 Coke oven (No.3 Coke oven: ceased operation*)	Mar. 2013	approx. 1,000,000 tons/y
Yawata	Relining of No.4 blast furnace	Apr. 2014	5,000 m^3

* Aug. 2013

Major Equipment Investment in Progress or Planned

Steelworks	Investment work	Completion	Capacity
Wakayama	Replacing upstream facilities 2nd step (Construction of new No.2 blast furnace, etc.)	Postponement of operation	No. 2 BF 3,700 m^3
Kimitsu	Relining of No.4 coke oven	Dec. 2016*	approx. 900,000 tons/y
Kashima	Construction of No.1 F coke oven	Aug. 2016*	approx. 340,000 tons/y

* Scheduled to be completed.

Steelmaking Operations

Production

History of Crude Steel Production by the Japanese Steel Industry and Nippon Steel & Sumitomo Metal (Nippon Steel)

(1,000 tons, %)

Fiscal year	Japan total	Nippon Steel & Sumitomo Metal (Nippon Steel*)		Sumitomo Metals**	
			% of total		% of total
1970	92,406	32,982	35.7	11,073	12.0
1971	88,441	29,971	33.9	10,687	12.1
1972	102,972	35,369	34.3	12,002	11.7
1973	120,017	40,989	34.1	14,693	12.2
1974	114,035	36,899	32.4	14,535	12.7
1975	101,613	32,293	31.8	13,072	12.9
1976	108,326	34,394	31.8	13,336	12.3
1977	100,646	31,655	31.5	12,171	12.1
1978	105,059	31,994	30.5	12,322	11.7
1979	113,010	33,582	29.7	12,936	11.4
1980	107,386	31,682	29.5	12,216	11.4
1981	103,029	29,970	29.1	11,533	11.2
1982	96,299	27,051	28.1	10,339	10.7
1983	100,200	27,727	27.7	10,715	10.7
1984	106,470	29,596	27.8	11,361	10.7
1985	103,758	27,981	27.0	10,775	10.4
1986	96,379	25,567	26.5	9,869	10.3
1987	101,877	27,157	26.7	10,526	10.3
1988	105,656	28,217	26.7	10,920	10.3
1989	108,139	28,362	26.2	11,001	10.2
1990	111,710	28,993	26.0	11,245	10.1
1991	105,853	27,687	26.2	10,664	10.1
1992	98,937	25,320	25.6	10,008	10.1
1993	97,092	25,123	25.9	9,988	10.3
1994	101,363	26,565	26.2	10,505	10.4
1995	100,023	26,173	26.2	9,996	10.0
1996	100,793	25,706	25.5	10,021	9.9
1997	102,800	26,619	25.9	10,246	10.0
1998	90,979	23,201	25.5	8,987	9.9
1999	97,999	25,620	26.1	9,647	9.8
2000	106,901	27,838	26.0	11,661	10.9
2001	102,064	26,140	25.6	11,035	10.8
2002	109,786	29,902	27.2	12,184	11.1
2003	110,998	30,147	27.2	12,776	11.5
2004	112,897	29,879	26.5	12,867	11.4
2005	112,718	31,200	27.7	13,305	11.8
2006	117,745	31,596	26.8	13,377	11.4
2007	121,511	33,112	27.3	13,619	11.2
2008	105,500	28,611	27.1	12,872	12.2
2009	96,448	27,503	28.5	11,650	12.1
2010	110,793	32,465	29.3	12,901	11.6
2011	106,462	30,200	28.4	12,718	11.9
2012	107,305	43,547	40.6		
2013	111,523	45,665	41.0		
2014	109,844	44,959	40.9		

Source: The Japan Iron and Steel Federation

Notes: Underlined figures indicate the highest and the lowest during the period 1970 to 2011.
* Excluding production by NSSC
** Including production by Sumitomo Metals (Kokura), Sumitomo Metals (Naoetsu) and Sumikin Iron & Steel Co.

Iron and Steel Statistics

Japan's Consumption of Ordinary Steel Products by Market

(1,000 tons, %)

Fiscal year / Market	2009	2010	2011	2012	(% of total)	2013	(% of total)	2014	(% of total)
Construction	18,678	18,558	19,184	20,825	42.5	23,005	44.4	22,456	43.9
Building construction	12,638	12,988	13,636	14,743	30.1	16,263	31.4	15,258	29.8
Civil engineering	6,040	5,570	5,548	6,082	12.4	6,742	13.0	7,198	14.1
Shipbuilding	5,932	6,001	5,557	4,357	8.9	4,162	8.0	4,425	8.6
Automobiles	10,204	10,567	11,307	11,143	22.8	11,479	22.2	11,124	21.7
Industrial machinery	3,283	4,545	5,064	4,698	9.6	5,036	9.7	5,329	10.4
Electrical machinery	3,019	3,267	3,178	3,018	6.2	3,112	6.0	3,065	6.0
Secondary processing	2,416	2,588	2,448	2,354	4.8	2,429	4.7	2,330	4.6
Others	2,547	2,637	2,676	2,568	5.2	2,585	5.0	2,429	4.7
Total	46,079	48,163	49,414	48,963	100.0	51,808	100.0	51,158	100.0

Note: Figures for fiscal 2014 are estimates by NSSMC.

Source: The Japan Iron and Steel Federation

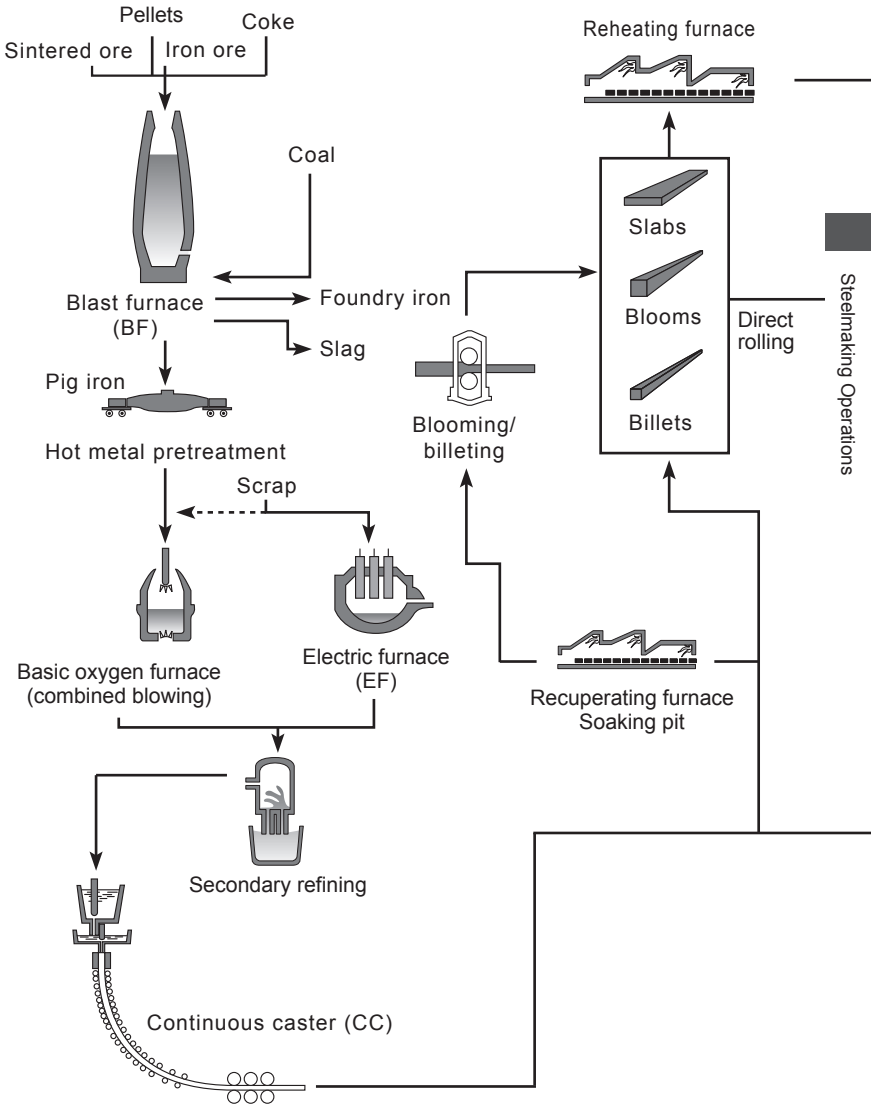
Japan's Order Receipts for Ordinary and Specialty Steel Products by Type of Product

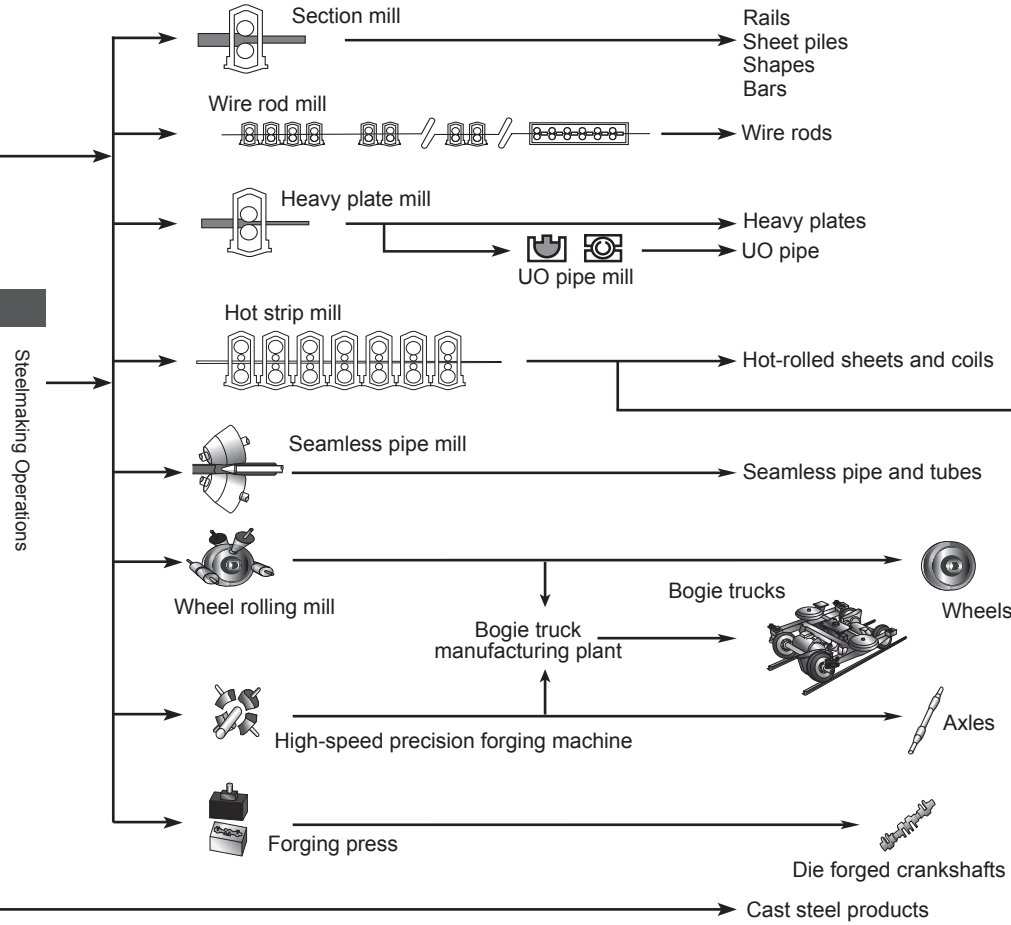
(1,000 tons)

Type of product \ Fiscal year	1995	2000	2005	2010	2011	2012	2013	2014
Ordinary steel products	58,004	56,535	54,976	44,259	43,730	43,648	46,106	44,501
Rails	268	216	213	218	195	204	186	190
Sheet piles	852	734	646	354	494	597	674	610
H beams	4,990	4,720	3,924	2,666	2,735	3,010	3,562	3,273
Shapes	3,497	3,136	2,659	1,906	1,909	1,902	1,926	1,923
Bars	11,542	11,070	10,061	7,511	7,958	8,294	8,249	7,821
Wire rods	2,844	3,013	2,337	1,643	1,557	1,486	1,665	1,471
Plates	6,831	7,250	9,246	8,983	8,485	7,563	7,914	7,791
Hot-rolled sheets and coils	7,011	6,844	6,798	5,794	5,697	5,736	6,146	5,734
Cold-rolled sheets and coils	4,315	3,996	4,089	3,231	3,087	2,913	3,066	2,903
Electrical sheets	695	617	588	514	524	490	544	524
Tinplate	1,749	1,441	1,084	982	899	865	836	739
Galvanized sheets	1,362	1,052	607	389	366	427	404	475
Other coated sheets	7,064	8,169	8,828	7,359	7,226	7,412	8,026	8,054
Pipe and tubes	4,984	4,277	3,896	2,710	2,599	2,747	2,908	2,991
Specialty steel products	9,840	9,949	13,257	12,308	12,169	11,186	11,908	12,122
Structural steel	4,659	4,733	7,044	6,558	6,576	5,951	6,249	6,581
Stainless steel	1,582	1,548	1,555	1,527	1,419	1,419	1,534	1,438
Free-cutting steel	789	760	857	576	525	508	506	467
High-strength steel	871	1,063	1,630	1,714	1,702	1,694	1,891	1,904
Others	1,939	1,845	2,171	1,932	1,948	1,614	1,728	1,731
Total	67,844	66,484	68,233	56,566	55,899	54,834	58,015	56,623

Source: The Japan Iron and Steel Federation

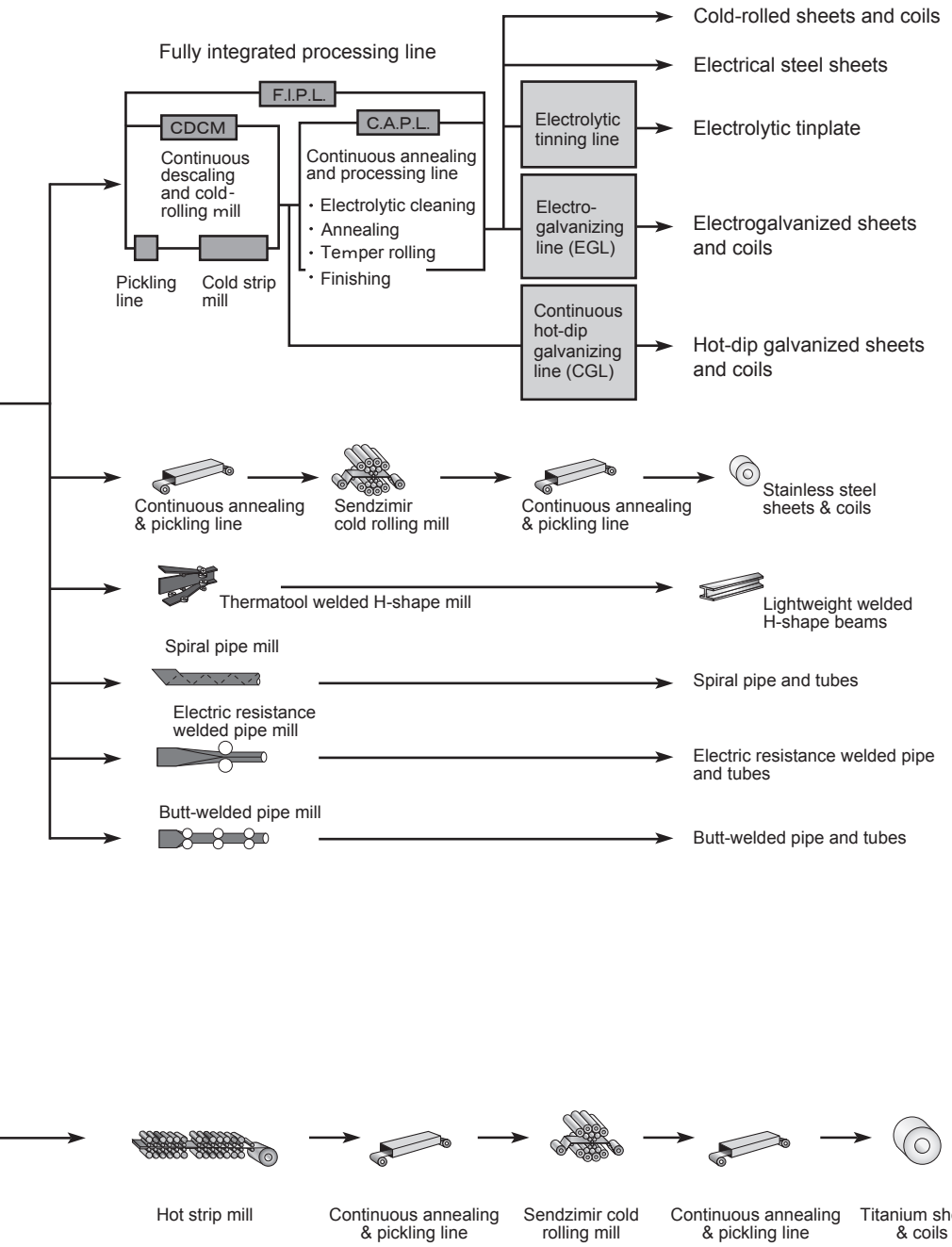
Steel Manufacturing Process





Titanium Manufacturing Process

(including processes handled by other companies)


Fully integrated processing line
F.I.P.L.
CDCM
Continuous descaling and cold-rolling mill
Pickling line
Cold strip mill
C.A.P.L.
Continuous annealing and processing line
・Electrolytic cleaning
・Annealing
・Temper rolling
・Finishing
Electrolytic tinning line
Electro-galvanizing line (EGL)
Continuous hot-dip galvanizing line (CGL)
Cold-rolled sheets and coils
Electrical steel sheets
Electrolytic tinplate
Electrogalvanized sheets and coils
Hot-dip galvanized sheets and coils
Continuous annealing & pickling line
Sendzimir cold rolling mill
Continuous annealing & pickling line
Stainless steel sheets & coils
Thermatool welded H-shape mill
Lightweight welded H-shape beams
Spiral pipe mill
Spiral pipe and tubes
Electric resistance welded pipe mill
Electric resistance welded pipe and tubes
Butt-welded pipe mill
Butt-welded pipe and tubes

Hot strip mill
Continuous annealing & pickling line
Sendzimir cold rolling mill
Continuous annealing & pickling line
Titanium sheets & coils

Outline of the Manufacturing Base

Works	Kashima Works	Kimitsu Works		Nagoya Works
		[Kimitsu Area]	[Tokyo Area]	
Founding	1968	1965	1935	1958
General Superintendent	K.Takahashi	A. Inoue		S. Fujino
Employees*1	2,726	3,550		3,010
Site (1,000m²)*2	8,886	12,164	116	6,518
Crude steel production (1,000 tons)*3	7,573	9,628	—	6,211
Major production equipment				
Blast furnaces (Inner volume, m³) <Relining operation>	No.1 BF (5,370m³) <Sep. 2004> No.3 BF (5,370m³) <May 2007> 2 BFs	No.2 BF (4,500m³) <May 2012> No.3 BF (4,822m³) <May 2001> No.4 BF (5,555m³) <May 2003> 3 BFs		No.1 BF (5,443m³) <Apr. 2007> No.3 BF (4,300m³) <Apr. 2000> 2 BFs
Basic-oxygen furnaces	No.1 steelmaking plant: 250 t/ch × 3 No.2 steelmaking plant: 345 t/ch × 2	No.1 steelmaking plant: 220 t/ch × 3 No.2 steelmaking plant: 300 t/ch × 3		No.1 steelmaking plant: 160 t/ch × 3 No.2 steelmaking plant: 270 t/ch × 3
Electric furnaces				
Continuous casters	No.1 steelmaking plant: 2 casters No.2 Steelmaking plant: 2 casters	No.1 steelmaking plant: 2 casters No.2 steelmaking plant: 3 casters		2 casters
Slabbing mills	Slabbing mill × 1	Blooming mill × 1		Slabbing mill × 1
Section mills	Shape mill × 1	Shape mill × 1		
Bar and wire rod mills		Wire rod mill × 1		
Pipe and tube mills	Small Welded Pipe mill × 1 UO mill × 1	Spiral mill × 2 ERW mill × 1 UO mill × 1	Seamless mill ×1	Medium-diameter ERW mill × 1
Plate and sheet mills	Plate mill × 1 Hot-rolling mill × 1 Cold-rolling mill × 1	Plate mill × 1 Hot-rolling mill × 1 Cold-rolling mill × 2		Plate mill × 1 Hot-rolling mill × 1 Cold-rolling mill × 2
Coating lines	Hot-dip galvanizing line × 2	Hot-dip galvanizing line × 4 Electrogalvanizing line × 1 Coil-coating line × 1		Tinning line × 1 Tin-free steel line × 1 Hot-dip galvanizing line × 3 Film-laminating line × 2
Wheel/Outer wheel mills				
Forging mills				
Welded H-shape mills	Thermatool welded H-shape mill × 1			

∗1: Excluding those seconded to subsidiaries and other organizations (as of March 31, 2015)
∗2: Including the site used for employee welfare facilities ∗3: For fiscal 2014 ended March 31, 2015

(As of July 1, 2015)

	Wakayama Works		Hirohata Works	Yawata Works	
	[Wakayama・Kainan Area]	[Sakai Area]		[Tobata・Yawata Area]	[Kokura Area]
	1942	1961	1939	1901	1918
	K. Nakashima		M. Iwasaki	N. Sato	
	1,377*4		1,224	3,659	
	5,361	1,232	6,291	14,817	1,269
(*5)	4,732	—	780	3,424	1,300
	No.1 BF (3,700m^3) <Jul. 2009> No.5 BF (2,700m^3) <Feb. 1988> 2 BFs (*5)		(Cold ferrous materials melting furnace)	Tobata No.4 BF (5,000m^3) <Apr. 2014> 1BF	No.2 BF (2,150m^3) <Apr. 2002> 1BF
	Steelmaking plant: 260 t/ch × 3 (*5)		Melting furnace: 200 t/ch × 1 Decarburization furnace:100 t/ch × 1 Melting/decarburization furnace: 120 t/ch × 1	No.1 steelmaking plant: 170 t/ch × 2 No.3 steelmaking plant: 350 t/ch × 2	Steelmaking plant: 70 t/ch × 4
	80 t/ch × 1(stainless)(*5)				
	Steelmaking plant: 5 casters Stainless plant: 1 caster (*5)		1 caster	No.3 steelmaking plant: 4 casters	2 casters
	Blooming mill × 1 (*5)				Blooming mill × 1
		Shape mill × 1		Shape mill × 1	
					Wire rod mill × 1 Barmill × 1
	Medium-diameter seamless mill × 1 Small-diameter seamless mill × 2			Spiral mill × 1	
	Cold-rolling mill × 1		Hot-rolling mill × 1 Cold-rolling mill × 2 Electrical sheet mill × 2	Hot-rolling mill × 1 Cold-rolling mill × 3 Electrical sheet mill × 2	
			Tinning line × 2 Hot-dip galvanizing line × 2 Electrogalvanizing line × 1	Tinning line × 2 Tin-free steel line × 1 Hot-dip galvanizing line × 2 Terne-coating line × 1	

∗4: Nippon Steel & Sumikin Koutetsu Wakayama Corporation is not included.
∗5: Nippon Steel & Sumikin Koutetsu Wakayama Corporation

Works	Oita Works		Muroran Works	
	[Oita Area]	[Hikari Area]		
Founding	1971	1955	1909	
General Superintendent	H. Nitta		Y. Ando	
Employees*1	1,963		601	
Site (1,000m^2)*2	7,097	821	7,745	
Crude steel production (1,000 tons)*3	9,814	—	1,456	
Major production equipment				
Blast furnaces (Inner volume, m^3) <Relining operation>	No.1 BF (5,775m^3) <Aug. 2009> No.2 BF (5,775m^3) <May 2004> 2 BFs		No.2 BF (2,902m^3) <Nov. 2001> Taken over by Hokkai Iron & Coke Co., Ltd. in Apr. 1994 1 BF	
Basic-oxygen furnaces	Steelmaking plant: 410 t/ch × 3		No.1 steelmaking plant: 270 t/ch × 2	
Electric furnaces			100 t/ch × 1	
Continuous casters	3 casters		1 caster	
Slabbing mills				
Section mills		Hot extrusion mill × 1 (shapes and pipe/tubes)		
Bar and wire rod mills			Wire rod mill × 1 Barmill × 1	
Pipe and tube mills		Medium-diameter ERW mill × 1 Small-diameter ERW mill × 1		
Plate and sheet mills	Plate mill × 1 Hot-rolling mill × 1	Cold-rolling mill × 1		
Coating lines				
Wheel/Outer wheel mills				
Forging mills				
Welded H-shape mills				

∗1: Excluding those seconded to subsidiaries and other organizations (as of March 31, 2015)
∗2: Including the site used for employee welfare facilities ∗3: For fiscal 2014 ended March 31, 2015

(As of July 1, 2015)

	Kamaishi Works	Amagasaki Works	Osaka Steel Works	Naoetsu Works
	1886	1919	1901	1934
	T. Taenaka	Y. Yamadera	M. Miyahara	N. Yamada
	228	645	1,072	167
	3,407	519	527	306
	—	—	45	—
			40 t/ch × 1	
				Shape mill × 1
	Wire rod mill × 1			
		Seamless mill × 2		
				Cold-rolling mill × 4
			Wheel mill × 1 Outer wheel mill × 1	
		Super forging press × 1	Die forging press × 4 Axle forging machine × 1 Free forging press × 2	

Domestic Distribution Route of Iron and Steel Products

Sales Method

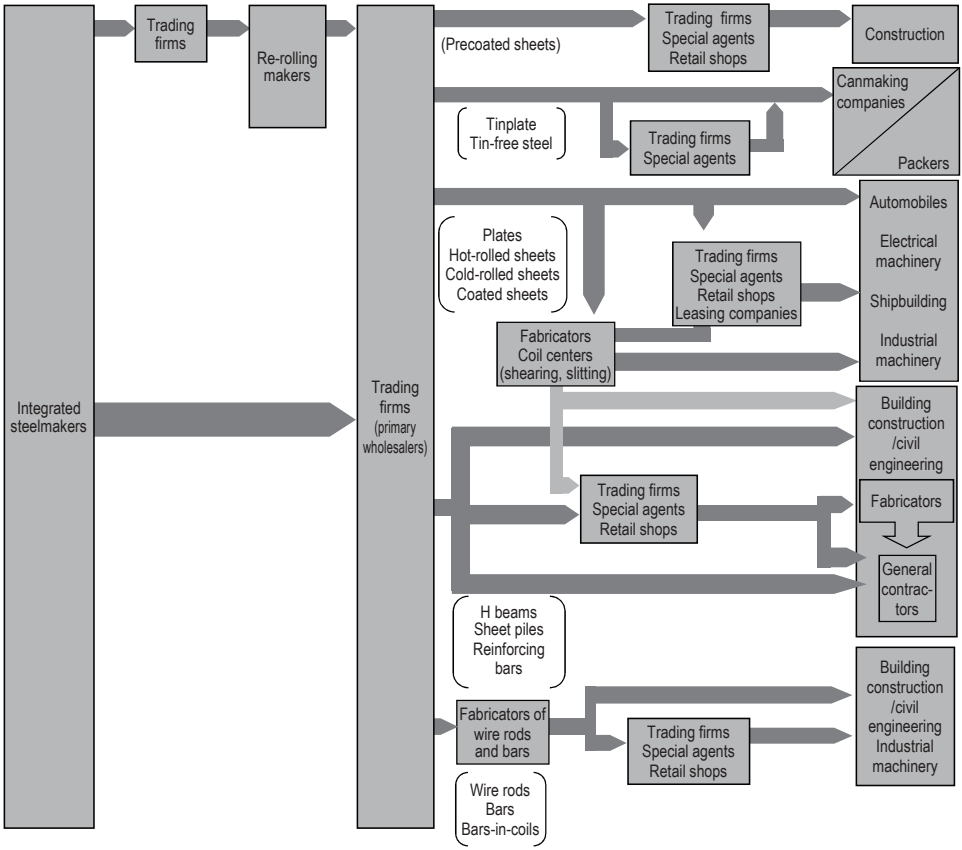
・Tied sale

Customers's order contents (price, volume, specifications, etc.) are informed to steelmakers, and those steel products conforming to the order content are produced for the specified customers. Contracts are made between steelmakers and trading firms and between trading firms and customers in this sales form.

・Retail sale

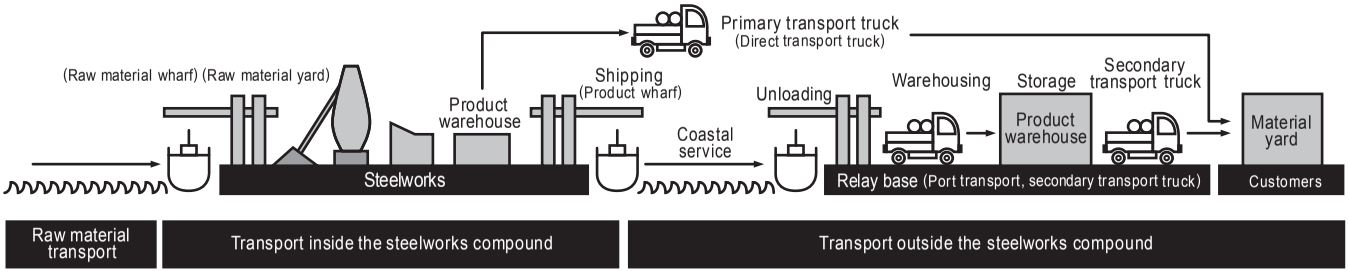
Steelmakers sell steel products to retailers and trading firms without end users being specified, and the retailers and trading firms stockpile the steel products which are purchased at their responsibility and risk and then sell the products with their own sales efforts, taking into account the market and other conditions.

Distribution Route



Transport Mode of Steel Products for Domestic Customers

Sixty percent of domestic transport of steel products is by coastal shipping and forty percent by truck.



Raw Materials and Fuel

Imports of Iron Ore and Coking Coal by Major Supply Source: Japanese Steel Industry and Nippon Steel & Sumitomo Metal Corporation

(Upper rows: tonnage in million tons; % of the total in parentheses)

Fiscal year	2008	2009	2010	2011	2012	2013	2014
■ Iron ore							
Australia	74.26	70.17	80.70	79.76	81.83	83.58	83.56
	(57.8)	(60.9)	(60.4)	(62.2)	(62.0)	(61.2)	(61.1)
Brazil	35.15	31.76	38.86	37.05	37.28	37.11	36.23
	(27.4)	(27.6)	(29.1)	(28.9)	(28.2)	(27.2)	(26.5)
India	5.77	5.87	4.77	2.73	2.43	1.87	1.94
	(4.5)	(5.1)	(3.6)	(2.1)	(1.8)	(1.4)	(1.4)
Others	13.31	7.40	9.32	8.70	10.43	13.99	15.08
	(10.4)	(6.4)	(7.0)	(6.8)	(7.9)	(10.2)	(11.0)
Total	128.50	115.20	133.65	128.24	131.97	136.56	136.80
	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
Total imports for Nippon Steel & Sumitomo Metal	—	—	—	—	**65.74**	**68.32**	**68.18**
					(49.8)	**(50.0)**	**(49.8)**
Total imports for Nippon Steel	**45.15**	**39.04**	**49.71**	**50.45**	—	—	
	(35.1)	**(33.9)**	**(37.2)**	**(39.3)**			
Total imports for Sumitomo Metals	**19.01**	**17.26**	**18.11**	**18.00**	—	—	
	(14.8)	**(15.0)**	**(13.6)**	**(14.0)**			

■ Coking coal							
Australia	43.44	40.26	42.61	37.35	36.80	40.65	35.68
	(55.4)	(58.3)	(57.3)	(54.9)	(51.3)	(51.7)	(49.3)
U.S.A.	1.58	1.04	3.43	5.80	5.11	4.74	4.26
	(2.0)	(1.5)	(4.6)	(8.5)	(7.1)	(6.0)	(5.9)
Canada	8.12	7.23	8.27	6.74	7.37	8.00	7.27
	(10.4)	(10.5)	(11.1)	(9.9)	(10.3)	(10.2)	(10.0)
China	2.29	0.76	0.89	0.65	0.58	0.57	0.20
	(2.9)	(1.1)	(1.2)	(1.0)	(0.8)	(0.7)	(0.3)
Others	22.95	19.75	19.22	17.47	21.91	24.67	24.94
	(29.3)	(28.6)	(25.8)	(25.7)	(30.5)	(31.4)	(34.5)
Total	78.38	69.04	74.42	68.01	71.77	78.64	72.35
	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
Total imports for Nippon Steel & Sumitomo Metal	—	—	—	—	**31.78**	**30.60**	**29.10**
					(44.3)	**(38.9)**	**(40.2)**
Total imports for Nippon Steel	**21.95**	**20.34**	**22.56**	**20.85**	—	—	
	(28.0)	**(29.5)**	**(30.3)**	**(30.7)**			
Total imports for Sumitomo Metals	**10.42**	**8.98**	**9.97**	**9.67**	—	—	
	(13.3)	**(13.0)**	**(13.4)**	**(14.2)**			

Note: Import volumes of iron ore and coking coal for NSSMC in fiscal 2012 include those of Sumitomo Metals in the first half of the year.

Source: Customs Clearance Statistics, Ministry of Finance; Statistics of NSSMC, Nippon Steel, and Sumitomo Metals

Import Prices of Iron Ore and Coking Coal: Japanese Steel Industry

(¥/ton CIF)

Fiscal year	2008	2009	2010	2011	2012	2013	2014
■ Iron ore							
Average	10,137	7,058	11,316	13,658	13,042	13,017	11,574
Australian ore	9,213	6,329	10,450	12,707	12,030	12,424	10,688
Brazilian ore	11,500	8,162	12,843	15,336	14,770	13,786	12,757
■ Coking coal							
Average	21,700	13,529	15,081	18,680	14,319	13,495	11,856
Australian coal	25,048	14,690	16,056	20,235	15,006	14,100	12,468
U.S. coal	31,874	18,824	19,538	22,024	18,776	16,905	14,507
Canadian coal	27,697	17,196	18,289	22,928	18,285	16,774	13,734
Chinese coal	25,925	10,951	20,185	18,073	15,551	13,336	14,024

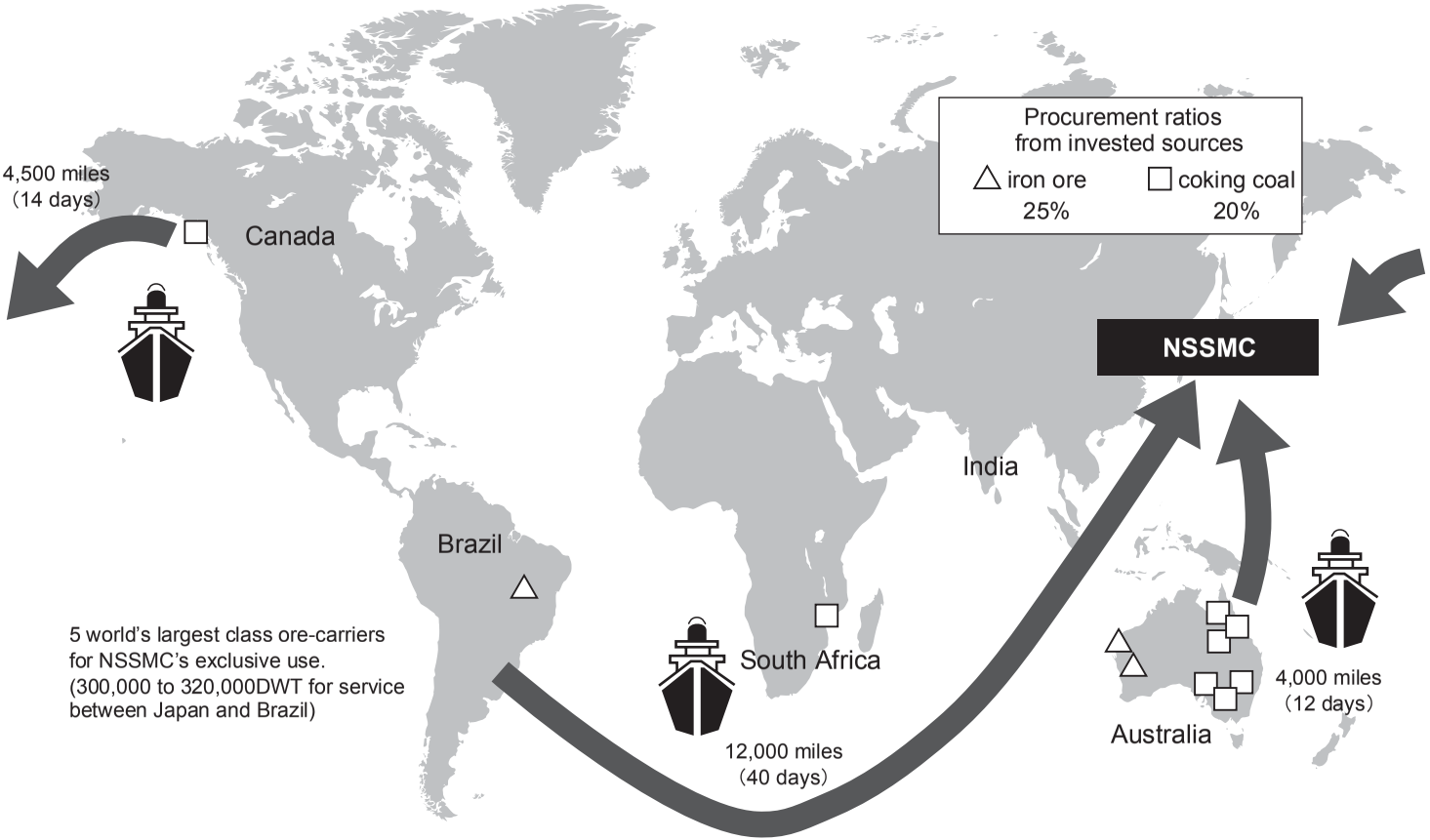
Source: Customs Clearance Statistics, Ministry of Finance

Overseas Raw Material Investment of Nippon Steel & Sumitomo Metal

	Country	Shareholders		Capacity (Million tons/y)
■Iron Ore				
Robe River	Australia	Rio Tinto	53.0%	64
		NSSMC	14.0%	
		Other Japanese	33.0%	
Beasley River (details pending)	Australia	Rio Tinto	53.0%	to be developed
		NSSMC	37.6%	
		Other Japanese	9.4%	
NIBRASCO	Brazil	VALE	51.0%	10
		NSSMC	31.4%	
		Other Japanese	17.6%	
■Coking Coal				
Warkworth	Australia	Rio Tinto	55.6%	7
		NSSMC	9.5%	
		Other Japanese	34.9%	
Bulga	Australia	Glencore	68.3%	10
		NSSMC	12.5%	
		Other Japanese	19.2%	
Hail Creek	Australia	Rio Tinto	82.0%	8
		NSSMC	8.0%	
		Other Japanese	10.0%	
Moranbah North	Australia	Anglo American	88.0%	5
		NSSMC	5.0%	
		Other Japanese	7.0%	
Integra	Australia	VALE	61.2%	5
		NSSMC	5.95%	
		Other	32.9%	
Foxleigh	Australia	Anglo American	70.0%	3
		NSSMC	10.0%	
		POSCO	20.0%	
Elkview	Canada	Teck Coal Partnership	95.0%	7
		NSSMC	2.5%	
		POSCO	2.5%	
Revuboe	Mozambique	Talbot Group	58.9%	to be developed
		NSSMC	23.3%	
		NSSB	10.0%	
		POSCO	7.8%	
■Ferroalloy				
CBMM	Brazil	Moreira Salles Group	70.0%	90 ktons/y
		NSSMC	2.5%	
		POSCO	2.5%	
		Other Japanese	7.5%	
		Other Korean	2.5%	
		Other Chinese	15.0%	

Stable Raw Materials Procurement

Acquisition of blue-chip mining interests and expansion of supply sources



Energy

Energy Consumption by the Japanese Steel Industry

(%)

Fiscal year	1990	1995	2006	2007	2008	2009	2010	2011	2012
Percentage share by energy									
Coal based energy	80.7	82.3	81.9	82.4	85.1	86.1	85.5	85.2	85.6
Oil-based energy	6.3	6.3	7.0	6.9	9.1	8.2	9.1	9.3	9.2
Purchased electricity	13.0	11.4	11.0	10.8	5.8	5.7	5.5	5.5	5.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Consumption in PJ	2,526	2,425	2,389	2,458	2,159	2,018	2,275	2,212	2,227
Energy consumption per ton of crude steel produced (GJ/t-s)	22.61	23.83	20.29	20.23	21.16	21.54	21.16	21.53	21.43

* Some data from 1990 to 2006 have been retroactively adjusted when the data for 2007 were reported.

Source: The Japan Iron and Steel Federation

Reduction Material Rate by the Japanese Steel Industry

(kg/ton of pig iron tapped)

Fiscal year	1973	1980	1985	1990	1995	2009	2010	2011	2012	2013
Reduction material rate	498	476	501	504	522	505	505	506	510	519
Coke rate	440	458	484	440	408	386	365	349	342	344
PCI rate	0	0	15	60	111	118	140	157	168	175
Tar rate	5	6	2	1	2	0	0	0	0	0
Heavy oil rate	53	12	0	3	1	0	3	0	0	0

Notes:

1) PCI: Pulverized coal injection

2) 1990 and before: BF fuel rate

Source: The Japan Iron and Steel Federation

Oil-based Fuel Consumption by the Japanese Steel Industry and Nippon Steel & Sumitomo Metal Corporation

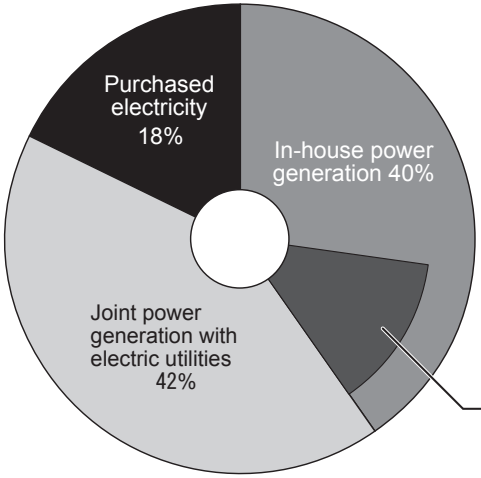
(1,000 kiloliters)

Fiscal year	1973*1	1980	1985	1990	1995	2010	2011	2012	2013
Japanese steel industry*2									
Heavy oil	13,463	4,120	1,878	2,274	1,925	845	747	677	601
Kerosene and light oil	1,003	686	364	423	354	122	121	111	111
LNG and LPG (1,000 tons)	825	884	792	1,129	1,103	754	734	728	726
Nippon Steel & Sumitomo Metal Corporation									
Heavy oil	4,522	1,044	118	199	118	57	54	136	143
・For BF injection	2,498	607	0	73	8	0	0	0	0
・For reheating/power generation	2,024	437	118	126	110	57	54	136	143
Kerosene and light oil	309	43	22	43	32	16	15	14	14
LNG and LPG (1,000 tons)	150	377	281	370	511	426	392	463	617

*1 Highest (since 1970)

*2 Source: Data for the Japanese steel industry, Ministry of Economy, Trade and Industry and others

Power Supply at Nippon Steel & Sumitomo Metal Corporation, FY 2014



* Blast furnace top-pressure recovery turbines, waste heat recovery from coke-dry quenching equipment, others

Recycling of Steel Cans

NSSMC encourages improvement of the recycling ratio of used steel cans with the Japan Steel Can Recycling Association.

Japan Steel Can Recycling Association (http://www.steelcan.jp/)

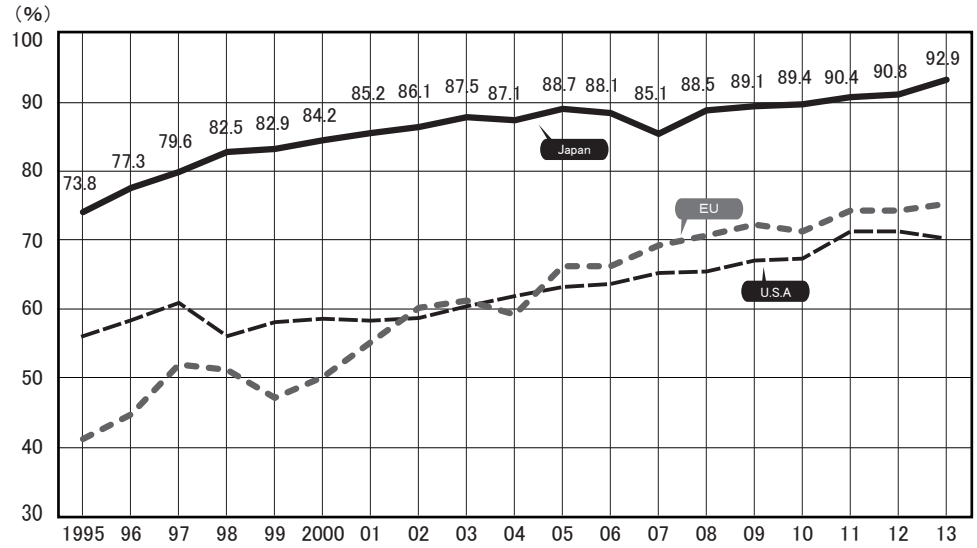
- Chairman: Shinya Higuchi (Representative Director and Executive Vice President, NSSMC)
- 1973 The Japan Used Can Treatment Association was established by the following companies:
  4 tinplate makers (Nippon Steel (present NSSMC), NKK (present JFE), Kawasaki Steel (present JFE) and Toyo Kohan)
  3 can-making companies (Toyo Seikan, Daiwa Can and Hokkai Can)
  8 trading companies

  April 2001 Renamed as the Japan Steel Can Recycling Association

Activities

- Promotional activities for prevention of littering with empty cans and for recycling of used steel cans (investigation, PR campaigns, production and distribution of annual reports, holding of symposiums, seminars, and press release)
- Support for group collection of used steel cans as recyclable materials (conferring the award for elementary schools, junior high schools, and citizens' groups)
- Promotion of ecology education on steel can recycling (guidance for pupil in visiting steelworks)
- Joint campaigns for beautification at 353 places (494 times) for 42 years since 1973

Steel Can Recycling in Japan, U.S.A. and the EU



Note:
The guidelines prepared by the Industrial Council of the Ministry of Economy, Trade and Industry target Japan's attainment of more than 90% after fiscal 2014.

Source: Japan Steel Can Recycling Association (SRI for the U.S.A. and APEAL for EU nations)

Japan's Imports of Steel-related Products

Imports by Type of Product

(1,000 tons)

Fiscal year	1995	2000	2005	2010	2011	2012	2013	2014
Pig iron	2,468	638	787	693	432	184	275	236
Ferro-alloys	1,787	1,680	1,828	1,872	1,747	1,694	1,750	1,832
Ingots and semi-finished products	476	17	147	90	291	229	204	178
Ordinary steel products	5,721	4,573	4,092	3,838	4,637	4,276	4,595	4,627
Wire rods	408	79	302	280	315	190	130	99
Plates	1,192	919	272	263	520	471	551	629
Hot-rolled sheets	2,337	1,946	1,619	1,632	1,801	1,732	1,699	1,635
Cold-rolled sheets	952	965	1,042	851	911	937	1,022	970
Galvanized sheets	400	333	371	447	602	517	611	777
Pipe and tubes	244	143	104	111	155	181	209	216
Others	188	188	382	254	334	248	374	302
Specialty steel products	184	175	268	320	453	565	844	982
Secondary products and others	272	413	662	750	864	849	916	878
Total	10,908	7,496	7,784	7,563	8,424	7,796	8,584	8,732

Source : The Japan Iron and Steel Federation

Imports by Major Supply Source

(1,000 tons)

Fiscal year	1995	2000	2005	2010	2011	2012	2013	2014
South Korea	2,811	2,638	2,352	2,430	3,042	3,017	3,141	3,046
Taiwan	587	1,114	861	727	849	827	1,030	973
China	698	404	722	600	674	373	368	543
India	125	52	1	—	—	1	2	1
Russia	161	77	11	—	—	—	—	0
Romania	36	—	—	—	—	—	—	—
Turkey	114	—	—	—	—	—	—	—
Brazil	248	50	9	—	—	—	—	0
Australia	171	56	3	10	3	2	2	3
New Zealand	103	40	33	42	24	9	5	1
Others	668	142	100	29	46	48	47	60
Total	5,721	4,573	4,092	3,838	4,637	4,276	4,595	4,627

Source : The Japan Iron and Steel Federation

Japan's Exports of Steel Products

Export Shipments

Fiscal year		1976	1985	1990	1995	2011	2012	2013	2014
Tonnage	(1,000 tons)	36,518	32,076	17,264	22,621	39,992	43,797	42,484	42,280
Monetary values	($ million)	11,148	13,684	13,636	18,911	49,142	46,008	41,610	39,477
	(¥ billion)	3,311	3,257	1,928	1,812	3,883	3,796	4,159	4,303
Per-ton price	($)	305	427	790	835	1,229	1,050	979	934
	(¥1,000)	90	101	112	80	97	87	98	102
Exchange rate	(US$1=¥)	297	238	141	96	79	83	100	109

Source: The Japan Iron and Steel Federation

Export Shipments by Destination

(1,000 tons)

Fiscal year	1976	1985	1990	1995	2011	2012	2013	2014
Asia	10,472	18,423	10,839	17,776	31,787	34,806	33,392	32,533
China	3,072	10,133	1,784	3,525	6,463	5,995	6,170	5,720
South Korea	1,484	1,998	1,767	3,432	8,413	8,117	7,724	7,157
Taiwan	1,317	1,132	1,632	2,447	3,335	3,862	3,554	3,538
Singapore	778	670	867	1,064	738	854	797	623
Indonesia	720	750	742	963	1,845	2,282	2,202	2,005
Thailand	753	786	1,770	2,641	4,560	5,725	5,486	5,518
Middle East	4,866	3,324	924	556	1,614	1,864	1,649	1,918
Iran	1,757	763	397	83	89	9	1	0
Saudi Arabia	1,081	1,163	246	290	901	1,039	877	834
Europe	8,008	2,810	951	667	1,333	1,217	771	867
EU-28[*1]	1,635	518	353	289	447	365	346	329
Former USSR[*2]	3,044	2,172	364	110	296	216	185	160
North America	8,117	5,234	3,421	2,285	2,325	2,585	2,578	2,793
USA	7,619	4,875	3,213	2,158	2,149	2,366	2,390	2,527
Canada	497	359	208	127	176	219	188	266
Central & South America	3,008	992	455	615	1,818	2,181	2,483	2,699
Africa	1,257	546	358	311	691	793	1,265	1,177
Oceania	790	755	316	416	425	352	346	293
Total	36,518	32,076	17,264	22,621	39,992	43,797	42,484	42,280

Source: The Japan Iron and Steel Federation

Export Shipments by Type of Product

(1,000 tons)

Fiscal year	1976	1985	1990	1995	2011	2012	2013	2014
Ordinary steel products	32,340	27,365	13,612	16,751	26,545	28,435	27,597	27,026
Plates	4,145	2,845	877	1,408	3,553	3,696	3,055	2,908
Hot-rolled sheets	5,522	3,076	1,628	2,254	8,723	10,998	11,174	11,669
Cold-rolled sheets	5,756	4,784	3,188	4,230	3,553	3,242	3,122	2,799
Electrical sheets	380	309	316	543	940	799	819	796
Tinplate	872	771	755	790	585	578	612	586
Coated sheets	2,533	2,877	2,761	3,501	5,180	5,002	4,581	4,070
Pipe and tubes	4,705	6,138	2,675	1,919	1,628	1,566	1,551	1,329
Sections	8,463	5,316	1,412	2,107	2,382	2,552	2,683	2,870
Specialty steel products	1,757	2,142	2,986	3,842	7,439	7,798	7,977	8,744
Secondary products	1,366	961	526	495	671	666	686	689
Others	1,054	1,608	140	1,534	5,337	6,899	6,224	5,820
Total	36,518	32,076	17,264	22,621	39,992	43,797	42,484	42,280

Source: The Japan Iron and Steel Federation

*1 The number of member countries of the EU (former EC) has expanded: from 9 in 1973 to 10 in 1981, 12 in 1986, 15 in 1995, 25 in 2004, 27 in 2007, and 28 in 2013.

*2 CIS in and after 2006

Steel Trading

1. Topics related to recent steel trading (as of May 2015)

(1) Overview

Trade conflict related to steel products has been increasing since 2008. In 2014, 22 Anti dumping ("AD") investigations were initiated throughout the world (in 2013, 27 cases). Major target countries are China (13 out of 22 cases above), Korea (9 cases), and Taiwan (6 cases). As for Japan, three cases were initiated since 2014.

Mainly in the Asian region, protectionist measures regarding steel products, such as mandatory standards (Imported products to be required to conform to the standards by importing countries for the protection of the health and safety or for the preservation of their environment) and pre-shipping inspection requirements, have become prevalent, and Japanese products have been affected.

(2) Anti-dumping measures against Japan in the iron and steel industry

Plaintiff country	Target product type and progress ("SSR" stands for "Sunset Review.")
U.S.A.	Stainless steel bars: A measure was started in February 1995. The next SSR will be started in 2017.
	Clad steel: A measure was started in July 1996. The next SSR will be started in 2018.
	Stainless steel wire rods: A measure was started in September 1998. The next SSR will be started in 2015.
	Stainless steel steel sheets: A measure was started in July 1999. The next SSR will be started in 2016.
	Seamless steel pipes (large diameter): A measure was started in June 2000. The next SSR will be started in 2016.
	Seamless pipes (small diameter): A measure was started in June 2000. The next SSR will be started in 2016.
	Tinplates/tin-free steel: A measure was started in August 2000. The next SSR will be started in 2017.
	Large-diameter welded line pipes: A measure was started in December 2001. The next SSR will be initiated in 2017.
	Nickel-plated steel sheets: A measure was started in May 2014.
	Non grain oriented electrical steel: A measure was started in November 2014.
Canada	Plates: A measure was started in May 2014.
Mexico	Seamless steel pipes: A measure was started in November 2000. The next SSR will be initiated in 2017.
Argentina	Welded steel pipes: A measure was started in December 2001.
EU	Grain oriented electrical steel: An investigation was initiated in August 2014.
Turkey	Hot-rolled steel sheets: An investigation was initiated in January 2015.
China	Stainless steel seamless pipes for boilers: A measure was started in November 2012.
Korea	Stainless steel plates: A measure was started in April 2011.
Thailand	Stainless steel cold-rolled sheets: A measure was started in March 2003.
	Hot-rolled steel sheet & plates: A measure was started in May 2003.
Indonesia	Cold-rolled steel sheets: A measure was started in March 2013.
Malaysia	Stainless steel cold-rolled sheets: An investigation was initiated in April 2015.

Australia	Hot-rolled steel sheets: A measure was started in December 2012.
	Plates: A measure was started in December 2013.
	Shaped steel: A measure was started in November 2014.
	Plates (Quenched and tempered) : A measure was started in November 2014.

(3) Negotiations on economic partnership agreements (reduction of tariffs on steel products in the partner country)

Apr. 2005 The Japan/Mexico Economic Partnership Agreement came into effect.
- Immediate tariff removal rate of steel products: 80% (The user specific duty free scheme was introduced.) Tariff removal rate within 10 years: 100%
- In February 2011, review the negotiation five years later has been agreed. The rules of origin for stainless steel sheet was improved.

Jul. 2006 The Japan/Malaysia Economic Partnership Agreement came into effect.
- Immediate tariff removal rate of steel products: 100% (The current domestic tariff exemption systems for each application were maintained.)
  Tariff on steel products excluding hot rolled steel sheet will be abolished within 10 years.

Nov. 2007 The Japan/Thailand Economic Partnership Agreement came into effect.
- Immediate tariff removal rate of steel products: 60% (An import quota for no tariffs was set up.) Tariff removal rate within 10 years: 100%
- The governments discuss the import quota for no tariffs every year. The Steel Cooperation Program is implemented.

Jul. 2008 The Japan/Indonesia Economic Partnership Agreement came into effect.
- Immediate tariff removal rate of steel products: 80% (The user specific duty free scheme was introduced.) Tariff removal rate within 10 years: 85%

Dec. 2008 The Japan/Philippines Economic Partnership Agreement came into effect.
- Immediate tariff removal rate of steel products: 60% (An import quota for no tariffs was set up.) Tariff removal rate within 10 years: 90%

Oct. 2009 The Japan/Vietnam Economic Partnership Agreement came into effect.
- Immediate tariff removal rate of steel products: 10%; tariff removal rate within 10 years: 80%

Aug. 2011 The Japan/India Economic Partnership Agreement came into effect.
- The tariffs on steel sheet/bars will be abolished in five years, while tariffs on steel pipes will be abolished in 10 years.

January 2015 The Japan/Australia Economic Partnership Agreement came into effect.
- Tariff removal rate within 5 years: 100%

(4) Steel dialogues

Sep. 2014 The 14th Japan/Taiwan Steel Dialogue was held (in Tokyo).
Sep. 2014 The 15th Japan/Korea Steel Dialogue was held (in Tokyo).
Sep. 2014 The 21th Japan/China Steel Dialogue was held (in Beijing).
Nov. 2014 The 12th Japan/Thailand Steel Dialogue was held (in Tokyo).
Mar. 2015 The 5th Japan/Indonesia Steel Dialogue was held (in Jakarta).

2. The Japan/U.S. steel trade Issue

Jan. 1969 1st Voluntary Export Restraint (ended in Dec. 1971)
Japan's ceiling: 5.75 million tons for 1969, with annual increase of 5% for 1970 and 1971.

Jan. 1972	2nd Voluntary Export Restraint (ended in Dec. 1974) Japan's ceiling: 6.5 million tons for 1972, with annual increase of 2.5% for 1973 and 1974.
Feb. 1977	AD petition by Gilmore Steel on steel plates (finally affirmative).
Sep. 1977	AD petition by United States Steel on 6 items (beams, steel plates, hot-rolled steel sheets, cold-rolled steel sheets, galvanized sheets and welded pipes, withdrawn in 1978).
Jan. 1978	1st Trigger Price Mechanism (TPM) (ended in Mar. 1980) The Department of Treasury (the present Department of Commerce) became able to initiate an AD investigation of imports entering below the applicable trigger prices.
Oct. 1980	2nd TPM (ended in Jan. 1982) The "Surge Mechanism" was introduced to prevent a surge in imports (import penetration exceeding 12.5% of apparent U.S. consumption, and the capacity utilization rate of the U.S. steel industry of less than 87%).
Dec. 1982	Import penetration peaked at the highest level ever of 21.8%. Consultations were held concerning the petitions filed under Section 301 of the Trade Act (elimination of unfair trade practices and retaliatory measures) and also under Section 201 (investigation of injury) of the Trade Act.
Oct. 1984	1st Voluntary Restraint Arrangement (VRA) Period: Oct. 1, 1984 to Sep. 30, 1989 Subjects: Japan, South Korea, Brazil, 11 other countries, and the EC
Oct. 1989	2nd VRA Period: Oct. 1, 1989 to Mar. 31, 1992 Subjects: Japan, South Korea, Brazil, 10 other countries, and the EC
Oct. 1990	Initiation of negotiations for International Consensus (IC) during the GATT Uruguay Round, leading to negotiations for the Multilateral Steel Agreement (MSA).
Mar. 1992	Lapse of VRA
Jun. 1992	AD petition filed by 12 U.S. steel mills on 4 items (steel sheets) of Japanese steel products.
Feb. 1993	"Position Paper on Steel Trade Issues" prepared by the Japan Iron and Steel Federation.
Dec. 1993	Accord of the GATT Uruguay Round
Apr. 1994	Resumption of MSA negotiations, but no agreement reached among the major countries and no specific progress made.
Jan. 1995	Inauguration of the World Trade Organization (WTO)
Mar. 1996	No agreement reached in the U.S.-European government-level negotiations on the Multilateral Specialty Steel Agreement (MSSA), despite reaching industry level agreement on fundamental provisions for MSSA.
Sep. 1998	AD petition by 11 U.S. steel mills on hot-rolled steel sheets and, at about the same time, AD petition also filed on 7 items against Japan. At that time, steel-trade friction between Japan and the U.S. developed into a political issue.

Jun. 2001	The United States Trade Representative (USTR) requested to initiate the global SG investigation of steel products (33 items), under Section 201 of the Trade Act.
Jul. 2001	The WTO granted on the overall truth of the assertions of the Japanese government in its appeal concerning the AD investigation of hot-rolled steel sheets, and the WTO recommended an AD-margin recalculation, etc. to the U.S.
Mar. 2002	The U.S. President decided to invoke the SG measures under Section 201 of the Trade Act (concerning 14 items, chiefly steel sheets, for three years).
Dec. 2003	On the appeal (filed by the Japanese government in 2002) concerning the coated steel AD sunset review, the WTO issued a final judgment that the U.S. was not in violation of the WTO rules. On the appeal (filed by Japan, the EU, South Korea, China, etc. in 2002) concerning the SG measures of the U.S. concerning steel products, the WTO issued a final judgment that the U.S. was in violation of the WTO rules. Previously, the Japanese government announced the contents of balance recovery measures amounting to a total of ¥10.7 billion. Subsequently, the U.S. government lifted the SG measures across the board.
Mar. 2006	Determination to revoke the AD measures on structural beams and GOES (for structural beams: revocation retroactively to Jun. 2005 when the U.S. ITC made a negative determination in sunset review, and for GOES: non-participation by U.S. steel mills in sunset review).
Dec. 2006	Determination to revoke the AD measures on coated steel (revocation retroactively to Dec. 2005 when the U.S. ITC made a negative determination in sunset review).
May 2007	Determination to revoke the AD measures on OCTG (revocation retroactively to Jul. 2006 when the U.S. ITC made a negative determination in sunset review).
May 2011	The AD measure on hot-rolled steel sheet was revoked (the U.S. ITC made a negative determination in sunset review). The revocation is effective retroactively to May 2010.
Dec. 2011	The AD measure on steel plates was revoked (the U.S. ITC made a negative determination in sunset review). The revocation is effective retroactively to Dec. 2010.
Mar. 2013	AD petition by one mill in the U.S. for nickel-plated steel sheets. (This was the first suit for AD against Japan in the steel industry in about 12 years. : affirmative determination)
Sep. 2013	AD petition by two mills in the U.S. for Grain oriented electrical steel. (against seven countries including Japan, negative determination)
Sep. 2013	AD petition by one mills in the U.S. for Non grain oriented electrical steel. (against six countries and area including Japan, affirmative determination)

Power Supply

Japan's electricity wholesale supply system was established in 1995. This allowed independent power producers (IPPs) to participate in power supply, which until then had been the exclusive domain of electricity utility companies. Under the new system, NSSMC has entered the electricity wholesale supply business.
Following the revision of the Electricity Utilities Industry Law in March 2000, retail supply of electricity to major users was deregulated. In this regard, Nippon Steel notified the government agency concerned in January 2001 that it had become a "Power Producer and Supplier (PPS)" and started operations in the electricity retail supply business.

Business Development in the Wholesale Supply

- Utilization of power-generation technologies fostered in steelworks in-plant power generation
  — Nearly 84% of total electricity consumption by in-plant power generation equipment (refer to page 104 for the power supply)
- Utilization of steelworks infrastructure such as land, ports/harbors and raw materials yards
- Low-cost, stable supply of electricity

IPP*1 Power Supply Contracts

- Successful bidding for four supply projects (about 500,000 kW in total) in fiscal 1996, the first year of the electricity business, and two projects (300,000 kW and 475,000 kW) in fiscal 1997 and fiscal 1999.
- Power shortages are being met by increasing rates of operation of generating facilities, as needed, according to the power supply-demand situation monitored.

Works	Customer	Amount (kW)	Fuel	Start of supply
FY1996				
Yawata	Kyushu Electric Power	137,000	Coal	Apr. 1999*2
Kamaishi	Tohoku Electric Power	136,000	Coal and bio-mass	Jul. 2000*3
Hirohata	Kansai Electric Power	133,000	Coal	Apr. 1999*4
Muroran	Hokkaido Electric Power	100,000	By-product gas and coal	Oct. 2001
FY1997				
Oita	Kyushu Electric Power	300,000	By-product gas, coal and bio-mass	Apr. 2002
FY1999				
Kashima	Tokyo Electric Power	475,000	Coal and bio-mass	Jun. 2007

*1 Independent Power Producer *2 In Apr. 2014, consumed within the works and other
*3 In Jul. 2015, wholesaled or consumed within the works *4 In Apr. 2014, renewed contract

Retail Supply Business (Nippon Steel & Sumikin Engineering Co., Ltd.)

- Retail supply of electricity, mainly to office buildings in the Tokyo metropolitan, Kansai and Kyushu areas
- Sources of electricity from affiliated and non-affiliated companies.

Electric power plant (Affiliated company)	Approximate capacity	Start of operation
Frontier Energy Niigata Co.,Ltd. (Niigata)	65,000 kW	Jul. 2005
Asahi Kasei NS Energy Co.,Ltd. (Miyazaki)	30,000 kW	Jul. 2006

Electric power plant (Non-affiliated company)	Approximate capacity	Start of receiving
Sigma Power Ariake Co.,Ltd. (Fukuoka)	40,000 kW	May 2005
Inpex Corporation (Niigata)	50,000 kW	May 2007

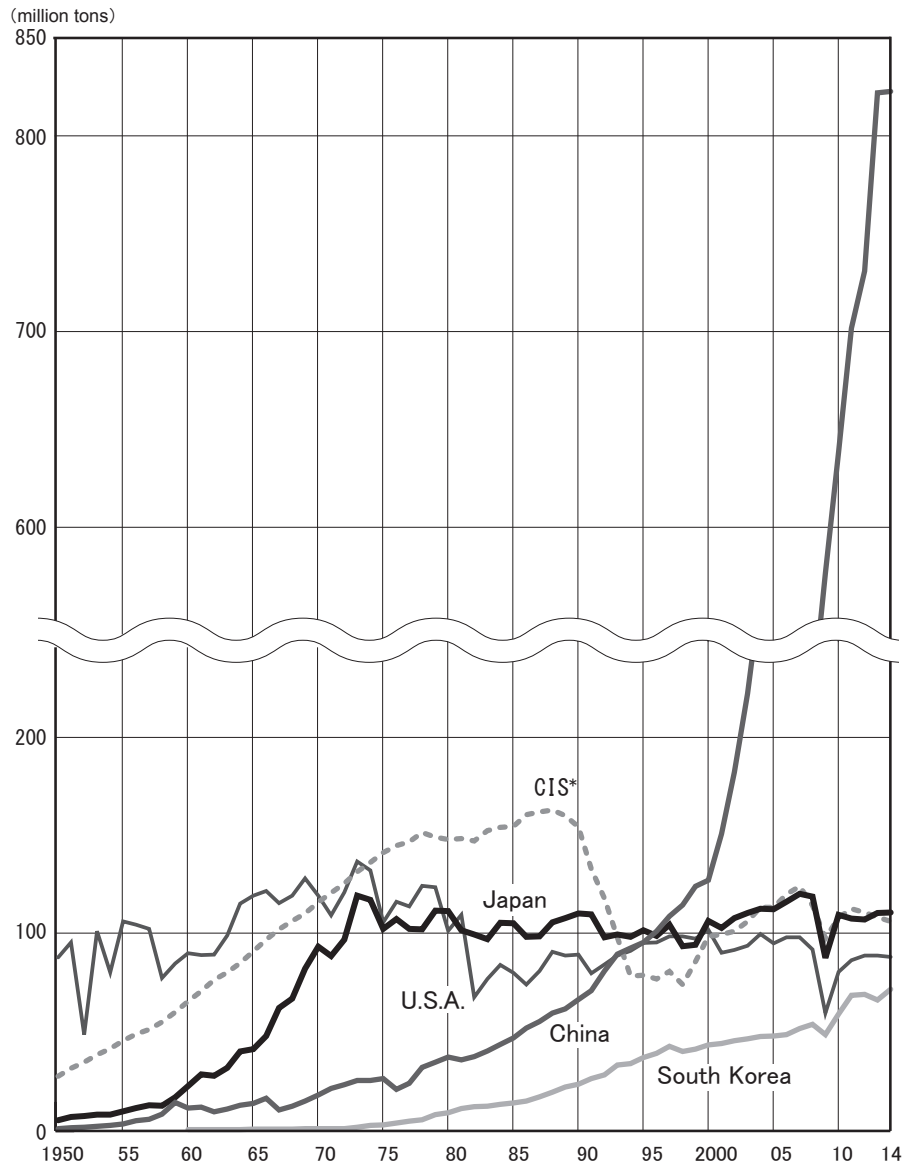
Wind Power Generation (Nippon Steel & Sumikin Engineering Co., Ltd.)

- Start of wind power generation in Hibikinada, Kitakyushu in March 2003

Operating company	Customer	Capacity	Supply term
NS Wind Power Hibiki Co., Ltd.	Kyushu Electric Power	1,500 kW × 10 units (15,000 kW)	15 years from Mar. 2003

World Steel Industry

Crude Steel Production in Major Steelmaking Countries



* Former U.S.S.R. until 1991

Source: The Japan Iron and Steel Federation and worldsteel

World Total Crude Steel Production

(million tons)

CY	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Production	1,062.5	1,147.8	1,250.1	1,348.1	1,343.3	1,238.4	1,432.8	1,537.1	1,559.0	1,649.0	1,665.2

Source: worldsteel

Crude Steel Production

(million tons, %)

Region and Country	2011	2012	2013	2014	Growth rate 2014/2013
Asia	994.7	1,026.0	1,122.8	1,136.0	1.2
Japan	107.6	107.2	110.6	110.7	0.1
South Korea	68.5	69.1	66.1	71.5	8.3
Taiwan	20.2	20.7	22.3	23.1	3.8
China	702.0	731.0	822.0	822.7	0.1
India	73.5	77.3	81.3	86.5	6.4
EU-28	177.8	168.6	166.3	169.3	1.8
Bulgaria	0.8	0.6	0.5	0.6	17.0
Czech	5.6	5.1	5.2	5.4	3.7
Poland	8.8	8.4	8.0	8.5	7.4
Romania	3.8	3.3	3.0	3.2	5.8
Slovakia	4.2	4.4	4.5	4.7	4.3
EU-15	151.5	143.8	143.4	145.0	1.1
Germany	44.3	42.7	42.6	42.9	0.7
France	15.8	15.6	15.7	16.1	2.9
Italy	28.7	27.3	24.1	23.7	-1.4
Belgium	8.0	7.3	7.1	7.3	3.4
U.K.	9.5	9.6	11.9	12.1	2.2
Luxembourg	2.5	2.2	2.1	2.2	4.9
The Netherlands	6.9	6.9	6.7	7.0	3.7
Spain	15.5	13.6	14.3	14.2	0.0
Austria	7.5	7.4	8.0	7.9	-1.2
Sweden	4.9	4.3	4.4	4.5	3.3
Other Western Europe	39.1	39.9	38.6	38.4	-0.7
Turkey	34.1	35.9	34.7	34.0	-1.8
C.I.S.	112.7	110.7	108.4	106.1	-2.1
Kazakhstan	4.7	3.7	3.3	3.7	12.4
Russia	68.9	70.2	69.0	71.5	3.6
Ukraine	35.3	33.0	32.8	27.2	-17.1
North America	118.7	121.6	119.0	121.2	1.9
U.S.A.	86.4	88.7	86.9	88.2	1.5
Canada	12.9	13.5	12.4	12.7	2.5
Mexico	18.1	18.1	18.2	19.0	4.1
South America	48.2	46.4	45.8	45.2	-1.4
Argentina	5.6	5.0	5.2	5.5	5.8
Brazil	35.2	34.5	34.2	33.9	-0.7
Venezuela	3.0	2.4	2.1	1.5	-30.6
Oceania	7.2	5.8	5.6	5.5	-1.8
Australia	6.4	4.9	4.7	4.6	-1.7
Africa	15.7	15.3	16.0	15.0	-5.9
South Africa	7.5	6.9	7.2	6.6	-8.5
Middle East	23.0	24.7	26.5	28.5	7.6
Total	1,537.1	1,559.0	1,649.0	1,665.2	1.0

Source: worldsteel, March 2015

Apparent Consumption of Finished Steel Products

(million tons, %)

Region and Country	2012	2013	2014	2015 (Estimate)	Growth rate 2015/2014 (E)
Asia	938.5	1019.5	1008.2	1014.0	0.6
Japan	63.9	65.2	67.5	65.9	-2.4
China	660.1	735.1	710.8	707.2	-0.5
South Korea	54.1	51.8	55.4	56.9	2.7
Taiwan	17.8	18.5	19.6	20.0	2.0
India	72.4	73.7	75.3	80.0	6.2
EU-28	139.2	140.4	146.8	149.9	2.1
Other Western Europe	34.1	36.9	37.0	38.0	2.8
C.I.S.	58.0	59.5	56.5	52.4	-7.3
North America	132.7	129.9	144.6	143.3	-0.9
U.S.A.	96.2	95.7	106.9	106.5	-0.4
Canada	15.6	14.1	15.2	13.7	-10.0
Mexico	20.9	20.1	22.5	23.1	2.6
Central & South America	47.0	50.1	48.1	46.5	-3.4
Argentina	4.9	5.1	5.0	4.9	-2.8
Brazil	25.2	26.4	24.6	22.7	-7.8
Africa	31.9	35.4	36.9	39.6	7.4
Middle East	50.7	50.0	51.9	53.3	2.8
Total	1,439.3	1,528.4	1,537.3	1,544.4	0.5
(cf. Apparent crude steel consumption)	1,552.0	1,646.1	1,657.6	1,665.3	0.5

Source: worldsteel March 2015

Note: Apparent consumption is total shipments minus exports plus imports.

Continuous Casting Ratio

(%)

Country	2008	2009	2010	2011	2012	2013	2014
Japan	97.9	98.4	98.2	98.6	98.3	98.5	98.6
Taiwan	99.6	99.6	100.0	100.0	99.6	99.6	99.6
South Korea	97.5	97.7	98.0	98.1	98.3	98.4	98.4
China	97.0	97.4	98.1	98.4	98.5	98.3	98.3
India	70.0	68.7	73.9	77.4	80.3	81.5	82.6
Germany	95.9	96.7	96.7	96.3	96.7	96.9	96.8
Italy	95.6	95.2	95.7	95.2	95.4	95.1	95.4
Russia	71.1	80.6	80.7	80.7	80.7	81.2	81.9
U.S.A.	96.9	97.5	97.4	97.8	98.6	98.8	98.5
Brazil	94.2	97.1	96.6	96.7	97.3	97.9	98.5
World	92.9	94.1	95.0	95.3	95.7	95.8	96.1

Source: worldsteel

Crude Steel Production - Top 30 Steelmakers

(million tons, %)

	Company	Country	2014	2013	Growth rate 2014/2013
1	**ArcelorMittal**	**Luxembourg**	98.1	96.1	2.1
2	**Nippon Steel & Sumitomo Metal Corporation**	**Japan**	49.3	50.1	-1.7
3	**Hebei Group**	**China**	47.1	45.8	2.9
4	**Baosteel Group**	**China**	43.3	43.9	-1.3
5	**POSCO**	**South Korea**	41.4	38.3	8.3
6	**Shagang Group**	**China**	35.3	35.1	0.7
7	**Ansteel Group**	**China**	34.3	33.7	2.0
8	**Wuhan Group**	**China**	33.1	39.3	-15.9
9	**JFE**	**Japan**	31.4	31.2	0.8
10	**Shougang Group**	**China**	30.8	31.5	-2.4
11	**Tata Steel**	**India**	26.2	25.3	3.7
12	**Shandong Group**	**China**	23.3	22.8	2.4
13	**Nucor**	**U.S.A.**	21.4	20.2	6.2
14	**Hyundai Steel**	**South Korea**	20.6	17.3	18.9
15	**U.S. Steel**	**U.S.A.**	19.7	20.4	-3.2
16	**Gerdau**	**Brazil**	19.0	19.0	0.2
17	**Maanshan**	**China**	18.9	18.8	0.6
18	**Tianjin Bohai Steel**	**China**	18.5	19.3	-4.3
19	**ThyssenKrupp**	**Germany**	16.3	15.9	2.6
20	**Benxi Steel**	**China**	16.3	16.8	-3.4
21	**NLMK**	**Russia**	16.1	15.5	4.1
22	**Evraz Group**	**Russia**	15.5	16.1	-3.6
23	**China Steel Corporation**	**Taiwan**	15.4	14.3	7.8
24	**Valin Group**	**China**	15.4	15.0	2.6
25	**Jianlong Group**	**China**	15.3	14.3	6.7
26	**IMIDRO**	**Iran**	14.4	14.3	0.9
27	**Severstal**	**Russia**	14.2	15.7	-9.3
28	**Fangda Steel**	**China**	13.6	13.2	3.6
29	**SAIL**	**India**	13.6	13.5	0.3
30	**MMK**	**Russia**	13.0	11.9	9.1

※ Tonnage figures include stainless steel where applicable.

Source: worldsteel

Notes on company ownership and tonnage calculations:

In cases of more than 50% ownership, 100% of the subsidary's tonnage is included.

In cases of 30% to 50% ownership, pro-rata tonnage is included.

Less than 30% ownership is considered a minority interest and therefore not included.

World Steel Association (worldsteel)

(formerly: International Iron and Steel Institute (IISI))
(http://www.worldsteel.org)

Profile

- Non-profit research organization
- World forum on various aspects of the international steel industry
- Founded in 1967 as IISI (International Iron and Steel Institute)
- First international association dealing solely with one industry
- The organization changed its name to World Steel Assosiation in 2008.

Organization

■ Executive Committee
Comprised of 15 members at maximum, including the Chairman and up to three Vice Chairmen, and worldsteel's Director General.

■ Audit Committee

■ Nominating Committee

■ Key Committees
- ー Economics
- ー Technology
- ー Environmental Policy
- ー Safety and Health
- ー Education and Training
- ー Communications
- ー Raw Materials
- ー Product Sustainability

Members Represented in worldsteel

- 70 regular members
- 37 associate members
- 48 affiliated members

Headquarters

- Rue Colonel Bourg 120, B-1140 Brussels, Belgium
- Phone: 32-2-702-89-00
- Telefax: 32-2-702-88-99
- E-mail: steel@worldsteel.org

Officials (as of April 2015)

- Chairman
  Wolfgang Eder (Chairman & CEO, voestalpine AG, Austria)
- Vice Chairmen
  Alexey Mordashov (CEO, Severstal JSC, Russia)
  André Gerdau Johannpeter (President & CEO, Gerdau)

worldsteel Annual Conferences

Conference	Site (Country)	Chairman (Country)
1st (1967)	Brussels (Belgium)	1st H.G. Sohl (W. Germany)
2nd (1968)	Los Angeles (USA)	〃
3rd (1969)	Tokyo (Japan)	2nd L.T. Johnston (USA)
4th (1970)	Paris (France)	〃
5th (1971)	Toronto (Canada)	3rd Y. Inayama (Japan)
6th (1972)	London (UK)	〃
7th (1973)	Munich (W. Germany)	4th J. Ferry (France)
8th (1974)	Johannesburg (S. Africa)	〃
9th (1975)	Mexico City (Mexico)	5th G.A. Stinson (USA)
10th (1976)	Osaka (Japan)	〃
11th (1977)	Rome (Italy)	6th E. Saito (Japan)
12th (1978)	Colorado Springs (USA)	〃
13th (1979)	Sydney (Australia)	7th D. Spethmann (W. Germany)
14th (1980)	Madrid (Spain)	〃
15th (1981)	Toronto (Canada)	8th F.G. Jaicks (USA)
16th (1982)	Tokyo (Japan)	〃
17th (1983)	Vienna (Austria)	9th Y. Takeda (Japan)
18th (1984)	Chicago (USA)	〃
19th (1985)	London (UK)	10th J.D. Hooglandt (The Netherlands)
20th (1986)	Rio de Janeiro (Brazil)	11th D.M. Roderick (USA)
21st (1987)	Washington, D.C. (USA)	〃
22nd (1988)	Seoul (South Korea)	12th H. Saito (Japan)
23rd (1989)	West Berlin (W. Germany)	13th R. Scholey (UK)
24th (1990)	Sydney (Australia)	14th W.F. Williams (USA)
25th (1991)	Montreal (Canada)	15th B.T. Loton (Australia)
26th (1992)	Tokyo (Japan)	16th H. Saito (Japan)
27th (1993)	Paris (France)	17th H.A. Kriwet (Germany)
28th (1994)	Colorado Springs (USA)	18th C.H. Barnette (USA)
29th (1995)	Rio de Janeiro (Brazil)	19th T. Imai (Japan)
30th (1996)	Helsinki (Finland)	20th M.J. Kim (South Korea)
31st (1997)	Vienna (Austria)	21st F. Mer (France)
32nd (1998)	Taipei (Taiwan)	22nd T.J. Usher (USA)
33rd (1999)	Mexico City (Mexico)	23rd A. Chihaya (Japan)
34th (2000)	Melbourne (Australia)	24th C.Y. Wang (Taiwan)
35th (2001)	Paris (France)	25th Sir Brian Moffat, OBE (UK)
36th (2002)	Rome (Italy)	26th J.T. Mayberry (Canada)
37th (2003)	Chicago (USA)	27th K.C. Adams (Australia)
38th (2004)	Istanbul (Turkey)	28th A. Mimura (Japan)
39th (2005)	Seoul (South Korea)	29th G. Dollé (Luxembourg)
40th (2006)	Buenos Aires (Argentina)	30th J. Surma (USA)
41st (2007)	Berlin (Germany)	31st K.T. Lee (South Korea)
42nd (2008)	Washington, D.C. (USA)	32nd L. Mittal (Luxembourg)
43rd (2009)	Beijing (China)	33rd P. Rocca (Argentina)
44th (2010)	Tokyo (Japan)	34th H. Bada (Japan)
45th (2011)	Paris (France)	35th X. Zhang (China)
46th (2012)	New Delhi (India)	36th A. Mordashov (Russia)
47th (2013)	São Paulo (Brazil)	37th J. Y. Chung (South Korea)
48th (2014)	Moscow (Russia)	38th W. Eder (Austria)
49th (2015)	Chicago (USA)*	

* Scheduled

Engineering and Construction

Nippon Steel & Sumikin Engineering Co., Ltd. was originally set up as an engineering division of Nippon Steel Corporation (NSC) in 1974. In July 2006, it was demerged from Nippon Steel and renamed Nippon Steel Engineering Co., Ltd. Then in October 2012, in association with the merger of Nippon Steel and Sumitomo Metals, the company changed its name to Nippon Steel & Sumikin Engineering. The company works on a large number of projects in Japan and abroad, using its multidisciplinary engineering technologies in diverse fields, including the construction and operation of plants related to iron manufacturing, the environment and energy, and the construction of huge steel structures, skyscrapers, and pipelines.

Outline of NIPPON STEEL & SUMIKIN ENGINEERING CO., LTD.

Head office:	1-5-1, Osaki, Shinagawa-ku, Tokyo, Japan
Phone:	81-3-6665-2000
Capital:	¥15 billion
Annual sales:	¥348.6 billion (FY2014; consolidated)
Employees:	5,282 (as of March 31, 2015)

Orders Received and Sales for Engineering and Construction (Consolidated)

(¥ billion)

Business fields	Orders received		Sales	
	FY 2013	FY 2014	FY 2013	FY 2014
Plant & Machinery	68.4	53.0	60.9	63.7
Environmental Solution	42.1	48.7	53.0	74.6
Energy Solutions	35.8	48.8	32.9	38.7
Marine Engineering & Construction	85.2	21.0	76.3	68.2
Building Construction & Steel Structures	45.5	65.0	45.0	53.1
Pipeline	41.2	49.4	44.6	50.2
Elmination of inter-segment transactions, etc.	14.5	16.2	1.4	0.1
Total	332.7	302.1	314.1	348.6
(Overseas sales)	(97.7)	(454.0)	(90.0)	(98.0)

Sales (Consolidated)

(¥ billion)

Fiscal Year	2008	2009	2010	2011	2012	2013	2014
Total sales	386.6	331.9	254.9	248.9	303.0	314.1	348.6
(Overseas sales)	(79.0)	(79.0)	(52.4)	(59.0)	(84.7)	(90.0)	(98.0)

Business Lines and Products / Services

Plant and Machinery

- **Steel Plants**

  Ironmaking and steelmaking plants (blast furnaces, basic-oxygen furnaces, etc.), Direct reduction plants (shaft furnace type), processing & treatment lines (C.A.P.L.™, CGL, ETL, CCL, etc.), environmental & energy saving systems (rotary hearth furnace [RHF], coke dry quenching [CDQ], coal moisture control [CMC], gas treatment, energy saving CO_2 absorption process [ESCAP™]), electric arc furnaces, continuous casters, reheating furnaces, rolling mills, nonferrous metal processing line

Environmental Solution

- **Environmental Plants, Resources Recycling, Environment Restoration**

  Waste to energy facilities (gasification and melting technology, and grate incineration technology), recycling plazas, marine sediment and sludge incineration facilities, PCB waste treatment facilities, waste plastic treatment facilities, waste tyre pyrolysis plant, freon decomposers, soil/ground water sedimentation, supply of operation & maintenance services, system for converting biosolid into solid fuel "J-Combi"

Energy Solutions

- **Energy Solutions**

  Electricity retail supply, on-site energy supply, power generation engineering, wind power generation, geothermal steam production equipment

Marine Engineering and Construction

- **Oil and Gas Development Projects, Offshore Civil Engineering**

  Oil/natural gas offshore pipelines, offshore platform (decks, modules and jackets), breakwaters, wave dissipation banks, bulkheads, sunken tubes, steel shell composite caissons, large-scale floating structures, steel/reinforced concrete structures, steel reefs, piling work, construction of offshore wind power

Building Construction and Steel Structures

- **Comprehensive Building Construction**

  Construction of industrial, office buildings, condominiums and plant buildings, construction of public facilities by PFI

- **Standardized Building**

  STAN-package™

- **High-Tech Steel Structures**

  High-technology steel structures (large-span spatial structure, exposed steel structure, tubular steel structure)
  Spatial structure systems (NS Truss, W-Truss, NS Tension System, timber-steel hybrid system)

- **Pre-Engineered Products**

  Vibration-control and base-isolation devices (Unbonded Brace™, U-Shaped Steel Damper™, NS-SSB™ (Spherical Sliding Bearing), etc.)
  Steel pile with rotational pressure (NS ECO-PILE™, NS ECO-SPIRAL™)
  Bridge products (grating, KAKUTABASHI™, H-Beam Bridge™, Panel-bridge™, NS-cover Plate, NS High-wall, etc.)
  NS stud connection for pile caps and steel pipe sheet piles

NIPPON STEEL & SUMIKIN Pipeline & Engineering Co. Ltd.

- **Energy Pipelines**

  On-land pipelines (natural gas, oil, etc.), city gas piping, decompress systems of high-pressure gas, simplified circular pipeline propulsive methods, fully automated welding machine methods of on-land pipeline-construction, "ANHT" type hot tapping method, buried pipe coating flaw inspection

- **Waterworks**

  Water pipelines, water tank for urgent use, renewal and reuse methods for superannuated conduits (steel tunneling, pipe-in-pipe and Insituform™ methods), submarine water pipelines, thermal and nuclear power plant circulation water piping, improvement methods for existing distribution reservoirs

- **Energy Facilities**

  Natural gas liquefaction systems, LNG/LPG/oil receiving and delivery systems (LNG/LPG receiving terminals, LNG satellite stations, LNG lorry shipment equipment, etc.), storage equipment (low-temperature liquefied gas tanks, city gas holders, etc.), piping and facilities of iron works

Chemicals

Nippon Steel & Sumikin Chemical Co., Ltd. has combined coal chemicals and petrochemicals by using aromatic chemistry. It has developed a wide variety of original products, including various aromatic products and needle coke, in which it commands a high share in the coal-based type. In recent years, the group has developed and marketed a wide range of display materials, PWB & package materials, and epoxy resins mainly for electronic materials. It is also working on capturing demand for organic electroluminescence (OEL) materials and other new functional products. By developing new businesses such as new materials for lithium-ion battery (LiB) electrodes, the group strives to achieve both stability and growth in its business.

Outline of NIPPON STEEL & SUMIKIN CHEMICAL CO.,LTD

Head office:	4-14-1 Sotokanda, Chiyoda-ku, Tokyo, Japan
Phone:	81-3-5207-7600
Capital:	¥5 billion
Annual sales:	¥212.7 billion (FY2014; consolidated)
Employees:	1,843 (as of March 31, 2015)

Operating Policies

Nippon Steel & Sumikin Chemical aims to become a chemical company that contributes to society based on its proprietary materials technology. With coal tar chemicals, chemicals, functional materials and epoxy businesses serving as core business drivers, the company strives to globalize by means of developing new businesses and expanding core businesses to overseas, thereby achieving sustainable growth.

Main Products

Coal Tar Chemicals

Pitch coke, pitch, naphthalenes, phthalic anhydride, tar fine chemicals, industrial gases (hydrogen, argon, oxygen, nitrogen), carbon black, special carbon products

Chemicals

Styrene monomer, benzene, toluene, xylene, cyclohexane, methanol, ammonium sulfate, divinylbenzene, special solvent, bisphenol A, o-cresol, high-performance synthetic lubricant

Functional Materials

PWB materials ESPANEX™ (adhesive-less copper-clad laminate (two-layer CCL) for flexible printed wiring boards)
Functional Resin materials (styrene resin, specialty materials, UV/thermosetting resin materials ESDRIMER™, liquid crystal display color filter resist material ESFINE™, organic EL materials LumiAce™ (light emitting material, electron transport material, hole transport material, hole injection material)

Epoxy

Epoxy resin (general purpose epoxy resins, specialty epoxy resins, halogen-free flame-retardant epoxy resins)

New Materials

In 1984 Nippon Steel created the New Materials Projects Bureau and commenced business undertaking in the field of new materials other than traditional steel-related new materials through utilization of wide-ranging technologies accumulated in steelmaking and introduction of technologies from other companies. In order to expand the new material business, especially in the market for electrical components, Nippon Steel Materials Co., Ltd. was founded in July 2006. Then in October 2012, in conjunction with the merger of Nippon Steel and Sumitomo Metals, the company changed its name to Nippon Steel & Sumikin Materials Co., Ltd.

Outline of NIPPON STEEL & SUMIKIN MATERIALS CO., LTD.

Head office:	7-16-3, Ginza, Chuo-ku, Tokyo, Japan
Phone:	81-3-6853-6260
Capital:	¥3 billion
Annual sales:	¥36.4 billion (FY2014, consolidated)
Employee:	1,330 (as of March 31, 2015)

Business Development

Since its inauguration as the New Materials Division, NIPPON STEEL & SUMIKIN MATERIALS has promoted improvement and expansion of its business base, in close collaboration with related departments of the company's R&D sections and steelworks. Efforts took into account future market development, supplied not only materials, but also processing services, components and finished products, and has been expanding manufacturing bases in China, the Philippines, Malaysia, Indonesia, India and Thailand.

Operating Areas

- Electronics industry materials and components
- Basic industrial materials and components
- Environmental and energy materials and components

Major Products and Operating Sections

Electronics Industry Materials and Components

■ Materials for semiconductors

General-purpose semiconductors are encapsulated entirely or partly with sealing materials (resin and inorganic filler composite materials) after conducting silicon chips, on which electronic circuits are made up by the use of bonding wire with the lead-frame etc. Nippon Steel & Sumikin Materials provides the following products and services, by applying technologies cultivated through steelmaking, such as analysis, simulation, structure control, welding & joining, and other advanced technologies, thus meeting the needs of the semiconductor market where demand is high and quality requirements are strict.

・Gold bonding wire, copper bonding wire and micro solder balls (electrode connecting materials)	Nippon Micrometal Corporation Nipon Micrometal Corporation Philippines Hangzhou New Material Chroma Co., Ltd. Nippon Micrometal Malaysia Sdn. Bhd.
・Spherical filler powders (sealing materials)	Micron Company Harimic Malaysia Sdn. Bhd.
・SiC wafer	SiC Wafer Company

■ Materials for electronic devices

Stainless steel foil coils and sheets marketed by Nippon Steel & Sumikin Materials offer such characteristics as extra-thinness, high thickness precision, high strength and high spring performance. Due to these characteristics, the coils and sheets are used as material for hard disk drive suspensions and springs for mobile terminal keyboards, meeting customer needs for lighter gauges, downsizing and improved performance of electronic components. Moreover, through development of a variety of coated stainless steel foil, materials that have functions such as insulation, vibration damping, and adhesion with other materials are provided. Since 2013 the plastic film-laminated stainless foil and the stainless foil collectors for the secondary batteries have been provided.

・Stainless steel foil coils and sheets	Metal Foil Company

■ Materials and components for semiconductor manufacturing equipment

Nippon Steel & Sumikin Materials supports the semiconductor and electronics sectors with the supply of materials and components for the equipment.
The company supplies dense, homogeneous, and no-internal-defect materials such as metals and ceramics, new metal composite, and high-quality and fine-grained sputtering target, through the hot isostatic pressing.
In addition, applying heat treatment and joining technologies, pad conditioners for the pre-treatment process in the semiconductor and for the CMP (Chemical Mechanical Polishing) process in the hard disk drive substrate manufacturing are supplied.

・HIP processed products	HIP Unit
・CMP pad conditioners	CMP Pad Conditioner Unit

Basic Industrial Materials and Components

■ Carbon fibers and composites

Carbon fibers possess not only high strength and elastic modulus but also light weight, high heat resistance, high conductivity, and high abrasion resistance, compared to conventional materials. Nippon Steel & Sumikin Materials supplies the following carbon-fiber products to a wide range of fields such as sporting goods, aerospace, industrial machines, construction and engineering, making the maximum use of the company's material technology and structural design technology.

・Carbon fibers, prepreg	Nippon Graphite Fiber Corporation
・Carbon-fiber composite materials	Composites Company Nippon Steel & Sumikin Materials (Thailand) Co., Ltd.

Earthquake-resistant reinforcing sheets and plates (TOWSHEET™, TOWPLATE™, STRANDSHEET™)
Concrete members reinforced with carbon fibers (NOMST™ members)
CFRP (carbon-fiber reinforced plastics) rolls
CFRP structural members for industrial machinery (robot hands, ultra-precision device parts, etc.)

Environmental and Energy Materials and Components

Metal substrates for catalytic converter manufactured using stainless steel foil offer high performance in heat resistance, vibration resistance, and design flexibility, as automotive emission purification parts. The substrates solve the incompatibility between high engine output and emission purification, thus contributing toward eco-friendly automobile manufacturing. The originally developed stainless steel foil that shows excellent oxidation-resistance in high temperature is also provided as material.

・Metal substrates for catalytic converters	Metal Substrate Company Nippon Steel & Sumikin Materials Hangzhou Co., Ltd. PT. NIPPON STEEL & SUMIKIN MATERIALS INDONESIA NIPPON STEEL & SUMIKIN MATERIALS INDIA PVT. LTD.
・Stainless steel foil coils and sheets for metal substrates for catalytic converters	Metal Foil Company

System Solutions

Nippon Steel Corporation launched this business in 1986, building on the system technologies it had accumulated through many years of operation in the steelmaking business, in which the company boasts the world's top-class technological capability. Since then, the company has reinforced the infrastructure for this business. In April 2001, Nippon Steel Corporation undertook a business merger between its Electronics and Information Systems (EI) Division and Nippon Steel Information & Communication Systems Inc. (ENICOM) and established a new company, NS Solutions Corporation. NS Solutions was successfully listed on the First Section of the Tokyo Stock Exchange in October 2002.

Outline of NS Solutions Corporation

Head office:	2-20-15 Shinkawa, Chuo-ku, Tokyo, Japan
Phone:	81-3-5117-4111
Capital:	¥12.95 billion
Annual sales:	¥206 billion (FY2014; consolidated)
Employees:	5,371 (as of March 31, 2015)

Business Summary

Applying the extensive experience and advanced IT capabilities acquired in the steel manufacturing industry, NS Solutions (NSSOL) provides customer-oriented solutions to support a wide range of clients' global business activities and help raise their competitive edge.
The company entered the cloud computing market early, and in April 2015 established its second service center, in the city of Kitakyushu, enabling the company to service clients in both eastern and western Japan. NSSOL also established the NSFITOS Center, which offers a range of optimal platforms, secure operations and state-of-the-art DC and cloud computing services.
After establishing a local subsidiary in Indonesia in October 2014, NSSOL has been working to support the globalization of our clients in 14 overseas locations in six countries, including the U.S., the U.K., China, Singapore and Thailand.

Business Areas

Manufacturing and Consumer Products Sectors

As a solution provider that comes from the manufacturing industry and is therefore most familiar with customers' operations, NS Solutions helps its customers with their management strategies and on-site practices by providing optimal solutions in consideration of the changing times.

- Business applications: Provision of solutions such as ERP, SCM, PLM, and CRM
- Infrastructure: Provision of solutions, including authentication and authorization that commonly apply to various operations
- Solutions for specific industry: Solutions tailored for engineering

Retail and Service Business Sectors

Based on the practical knowledge obtained through field operations, NS Solutions supports its customers with its ability to build a comprehensive range of systems, from mission-critical systems based on state-of-the-art technologies to information systems.

- Internet media services: CRM, designing and building multi-site/multi-channel compatible EC sites, etc.
- Retailing: Supply chain management system, integration of distribution systems, etc.
- Consumer packaged goods (CPG): Uniform management of sales process, etc.
- Medicines and healthcare: Sales support systems for MRs, systems for collecting and managing clinical trial data, etc.

Telecommunications Sector

NS Solutions provides new business models required by telecommunications carriers and technologies for converting the models into tangible forms from users' points of view, mainly in the following areas:

・Service platform
・Core network
・Access network
・Operation support system (OSS)
・Business support system (BSS)

Financial Sector

By integrating the company's many years of experience in finance-related operations with its IT capabilities, the company provides practical solutions that are ready for financial business in the new era.

・Solutions for financial markets: TSSummit, an integrated package for supporting trading operations, front-, middle-, and back-end systems for dealing, etc.
・Business management solutions: ALM, revenue and risk management, BancMeasure™ for integrated revenue management, solutions for complying with Basel III and IFRS, etc.
・Databases: Large-scale DWH, database, etc.
・Retail payments: Creditcard Processing ASP services, etc.

Social and Public Sectors

NS Solutions provides its know-how of steel and the latest IT infrastructure technologies to government agencies, educational and research institutions, and public utilities. By doing so, it supports the creation of a safe, secure social infrastructure.

・National government offices, local municipalities
・Science and technology institutions
・Academic institutions (universities, etc.)
・Public utilities (social infrastructure and transportation)

IT Infrastructure Solutions

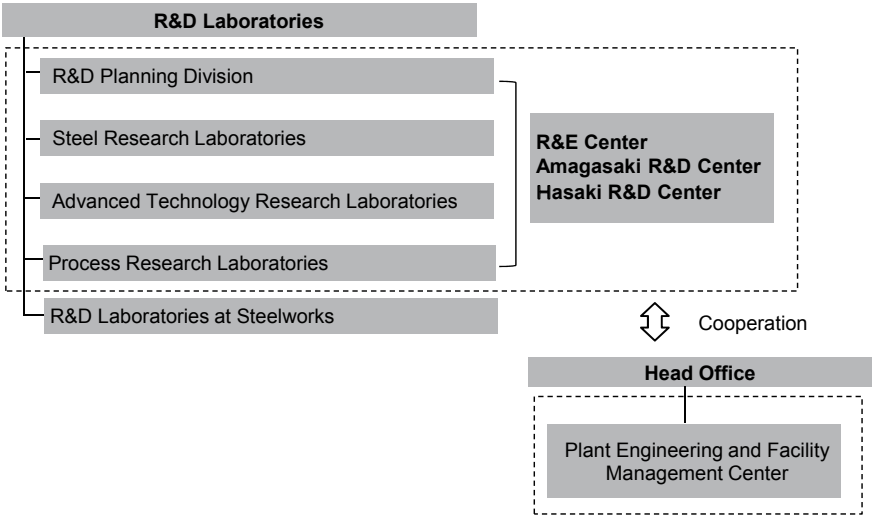
In our role as an organization specializing in IT infrastructure, NS Solutions (NSSOL) offers optimal system platforms based on our know-how of a broad range of industries and business processes. In recent years NSSOL, in particular, has provided an array of seamless services from system development to operation in the form of NSFITOS to help ensure that our clients can concentrate on their main area of business. In 2015, the company established the NSFITOS Center to serve as a base for our IT outsourcing services, offering secure operation, secure DC and secure system platforms.

[Delivering infrastructure outsourcing services based on secure operation, DC and system platforms]
・“NSFITOS”
[Providing secure systems for mission critical environments in the form of cloud or on-premise systems]
・Private cloud development support service “absonne Enterprise Cloud Framework™”
・Managed cloud service “absonne Enterprise Cloud Service™”
[Providing working environments equivalent to that of an office anytime, anywhere, for whatever kind of work and using any device]
・Desktop virtualization service “M3 DaaS™@absonne”
[Dramatically reduce contract costs with electronic contracts]
・Electronic contract service “CONTRACTHUB@absonne™”
[Information platforms to “standardize security and compliance policy” across Group companies]
・“NSCOCOON”
[Realizing BCP in Tokyo and Kitakyushu]
・Data center services “5DC, 5DC South, Kitakyushu DC”
[Document management for financial institutions and construction plan management]
・Plan/document ASP/BPO service
[Document search tool to clear up ambiguities and inconsistencies in Japanese text, and check homographs in Japanese/Chinese text, redundant expressions, and consistency with glossaries, etc.]
・Japanese document search tool “Kotoshirabe”
[Provision of services as a research institution registered with the Ministry of Justice]
・Research services preceding public legal notices

Research and Development

R&D Organization

In the true spirit of research and engineering, Nippon Steel & Sumitomo Metals' three principal R&D bases, namely the R&E (Research & Engineering) Center in Futtsu, the Amagasaki R&D Center, and the Hasaki R&D Center, are working closely with the R&D laboratories at steelworks across the country and are promoting integrated R&D activities that range from basic and fundamental research to applied development and plant engineering.



R&E Center (Futtsu)
- Location: 20-1 Shintomi, Futtsu City, Chiba Prefecture, Japan
- Establishment: September 1991
- Site: 700,000㎡

Amagasaki R&D Center
- Location: 1-8 Fuso-cho, Amagasaki City, Hyogo Prefecture, Japan
- Establishment: August 1960
- Site: 54,000㎡

Hasaki R&D Center
- Location: 16-1 Sunayama, Kamisu City, Ibaraki Prefecture, Japan
- Establishment: April 1974
- Site: 159,000㎡

R&D Expenditures

(¥ billion)

Fiscal year		2007	2008	2009	2010	2011	2012	2013	2014
Consolidated	NSSMC						60.0	64.4	62.9
	NSC	45.3	45.7	46.8	46.6	48.1	-		
	SMI	20.1	22.1	22.8	22.7	22.8	-		

Note: The amount for fiscal 2012 is based on the Securities Report ("Yukashoken Hokokusho") and excludes the amount of Sumitomo Metals for the first half of 2012.

Major R&D Achievements

Year	Major Achievements
2007	・ECOKOTE™-S; steel sheet, coated with a tin and zinc alloy rather than a lead alloy, for automotive fuel tanks having high corrosion resistance (Monozukuri Nippon Grand Award; Prime Minister's Award) ・"Spot Welding Method by Seven Steps Current" for high-tensile-strength steel sheet ・NSGP™-1, steel plate for crude oil tankers having high corrosion resistance (Nikkei Superior Products and Services Awards; Nikkei Industrial Daily Award for Excellence, Ichimura Award) ・High strength steel plate for hull structures with a yield strength of 460Mpa and superior fatigue properties; this steel was developed based on the FCA™ (Fracture Crack Arrester) technology and has a twofold longer fatigue life expectancy than conventional steels ・"FCA™-W Steel Plate", the world's first high-tensile-strength plate for improving the fatigue strength of welded joints ・Nickel (Ni)-based alloy that has the highest resistance to metal dusting in the world ・Innovative continuous casting technologies (PCCS & SSC) for high-quality steel ・Seamless FCW; flux-cored welding wire ・Improvement of on-site production ability by "IT operation-support system" (Nikkei Monozukuri Award) ・Sub-micron level material analysis by "3-D atom-probe analyser" ・Catalytic material to reduce the use of noble metals largely for automotive exhaust emission control system ・High corrosion dual phase stainless steel for urea processing plant "DP-28W" (jointly developed with Toyo Engineering Corporation. The material is applied to an actual plant.) ・High strength type "Pile head connection method™ with outer steel ring and in-filled concrete" for short-term works and high-quality construction (jointly developed with Shimizu Corporation) ・"SSAT™-35", a new titanium alloy with an optimal balance between workability and strength
2008	・Quench-hardenable steel sheet for hot stamping "SUMIQUENCH SCSQ30B" ・Chrome-free electrogalvanizing steel sheet for motor case "NEO COAT T2" ・Walking control technology in hot strip finishing mill ・Innovative structural materials to realize safe and reliable constructions, derived by the national project concerning nano-technology (NTPT) ・Ultra high-strength steel plates for building structures "SSS1000" (jointly developed with Osaka University, Kyoto Institute of Technology, NIKKEN SEKKEI Ltd., and KATAYAMA STRATECH Corp.) ・NSF method: To realize safe and comfortable housing by environmentally-friendly method ・SM-composite pile method™ with concrete-filled steel pipe ・Steam generator tubes to be used in advanced nuclear power plants ・High-strength wire rod by direct in-line patenting process for suspension bridge ・Advanced bogie truck with a rail-interaction-force monitoring system ・SCOPE21, innovative coke-oven introduced the next generation coke-making process technology ・Measurement of inside of blast furnace using cosmic ray muons

	・Frontier-Stone™, Eco-Gaia-Stone™, etc., environmentally-friendly materials made of steelmaking slag ・Evaluation technique for local strength in spot weld of steel sheet using small specimen ・Silicon carbide epitaxial wafers for power electronics devices (Nikkei BP Technology Award) ・Solution growth method to grow silicon carbide ・Single crystal highly-active visible light responsive photocatalyst (jointly developed with Osaka Titanium Technologies)
2009	・Hot-dip galvannealed high hole expansion ratio type steel ・ZINKOTE™ BLACK, black painted chrome-free electrogalvanized steel sheet ・NS-Ship-Safety235, high deformability steel for the bulbous bow of a ship ・Extra-heavy wall, small diameter ERW tubes for weight reduction of automotive parts ・"CLEANWELL™DRY", an environmentally-friendly premium connection, which does not contain heavy metals ・"VAM®21", a premium connection with good performance, used in connecting oil country tubular goods (jointly developed with Vallourec S.A.) ・Non-heat treated nitrocarburized high-strength crankshaft steel (jointly developed with Honda R&D) ・Recycling technology for refractories (Prize by Director-General, Industrial Science and Technology Policy and Environment Bureau, the Ministry of International Trade and Industry in Japan) ・Anti-entrapment mold flux with properties of high viscosity and high surface-tension that crystallizes into melilite as a main phase ・RS Plus™ Method, low-noise low-vibration method for construction of high load-bearing foundations for port engineering utilizing steel pipe piles ・Composite concrete packed steel segment ・Three-dimensional hot bending quench (3DQ) mass processing technology that enables steel components with a hollow tubular structure to acquire ultra high-tensile strength ・New analytic technology for automobile collision simulation (jointly developed with Mazda Motor and Corus, the British and Dutch steel company) ・Optimization design simulation technology for the exterior unit of an air conditioner ・Cold forging method of one piece stainless steel fuel union for high grade vehicle engines ・Fine grain stainless steel sheet for the long fatigue life diaphragm of a hydrogen compressor ・New temperature measurement and control technologies for manufacturing of high-tensile strength hot strip
2010	・6% Ni steel for LNG storage tanks ・Highly deformable UOE line pipe ・SBHS, steel sheet for bridge high performance structure ・Manufacturing process innovation in high carbon and chromium steel wire for needle bearings ・“NAR™-DP-28W”, high-chrome duplex stainless steel in a urea plant, with superior weldability (jointly developed with Toyo Engineering) ・Technology that serves to reduce radiation exposure of workers at nuclear plants through the manufacture of material that reduces the content of cobalt and a film processing technology to reduce the release of metal ion from tubes

	・Resource-saving, high-strength electromagnetic steel "SXRC" (National Commendation for Invention; 21st Century Invention Prize) ・Heat resistant stainless steel sheet “NAR™-AH-7” for advanced high-temperature heat exchangers ・"High-precision drop weight impact test machine" that is used to accumulate data and develop technology aimed at further enhancing automobile safety ・New molten pig iron dephosphorization technology with powder top blowing for realization of high efficency production of low phosphor steel with low environmental load ・Development of “VAM®21”, the world highest-performance threaded connection (jointly developed with Vallourec S.A.) ・TN-X™, high-tension steel pipe pile & high bearing capacity foot protection steel pipe pile construction method ・Further reduction in welded light-weight H-beams that are used for housing construction ・Heat release steel sheet as heat sink material for ultra-thin LCD TVs ・Dual-wall exhaust manifold by press forming ・Carbon blocks with high thermal conductivity and high corrosion resistance for blast furnace hearth ・Optimum scheduling system for integrated raw material logistics ・EX1, multi-coated Cu bonding wire for LSI packaging (Ichimura Award; Main Prize, jointly developed with Nippon Micrometal)
2011	・1.2GPa high tensile cold rolled steel sheet with high formability ・Extremely thick HT80 plate of 210mm for rack ・Development of corrosion-resistant steel with tin added high-tensile steel plates with high salt resistance ・Development and commercialization of thick steel plate with excellent weldability for use in developing marine resources and energy ・CORQ™, corrosion resistant castings ・UIT (Ultrasonic Impact Treatment) method for increasing fatigue strength ・Straight web-type sheet piling cell construction method ・Development of “SM-HSJ (H-column Simple Joint) construction method” that uses an improved method of connecting H-beams and columns for steel frame buildings ・Development of low-carbon non-leaded free cutting steel “Smigreen CS” ・Development of fine-precipitate dispersed stainless steel sheet “NAR™-301L HSX” ・Development of Sumi Quench 1800, the steel sheet for hot pressing with the world highest-tensile strength of 1,800 MPa (jointly developed with Mazda Motor, Aisin Takaoka, and Futaba Kogyo) ・Development of high-strength and high-corrosion resistant alloy “Super 17Cr OCTG” for ultra deep well application ・Development of upper drafting counter flow type deep bed sinter cooler (jointly developed with Mitsubishi-Hitachi Metals Machinery, Inc.) ・Development of three-dimensional hot bending quench (3DQ) mass processing technology ・Invention of steel plate that extends the fatigue-life of welded steel structure ・Full launch of the biomass mixed power generation fired by coffee grounds mixed with coal ・Development of steel used as common rail for diesel engines (jointly developed with Denso)

	・6-inch SiC single-crystal wafers
2012	・SBHS500 high performance steel was used to construct the fully-welded large truss box composite bridge of the Tokyo Gate Bridge. ・For the first time in the world, 590MPa class high-tension steel (cold-rolled steel sheet) was used for the side panels, and 780 Mpa class high-tension steel (hot-rolled steel sheet) was used for the suspension arms. ・980MPa class high-tension steel was used for the first time in the world for parts of light automobiles that are difficult to form. ・SuperDyma™ highly corrosion-resistant steel sheet was used for the first time in automobile body panels. ・SuperDyma™ highly corrosion resistant plated steel sheet products which conform to JIS standards ・VE/NSYP™345B hyper beam consisting of 490N rolled steel sheet for building construction whose design reference strength (F value) has been increased to 345N was used for the first time. ・The SMart BEAM™ method was used for the first time in 3-story wooden buildings. ・A hat-shaped steel sheet pile + H-steel method was used for the first time in harbor construction work. ・The support strength properties of steel sheet piles intended for foundation construction were favorably evaluated by the Railway Technical Research Institute. ・SBHS400W high yield point steel sheet for bridges was modified to conform to JIS, and then adopted for the first time. ・Active suspension for railway rolling stock was used by the Kinki Nippon Railway Company on all of its "Shimakaze" tourist limited express trains. ・Recycling technology for general waste plastic based on the coke oven chemical raw material recycling method (Okochi Commemorative Award)
2013	・New melting furnace (EB furnace: Electron Beam Refining Furnace) ・Hot-dip galvanized high-tensile-strength steel with a strength class of 1.2 GPa ・Hot-press product using a direct water-cooling method (jointly with Unipres) ・7% nickel steel plates for LNG tanks ・Method for refining tsunami-deposited soil (CAL-SPIN™ method) certified by the Council for Construction Technology Review and Certification) (jointly with Nippon Steel & Sumikin Engineering) ・"SUS304 H-SR3" stainless steel plates with ultrafine crystal grain ・Combination wall of hat-shaped steel sheet pile and steel pipe pile by gyro press method (jointly with Giken Ltd.) ・Welded lightweight H-shaped steel (SMartBEAM™) was utilized as construction louver material ・Active suspension for railroad cars was adopted by the Kyushu Railway Company for the Cruise Train Seven Stars (Nanatsuboshi) in Kyushu
2014	・Sintering NOx reduction technology through the improvement of lime coating coke (LCC) ・Multi-refining converter process (MURC) (61st Okochi Award; Okochi Memorial Production Award) ・7% nickel steel plates for LNG tanks (used for the LNG storage tanks for shale gas in Canada; 2013 Nikkei Superior Products and Services Award) ・"NSGP™-2" highly corrosion-resistant steel plates for crude oil tankers (first approval worldwide for ClassNK certification for tank ceilings)

- NSafe™-Hull steel plates for ship construction, excellent for collision safety (first practical use in the world)
- Super-high-tensile-strength steel for building structures of 1000N class, with the highest strength in the world
  (adopted by the Technical Research Institute of Obayashi Corporation)
- Fatigue strength improvement technology at welds-UIT method
  (selected for the recommended technology of the New Technology Information System [NETIS] by the Ministry of Land, Infrastructure, Transport and Tourism in 2014)
- Eco-friendly type steel wire for ultra-high-tensiie-strength bridge cables (PWS steel wire rods)
  (Ichimura Award; Main Prize)
- Eco-friendly, high-performance, low-carbon, unleaded, free-cut steel
  (Commendation by the Minister of Education, Culture, Sports, Science and Technology)
- HRX19™ stainless steel for use with high-pressure hydrogen
- Active suspension for railway vehicles (adopted by the Granclass car of the Hokuriku Shinkansen)
- Development of a tooth flank correction shape that achieves lower noise generation in gear systems for railway vehicles
- Hot-rolled steel sheet shape measurement, using LED projection

Award-winning Technologies

■ Okochi Award
(sponsored by Okochi Memorial Foundation)

The award is presented every year to individuals and organizations that have attained excellent achievements in research and development of production engineering and production technologies, and in practical applications of advanced production systems.

FY	Award names	Achievements
1990	Grand Production	High-efficiency universal rolling technology for wide-flange beam (jointly with Kawasaki Steel)
1991	Production	High-grade ERW pipe and tube of non-quenched/tempered type for use as OCTGs
1992	Production	Development of high strength and corrosion resistant Ni base alloy OCTGs
1994	Production	Development of high speed and high performance bogie trucks for railway vehicles
1995	Production	Development of high reliability heat exchanger tube for nuclear power plants
	Grand Production	Low-cost, low-environmental burden metallurgical coke production technology
1996	Production	Roll pair cross rolling method for high accuracy and productivity in steel rolling process of flat products (jointly with Mitsubishi Heavy Industries)
1997	Production	High-speed tool steel hot-strip mill roll by continuous pouring process for cladding (jointly with Hitachi Metals)
1998	Grand Production	Environmentally-friendly sintering technology for difficult-to-process iron ore

	Technology	Development of stainless steel pipe for supply of ultra-high-purity gas (jointly with Sumikin Stainless Steel Pipe Co., Ltd. and Tohoku University)
1999	Production	Die-forged crankshaft performance enhancement and development of high production total system
	Production	Automotive high-strength steel sheet (TRIP) with excellent crash energy absorption capacity
2000	Production	World's first endless hot rolling process and new product (jointly developed with Kawasaki Steel, Mitsubishi Heavy Industries, and IHI Corporation)
2003	Production	New-generation technologies for the production of medium-size seamless pipes and tubes
2006	Grand Production	Development of new-generation technologies for the high-quality, high-efficiency and environmentally-friendly steelmaking process
2007	Production	YP 47kgf/mm^2 class higher strength steel plate and new hull structure design for large container ships (jointly with Mitsubishi Heavy Industries)
2008	Grand Production	Development of advanced stainless boiler tube for ultra-supercritical (USC) coal-fired thermal power plants
	Production	Diagnose and repair technologies used in enormously harsh space for realization of coke-oven restoring (DOC)
2009	Production	Process for recycling dust emitted in steel mills
2010	Production	Development of technologies that extend the campaign life of blast furnaces
2011	Production	Municipal waste plastics recycling technology by producing chemical raw materials
2012	Production	Development of high-alloy seamless OCTG and their manufacturing technologies that increase production of natural gas
	Production	Innovative new cokemaking technology for expanding raw coal resources and saving energy (SCOPE21) (jointly with Kobe Steel, JFE Steel, Nisshin Steel and Mitsubishi Chemical)
2014	Production	Development of a steelmaking process using the multi-functional integrated converter furnace method

■Ichimura Award (sponsored by the New Technology Development Foundation)

The award is presented every year to executives and researchers who have rendered distinguished services in nurturing excellent domestically-developed technologies, aiming at contributing to the dissemination of scientific technologies and the improvement of scientific technological level.

FY	Award names	Achievements
1990	Contribution	In-line heat treatment for high-strength DHH (deep head hardened) rail
1991	Distinguished Service	Development of high performance ferritic stainless steel with Nb and Cu (jointly with Nippon Stainless Steel Co., Ltd.)
	Contribution	Corrosion diagnosis for steel structures using electrochemical technology
1993	Contribution	Development of wide aluminum/stainless steel clad coil
1995	Distinguished Service	Ultra-high-strength steel wire for bridge cables
1996	Contribution	Heat-proof domain refining method for grain-oriented electrical steel sheet
1997	Distinguished Service	Development of powder top blowing process under reduced pressure
1998	Contribution	Hot-rolled titanium-clad steel coil

1999	Contribution	Weathering steel for use in coastal regions
2001	Contribution	Development of high performance 60-kg high tensile strength steel plate with strikingly improved welding capabilities
2003	Contribution	Super high HAZ toughness technology with fine microstructure imparted by fine particles (HTUFF™)
2004	Contribution	Innovative antiseismic technology using unbonded brace and advanced steel
	Contribution	Development of processing technology to promote the generation of protective rust for weatherproof steel
2006	Distinguished Service	Sulfuric acid and hydrochloric acid dew-point corrosion resistant steel (New S-TEN™1)
	Contribution	Development of non-oriented electrical steel sheet for high-efficiency motors
2008	Contribution	Superior corrosion resistant and environmentally-friendly steel sheet for automotive fuel tanks (ECOKOTE™-S)
	Contribution	Development of steel plate for improving the fatigue strength in welded joints
2010	Contribution	Corrosion resistant steel for cargo oil tank (NSGP™-1)
2011	Main Prize	Multi-coated Cu bonding wire for LSI packaging (EX1) (jointly with Nippon Micrometal)
2013	Contribution	Vibration controller for railroad cars (active suspension)
2014	Main Prize	Eco-friendly type steel wire for super-high-tensile-strength bridge cables

■National Commendation for Invention (sponsored by Japan Institute of Invention and Innovation)

The Imperial Invention Award, from the Imperial Bounty, is presented every year to those who have made particularly significant inventions. The invention and other awards are also given every year to those who have made excellent inventions, devices and designs, and those who have put into practical use these achievements and made significant contributions pertaining to encouraging inventions.

FY	Award names	Achievements
1993	Keidanren Chairman's Prize	Ultra-low core loss grain-oriented electrical steel sheet treated by laser irradiation
1995	Japan Patent Attorneys Association President's Prize	Web-height flexible control method for H-beam rolling by skew roll mill
1997	Invention Prize	Ultra-low-carbon steel sheet with combined addition of Nb and Ti, having formability and good adherence of galvannealed coating
1998	Invention Prize	High crack-arrestability endowed steel plate having surface layer with ultra-fine-grain microstructure
2001	Invention Prize	Rail with high wear resistance and internal fatigue damage resistance for heavy-haul railway use
2003	Invention Prize	Recycling method of chlorine-containing waste plastics in coke ovens (jointly with the University of Kitakyushu)
	Invention Prize	Protective rust-layer accelerant technology for weather-resistant steel (jointly with Himeji Institute of Technology Graduate School)

2005	Invention Prize	High formability zinc coated steel sheets for automobiles
	Economy, Trade and Industry Minister's Prize	New-generation technologies for the production of medium-size seamless pipes and tubes
2007	Invention Prize	Development of mold flux for high-speed continuous casting
2008	Imperial Invention Prize	Development of super-high strength low-alloy steel oil country tubular goods (OCTG) for sour service
	Invention Prize	Compact type hydroforming equipment (jointly with Toyota Motor)
2009	Invention Prize	Invention of strengthened low-alloy steel for economical boilers (jointly with Mitsubishi Heavy Industries and Kyushu Institute of Technology)
2010	Education, Culture, Sports, Science and Technology Minister's Prize	Measurement and evaluation technology for hot repair of coke-oven chamber walls
2011	Chairman's Prize	Development of advanced stainless boiler tube for Ultra-Supercritical (USC) coal-fired thermal power plants
2012	Keidanren Chairman's Prize	Development of the functional steel plate with high enhancement to fatigue life for welded structures
	Invention Prize	Excellent corrosion-resistant hot-dip alloy coated sheet (SuperDyma™)
2013	21st Century Invention Prize	Invention of high-strength non-oriented electrical steel of resource-saving design
	Patent Office Commissioner's Prize	Invention of new type high performance copper bonding wire for LSI (jointly with Nippon Steel & Sumikin Materials, Nippon Micrometal)
2015	Invention Prize	Invention of steering bogie for railway vehicle (Jointly with Tokyo Metro)

■ MONOZUKURI Nippon Grand Award (Ministry of Economy, Trade and Industry (METI) and other Ministries)

(held biannually)

FY	Award names	Achievements
2007	Prime Minister's Award (Manufacturing and Production Process Category)	Invention of manufacturing method of high quality steel plates using nano-size particles
	Economy, Trade and Industry Minister's Prize (Product and Technology Development Category)	Abrasion-resistant, internal fatigue damage-resistant heavy load-bearing rails for railways
2009	Prime Minister's Prize (Product and Technology Development Category)	Development of ECOKOTE™-S, environmentally sensitive steel sheet for fuel tanks with outstanding corrosion-resistant properties
	Special Prize (Product and Technology Development Category)	Development of high-strength Pb-free non-heat-treated steel for the application of fracture splitting connecting rods (jointly with Honda Motor)
	Excellence Prize (Manufacturing and Production Process Category)	Blast furnace operation/maintenance technology that has enabled Japan's longest operating days of the furnace
	Excellence Prize (Manufacturing and Production Process Category)	Development of an innovative production method allowing the production of flat hot-rolled high-tensile steel plates

	Excellence Prize (Product and Technology Development Category)	Development of ultra-strength, formable steel sheet delivering improved fuel economy and protection for passengers
	Excellence Prize (Product and Technology Development Category)	Uncoated, highly weather-resistant nickel-steel alloy for use in bridge construction and the anti-corrosion technology that supports this product Practical implementation of a technical system (jointly with the Public Works Research Center)
	Excellence Prize (Product and Technology Development Category)	Development of high strength, highly tough thick steel plate for use on large container vessels (47 kg/mm^2); contributions to the structural design of new vessels (jointly with Mitsubishi Heavy Industries)
	Excellence Prize (Product and Technology Development Category)	Development of environmentally-friendly lead-free, low-carbon free-cutting advanced steel materials
2011	Prime Minister's Prize (Manufacturing and Production Process Category)	Development of an approach to use inferior quality ferrite dust as a raw material as part of a recycling process to manufacture steel
	Prime Minister's Prize (Product and Technology Development Category)	Development of a groundbreaking next-generation approach for the manufacture of stainless steel that radically reduces the amount of rare metals required (jointly with Nippon Steel & Sumikin Stainless Steel)
	Economy, Trade and Industry Minister's Prize (Manufacturing and Production Process Category)	Development of new continuous casting technologies for very thick plate (PCCS)
	Special Award (Product and Technology Development Category)	Development and practical application of a highly corrosion-resistant steel sheet NSGP™-1 for use on crude oil tankers
	Excellence Prize (Manufacturing and Production Process Category)	Development of the world's first hot rolling steel sheet thermometer with high precision even during a cooling process and the high-tensile steel sheet manufacturing techonology by using this thermometer
2013	Special Award (Manufacturing and Production Process Category)	Development of a new steelmaking process that achieves high efficiency, high quality, and low environmental load, simultaneously
	Excellence Prize (Product and Technology Development Category)	Development of lightweight and highly corrosion-resistant IP gold titanium through ultrafine-pattern grinding technology and advanced vacuum technology (jointly with Toyo Stainless Polish Industry and Nihon Teppan)

■ Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology (Ministry of Education, Culture, Sports, Science and Technology)

FY	Award names	Details
1998	Distinguished Service in Science and Technology	Development and promotion of steel tube and pipe for oil refining and petrochemistry
	Meritorious Services in Research	Research of analysis model on solidification and segregation of steel
	Meritorious Services in Research	Fracture mechanics research for the thick steel-materials application technology to large-sized structures, such as a LNG reservoir
1999	Distinguished Service in Science and Technology	Development and promotion of high efficiency dimensionally stable electrode and high quality electrolytic galvanized steel sheets technology
	Distinguished Service in Science and Technology	Development of a chrome-plated thin steel sheet that can be welded
	Innovator Award	Development of a process and related machinery for melting and continuous casting of steel
2000	Distinguished Service in Science and Technology	Development of laser technology to join steel sheets during the manufacturing process
	Meritorious Services in Research	Research into processing methods for steel rods and wire; optimizing the selection of raw materials
2001	Distinguished Service in Science and Technology	Development of a system to estimate the residual corrosion lifespan of steel materials used as structural materials in construction
	Meritorious Services in Research	Research of environmentally friendly free-cutting steel
	Meritorious Services in Research	Theoretical analysis of migration speeds for coagulation phenomena and continuous casting; research into the applications thereof
2002	Meritorious Services in Research	Research into the fault rates, causes and control in continuously cast steel slabs
2003	Distinguished Service in Science and Technology	Development of a system to identify and prevent the causes of weld cracking
2004	Meritorious Services in Research	Research into creative technologies and predictive controls for organizations, systems and materials for thin steel sheet
2005	Science and Technology Award: Development Category	Development of high quality and high speed round billet casting technology
2007	Science and Technology Award: Development Category	Development of a thin-walled, heat resistant integrated stave for a large-scale blast furnace
2008	Science and Technology Award: Development Category	Development of non-oriented electromagnetic steel sheet for high efficiency motors
2009	Science and Technology Award: Development Category	Development of crash-box that improves fuel efficiency and crash safety (jointly with Toyoda Iron Works)

2010	Science and Technology Award: Development Category	Development and commercial application of new functional steel material with an extended fatigue-life
	Science and Technology Award: Development Category	Development of high fatigue strength stainless steel for cylinder head gasket (jointly with Honda R&D Americas)
	Science and Technology Award: Research Category	Research into the highly functional properties of ferrite heat-resistant steel tempered at high temperatures over a long period of time (jointly with the National Institute for Materials Science and Mitsubishi Heavy Industries)
2011	Science and Technology Award: Development Category	Development of abrasion-resistant, internal fatigue damage-resistant heavy load-bearing rails for railways
2012	Science and Technology Award: Development Category	Development of a high environmentally sensitive Sn-Zn plated steel sheet for use in automobile fuel tanks
2013	Science and Technology Award: Development Category	Development of SuperDyma™ - a highly corrosion-resistant Zn-Al-Mg-Si plated steel sheet for use as a construction material
	Science and Technology Award: Development Category	Development of highly accurate cooling control technology through the use of a thermometer applied to cooling steel sheets at the hot rolling mill
2014	Science and Technology Award: Development Category	Development of a new, highly functional Cu bonding wire for LSI (jointly with Nippon Micrometal)
	Science and Technology Award: Development Category	Development of waste plastic recycling technology using a coke oven (jointly with Tetsugen, Nippon Coke & Engineering, Nippon Steel & Sumikin Texeng, and Nippon Steel & Sumikin Engineering)
2015	Science and Technology Award: Development Category	Development of eco-friendly, high-performance, low-carbon, unleaded, free-cut steel

Number of Patent Publications

CY	2008	2009	2010	2011	2012	2013	2014
Nippon Steel & Sumitomo Metal	1,335	1,245	1,308	1,368	1,176	1,273	873

∗ The number of patents published prior to the corporate integration (October 2012) are the aggregate numbers of Nippon Steel and Sumitomo Metals

Social Contributions

Support of Music Culture through the Nippon Steel & Sumitomo Metal Arts Foundation at Kioi Hall

Ever since its foundation, Nippon Steel & Sumitomo Metal Corporation has made a major contribution not only to the development of Japan's economy but also to the progress of art and culture mainly in music for 60 years continuously, presenting the well-known weekly radio program "Nippon Steel Concerts" broadcasted between 1955 and 2005, "Nippon Steel & Sumitomo Metal Music Awards" (former Nippon Steel Music Awards).
NSSMC is active in contribution to music through the supports to Nippon Steel & Sumitomo Metal Arts Foundation at Kioi Hall.

Kioi Hall

To commemorate the 20th anniversary of the founding of the former Nippon Steel in 1990, Kioi Hall was planned to construct and opened in 1995 as a part of Nippon Steel's philanthropic activities. The Kioi Hall contains two halls; Kioi Hall that is suitable for classical chamber music and Kioi Small Hall that is furnished for Japanese traditional music. As both halls are carefully designed and have the highest quality, those are garnered a high reputation among the musicians and the audience at home and abroad.

Outline

Location:	6-5, Kioi-cho, Chiyoda-ku, Tokyo, Japan 102-0094 phone:+81-3-5276-4500
Building:	Site: 3,120m^2 Total floor area: 12,626m^2 7 stories and 2 basements
Accommodation:	Kioi Hall (1st & 2nd floors) a 800-seat concert hall equipped for classical music Kioi Small Hall (5th floor) a 250-seat auditorium furnished for Japanese traditional music
Ticket Center:	phone: +81-3-3237-0061
Website:	http://www.kioi-hall.or.jp

Kioi Sinfonietta Tokyo

Kioi Sinfonietta Tokyo was founded as the orchestra in residence at Kioi Hall on April 2, 1995 to coincide with the opening of Kioi Hall. The orchestra contains all world-class soloists, chamber musicians, or the principals of top level orchestras in Japan or abroad. One of its characteristics is to have rehearses in the hall to develop the full potential of both the hall and the orchestra and to refine the resident orchestra's innovative sound.
Kioi Sinfonietta Tokyo has presented its concerts in many cities outside of Tokyo. They have also carried out overseas concert tours in Europe and South Korea. In 2012, the orchestra made its first tour to America to celebrate the Japan–U.S. Cherry Blossom centennial and to show appreciation to the United States for their support to the Tohoku Earthquake of 2011.

Nippon Steel & Sumitomo Metal Arts Foundation

Nippon Steel Arts Foundation was established as an operating organization for the Kioi Hall. The foundation has been authorized as a public interest incorporated foundation in October 2010.
It was renamed the Nippon Steel & Sumitomo Metal Arts Foundation in October 2012.

Objectives and Activities

1. Fostering talented musicians
   Season members in Kioi Sinfonietta Tokyo, conductor trainees
2. Sponsoring concerts and other musical events
   Presenting high-quality recitals and concerts in classical music as well as Japanese traditional music
3 Supporting distinguished musical activities
   Kioi Up & Coming Artists introducing and supporting young talents, grants for performances
4. Administration and building operations of concert halls in the Kioi Hall
   Maintenances and hall rentals
5. Other activities deemed necessary to achieve the purpose of the foundation

Nippon Steel & Sumitomo Metal Music Awards (former Nippon Steel Music Awards)

Nippon Steel & Sumitomo Music Awards, established in 1990, are presented once a year to promising young classical music performers and to those who have made contributions to the development of classical music.

Number & Year		Promising New Artist Prize (¥3 million)		Special Prize (¥1 million)	
1st	1990	Akiko Suwanai	Violin	Miwako Matsumoto	Soprano
2nd	1991	Yoko Hasegawa	Cello	Takao Miyazaki	Stage manager
3rd	1992	Joji Hattori	Violin	Kiyoko Tanaka	Piano
4th	1993	Kyoko Tabe	Piano	Kaoru Chiba	Horn
5th	1994	Tetsuji Honna	Conductor	Eiko Morishima	Piano, Korrepetitor (opera singer's rehearsal pianist)
6th	1995	Emiko Suga	Soprano	Naoyuki Miura	Representative, Music from Japan
7th	1996	Yoshiko Kawamoto	Viola	Akihiro Tsuruta	Piano tuner
8th	1997	Daishin Kashimoto	Violin	Takashi Ogawa	Research on music materials and documents
9th	1998	Yukio Yokoyama	Piano	Saneyuki Yoshii	Secretary-General, Sendai Philharmonic Orchestra
10th	1999	Mieko Sato	Soprano	Jun Taki	Arts Manager
11th	2000	Dai Kimura	Guitar	Minoru Nagata	Acoustic designer
12th	2001	Ayako Takagi	Flute	Kyoko Ito	Producer of music festival Argerich's Meeting Point in Beppu
13th	2002	Yu Kosuge	Piano	Norikazu Sugi	Representative, New Opera Production
14th	2003	Akie Amo	Soprano	Hiroshi Isaka	Music Producer
15th	2004	Riyo Uemura	Violin	Masayoshi Kuriyama	Director
16th	2005	Mihoko Kinoshita	Soprano	Juro Aoki	Cello
17th	2006	Tatsuya Shimono	Conductor	Teruhisa Murakami	Piano tuner
18th	2007	Ayako Uehara	Piano	Akira Kinoshita	Photographer
19th	2008	Quartet Excelsior	Quartet	Shigeto Kanayama	Executive Adviser, Tokyo Symphony Orchestra
20th	2009	Hisako Kawamura	Piano	Kenji Aoki	President, Miyazaki Prefectural Arts Center
21st	2010	Kota Nagahara	Violin	Koji Toyoda	Violin, Artistic Director of Talent Education Research Institute Corp.
22nd	2011	Mami Hagiwara	Piano	Mayako Muroi	Piano
23rd	2012	Lina Matsuda	Violin	Takako Kurimoto	Soprano
24th	2013	Mariko Fukushi	Bassoon	Shuku Iwasaki	Piano
25th	2014	Yuya Okamoto	Cello	Madoka Hino	Author

Social Contribution through Kashima Antlers (Football)

NSSMC promotes social contributions by supporting athletic teams. Its contribution to the Kashima Antlers Football Club, which began as a football team of the former Sumitomo Metal Industries and has become one of the top Japan Professional Football League (J League) teams, is one of those examples.

Back in 1991, Kashima Antlers were selected as one of the participants in the J League, by representing the neighboring areas of NSSMC's Kashima Works, namely, Kashima Town (now Kashima City), Hasaki Town (now Kamisu City), Kamisu Town (now Kamisu City), and other places. Since then, the locally-based Kashima Antlers club has strived to be a team that grows together with the community, contributing locally and being well-loved in its hometown area.

After becoming a professional team, Kashima Antlers reinforced their winning potential with actions such as the acquisition of former Brazil captain and global star player Zico. From the formation of the J League in 1993 until 2013, Antlers won the league championship seven times, the J League Yamazaki-Nabisco Cup five times, and the Emperor's Cup four times. Achieving a total of 16 titles, they have become one of the J League's formidable teams. Recently, Antlers visited Vietnam to play in a friendly match, celebrating the Japan-Vietnam Friendship Year. The team has expanded its areas of activities overseas.

Kashima Antlers' Management Philosophy

(1) Be a locally-supported brand via thorough local strategy
(2) Be a club that fosters talent with a local foundation
(3) Have a world-class stadium as a base
(4) Continue to be a strong club that challenges the world
(5) Continue to share our dream with the Antlers Family

Kashima Antlers' Major Achievements

1993	J League 1st stage inaugural champions
1996	J League first annual winner
2000	Treble winners of J League, Yamazaki Nabisco Cup, and Emperor's Cup
2007-2009	League winners for three consecutive years
2007-2012	Japan's three major titles winners for six consecutive years

In addition, the Kashima Antlers has participated in international competitions such the ACL (six times), the Asian Club Championship (two times), and Asian Cup Winners' Cup (once). It became the first team to win the SURUGA Bank Championship for two consecutive years, in 2012 and 2013.

Kashima Antlers: A Club that Fosters Talent with Close Local Ties

Kashima Antlers comprise the Top Team (professional), a Youth Team (high school-age), three Junior Youth Teams (junior high school-age), and two Junior Teams (for elementary school-age players who have passed selection). These seven teams in total wear the Antlers uniform to play in official matches. In addition, there are 17 so-called "clinics" (for elementary school and preschool children): 15 in Ibaraki Prefecture and two in the neighboring prefectures. Through such activities, Antlers strives every day to foster player talent and further popularize football. The efforts to development players have led to some achievement in recent years, as one each of the Youth, Junior Youth, and Junior teams won a national championship.

Unique Hometown Activities via Administrative Coordination

The “Antlers Hometown Committee”, which consists of Kashima Antlers, its five hometown cities (Kashima, Itako, Kamisu, Namegata and Hokota) and Ibaraki Prefecture as members, was established in 2007. The Committee is now the nucleus of hometown activities, with the aim of achieving social contributions united with the regional society (J League One Hundred Year Vision) and regional revitalization through sports. Specifically, “Kids’ Passes” (free passes for children) have been distributed to all elementary schools in the hometown area; Antlers players have visited all elementary schools in the hometown area, as “Hometown Elementary School Visits” events; and a “Shokuiku (dietary education) caravan” has been sent around Kashima City to convey know-how on eating and exercising to elementary school children.
In addition, the Committee promotes activities that boost links with local specialty products and sponsoring bodies.

■ The origin of the name “Kashima Antlers”

“Antler” means a typically branched horn of the deer, having to do with the gods associated with the local Kashima Shrine of national fame, and they were worshipped and reverenced by swordsmen, historically. Branched horns also conjure up an image of thornbushes after the name of the prefecture. The naming was made to signify the apple of this region like the shrine deer and the brave warrior locking antlers and fighting for victory. The team color is termed “Antlers Red,” which symbolizes the burning spirit of soccer and is also associated with the color of roses, the prefectural flower of Ibaraki.

■ About Ibaraki Prefectural Kashima Soccer Stadium

Construction of Ibaraki Prefectural Kashima Soccer Stadium, the home stadium of Kashima Antlers, was completed in 1993, the J League’s inaugural year. Japan’s first soccer-specific stadium with a roof was a major driving factor in the Kashima Antlers joining the J League — which was initially said to be almost impossible for the club to achieve. In 2001, the stadium was renovated to become even more spectator-friendly in preparation for the hosting of the following year’s FIFA World Cup: capacity was expanded from 15,000 to 40,000; the number of seats for persons with disabilities was increased; large video display equipment was displayed; and smooth entry and exit was ensured via a continuous concourse.

Educational Programs in Manufacturing and Environment

NSSMC, with the purpose of fostering general understanding of the significance of Monozukuri (an art of manufacturing) chiefly in the next generation, has been offering educational and training programs and special classroom lectures in cooperation with schools and science museums.

(Programs in FY2014)

- **"Tatara Furnace Operation" demonstration**
  NSSMC has been offering a traditional Japanese steel making demonstration, "Tatara Furnace Operation," at its steelworks and science museums.

- **Lectures at schools**
  NSSMC has been supporting social studies in schools by giving lectures on Monozukuri (an art of manufacturing) or energy-saving and environmental preservation.

Support of Sports

NSSMC, in the regions of its steelworks, in cooperation with other neighboring companies, local governments and communities, has been supporting "community-oriented sports clubs" through organization of teams, training of players and junior teams as well as active participation in various local events and activities.

- **Sakai Blazers** (Volleyball)
  Incorporated as the Blazers Sports Club in 2000
  Tel: 81-72-233-2264
- **Kamaishi Seawaves** (Rugby)
  Became a club team as Kamaishi Seawaves RFC in 2001
  Tel: 81-193-22-1173
- **Nippon Steel & Sumitomo Metal Kazusa Magic** (Baseball)
  Became a club team as the Kazusa Citizens' Baseball Club Magic in 2003
  Tel: 81-439-53-0226
- **Nippon Steel & Sumitomo Metal Tokai REX** (Baseball)
  Became a club team as the Citizens' Baseball Club Tokai REX in 2003
  Tel: 81-52-603-0701
- **Kashima Blue Wings** (Baseball)
  Founded as a baseball club in Kashima Works in 1975
  Tel: 81-299-84-2410
- **Judo club**
  Founded in 1949
  Tel: 81-79-236-1449

Philanthropic Activities

■Overseas Offices

New York Office of Nippon Steel & Sumitomo Metal U.S.A., Inc.

- Support of programs which address fundamental needs and problems in NYC public schools
- Support of organizations dedicated to helping the disadvantaged
- Support of the Metropolitan Museum of Art, Metropolitan Opera, New York Public Library and other organizations of arts and culture
- Support of children education via Japanese organizations and school
- USA-Japan friendship exchange and participation in regional support via Japanese organizations (Japan Society and Japanese Chamber of Commerce)

Chicago Office of Nippon Steel & Sumitomo Metal U.S.A., Inc.

- Support of the School of the Art Institute of Chicago, including exhibitions of student art work at the Chicago office
- Contributions to local and Japanese communities via the Japanese Chamber of Commerce and Industry in Chicago, and other organizations

Nippon Steel & Sumitomo Metal Empreedimentos Siderúrgicos Ltda. (São Paulo･Belo Horizonte)

- Participation in regional support and cultural/sports activities via Japanese organizations (Chamber of Commerce and Industry, Nikkei Association, Brazilian Association of Japanese Culture, Brazil-Japan Cultural and Sporting Society)
- Support to Japanese cultural activities conducted by Brazilian groups and companies in JAPAN WEEK, etc.

European Office of Nippon Steel & Sumitomo Metal Corporation (Düsseldorf)

- Participation in social contribution activities via Japanese associations in Düsseldorf (the Japanese Chamber of Commerce and Industry, Japan Club, and Japanese schools)

Sydney Office of Nippon Steel & Sumitomo Metal Australia Pty. Limited

- Participation in regional support and cultural/sports activities, and support of operations of Japanese schools via Japanese organizations (Chamber of Commerce and Industry, Japanese Association)

Beijing Office of Nippon Steel & Sumitomo Metal Consulting (Beijing) Co., Ltd.

- Contribution for tree-planting projects, school construction in poverty areas and disaster reconstruction via Japanese associations
- Promotion of China-Japan friendship exchange activities
- Support of operations of Japanese schools
- Participation in social contribution activities (ex. Chinese university students' Japan visit project including the homestay in our employee house and the acceptance of the visit in the steelworks) and making donations for flood, snow disaster, and tremendous earthquake via the Japanese Chamber of Commerce and Industry in China

Shanghai Office of Nippon Steel & Sumitomo Metal Consulting (Beijing) Co., Ltd.

- Participation in social contribution activities via Shanghai Japanese Commerce & Industry Club (ex. Project-hope activities/school construction in poverty areas, aid education with hot heart/ schooling support activities in poverty areas, promotion of China-Japan friendship exchange activities, donations for flood, snow disaster, and tremendous earthquake, support of operations of Japanese schools, and contributions to Japanese communities)

Guangzhou Office of Nippon Steel & Sumitomo Metal Consulting (Beijing) Co., Ltd.

- Participation in social contribution activities and community service via the Guangzhou Japanese Chamber of Commerce & Industry
  (ex. Series of lectures on Japanese culture in several Guangzhou universities, monthly cultural exchange with students studying Japanese)

PT. Nippon Steel and Sumitomo Metal Indonesia (Jakarta)

- Participation in social contribution and cultural/sports activities via Jakarta Japan Club (Chamber of Commerce and Industry, Japanese Association).

Nippon Steel & Sumitomo Metal Southeast Asia Pte. Ltd. (Singapore)

- Aid to scholarship granting for studying in Japan, and activities involved in education, arts, sports and welfare via the Japanese Chamber of Commerce and Industry Singapore and the Japanese Association Singapore

Nippon Steel & Sumitomo Metal (Thailand) Co., Ltd.

- Participation in social contribution activities via The Japanese Chamber of Commerce, Bangkok and Japanese Association in Thailand

Nippon Steel & Sumitomo Metal India Pvt. Ltd.

- Participation in social contribution activities via Japanese associations in New Delhi (Japan Chamber of Commerce and Industry in India, Japanese Association Delhi)

Dubai Office of Nippon Steel & Sumitomo Metal Corporation

- Participation in social contribution activities via Japanese associations in Dubai (Japanese Business Council, Japan Club, and a Japanese school)

■Head Office and Steelworks

	Contribution to local communities	
Head Office	・Open use of education and training facilities ・Aid to disaster stricken areas	
Kashima Works	・Cleaning of beach in Kashima City ・Cleaning of roads surrounding Kashima Works ・Removal of illegally posted advertisements ・Promotion of landscaping Stadium Boulevard (planting and maintenance) ・Participation in the Kashima Festival ・Sakura Garden (herb garden, opened in August 2006 = part of yard opening of steelworks)	・Ouka Garden (part of yard opening of steelworks) ・Invite welfare institution residents to watching games of Antlers ・Consolation concert at walfare institutions ・Receiving of school teachers for training ・Cleaning of roads in steelworks vicinity by new employees ・Participates in the illumination project
Kimitsu Works	・Joint holding of Kimitsu Citizen's Festival with Kimitsu City ・Support of Kisarazu Port Festival ・Receiving of high-school teachers for training ・Receiving of trainees from local high schools (internship) ・Participation in fund-raising, cleaning, afforestation and traffic safety campaigns	・Cleaning of roads in steelworks vicinity ・Blood donation ・Charity bazaars ・Science experiment classroom/stand for school children
Nagoya Works	・Manpower and financial support of Chubu Economic Federation ・Support of Tokai Flower Show ・Support of a display of fireworks of Tokai Festival ・Joint holding of Tokai Autumn Festival with Tokai City ・Manpower support of "Tree Planting Project for 21st Century" by Tokai City	・Support of fund-raising activities ・Cleaning of major roads ・Blood donation ・Receiving of school teachers for training
Wakayama Works	・Participation in cleaning along Kinokawa River ・Participation in cleaning in the city sponsored by Wakayama ・Cleaning of Isonoura beach, participated by about 200 people ・Participation in Kainan's hometown festival ・Participation in Kainan's lacquer ware festival ・Participation in Kainan's Geta market ・Participation in Wakayama's Kishu dance ・Support of a walking event at Kasei green tract of land	・Cooperation for Sakai Festival and Citizen's Olympics ・Cooperation for youth activities at Sakai City ・Joint holding of local cleaning activities with local authorities ・Help handicapped-person sports events held by Sakai City ・Volunteer activities at schools for handicapped children ・Promotion of blood donation
Hirohata Works	・Manpower and financial support of Green Town Building Club ・Support of Hirohata Tenmangu Shrine Autumn Festival ・Manpower and financial cooperation to Hirohata Economic Organization ・Receiving of trainees from local junior high schools	・Participation in cleaning campaigns for Himeji City streets ・Cleaning of roads in steelworks vicinity ・Blood donation ・Fund-raising activities

Support of cultural and sports activities	
・Establishment and management of Nippon Steel & Sumitomo Metal Arts Foundation ・Construction and management of Kioi Hall ・Nippon Steel & Sumitomo Metal Music Awards ・Educational programs in Monozukuri (an art of manufacturing) and environment	・Contribution to universities, research institutes, and cultural/ welfare organizations at home and abroad ・Acceptance of school teachers for training at private enterprises (Keizai Koho Center) ・Acceptance of trainees from government agencies, organizations/institutions, and universities at home and abroad ・Publication and free distribution of picture book series, “New Monodzukuri”
	・Planning and holding the Nippon Steel & Sumitomo Metal Cup sports competition (baseball, girls volleyball, table tennis, mini basketball) ・Hosting baseball and swimming classes
・Awarding of Clover Prize — a social contribution prize of Kimitsu Works ・Kimitsu Works Chrysanthemum Festival	・Cooperation to Kazusa citizen’s supporters and boys' baseball guidance ・Holding of Kimitsu Works-sponsored sports events ・Holding of sports events and giving guidance by the Kimitsu Works club teams
・Support of classical concerts held by Tokai City ・Holding periodic performances by Nagoya brass band ・Holding of periodic performances by Nagoya Works choir ・Holding of Christmas charity concerts by Nagoya Works brass band and choir	・Open use of sports facilities ・Sports guidance at primary and junior high schools ・Support of “Tokai REX” baseball club ・Support of Tokai City Marathon ・Support of an area sports promotion business owned by Tokai City
・Enforcement of a sketch event for local primary school children, participated by about 120 fifth graders	・Implementation of the following activities through a regional volleyball team Blazers Sports Club — Dispatch of volleyball technical instructors — Holding of Blazers Cup sports events — Holding of volleyball events in Sakai City (V-League home games, international friendship games and others) — Promotion of Sakai Jr. Blazers, Blazers Kids, and Blazers Judo Club
	・Coaching children in sports (judo, baseball, kendo, sumo, karate) ・Manpower and financial support of Yumesakikawa River Festival ・Green town sports events ・Rental of sports facilities

	Contribution to local communities	
Yawata Works	・Donation of basic-oxygen furnace and torpede car to Kitakyushu City in response to the improvement of the surrounding area of “1901 Blast Furnace Monument” ・Donation of Megane Bridge at Kawachi Reservoir to Kitakyushu City ・Free lending of Sayagatani track and field stadium and Otani baseball field to Kitakyushu City ・Participation and support of the Yawata Festival implementation committee ・Cleaning of roads in steelworks vicinity (1 time/month) ・Participation in "Cleaning campaigns" for Kitakyushu City	・Heartfelt Steel Meeting of Nippon Steel & Sumitomo Metal’s Yawata Works — Nippon Steel & Sumitomo Metal Cup for boys' soccer events and others ・Cleaning of roads in steelworks vicinity ・Participation in "Kokura Gion Festival" ・Support of "Kokura illumination," "Wasshoi Summer Festival," and "Musashi-Kojiro Festival"
Oita Works	・Support of Joto Spring Festival ・Support of local primary and junior high school events ・Open use of welfare facilities ・Visiting schools to give lectures ・Cooperation for Hikari Festival ・Cleaning of roads in steelworks vicinity (12 times/year)	・Traffic safety campaigns — Fund-raising for orphaned children — Participation in traffic safety campaigns ・Blood donation ・Participation in fund-raising, afforestation, cleaning, traffic safety campaigns
Muroran Works	・Support of Muroran Port Festival ・Support of Wanishi Shrine ・Open use of welfare facilities	・Joint disaster-relief training with local fire stations ・Cooperation for and participation in afforestation and cleaning campaigns
Kamaishi Works	・Donation of sports facilities to Kamaishi City ・Lending of sports ground to Kamaishi City ・Participation in Kamaishi Festivals ・Open use of welfare facilities ・Lending of company-owned land and facilities ・Provision of company owned land for reconstruction assistance	・Cleaning of roads in steelworks vicinity ・Participation in traffic accident-prevention campaigns ・Participation in environment preservation activities ・Promotion of blood donation
Amagasaki Works	・Cleaning of roads in steelworks vicinity ・Regular cleaning with neighborhood communities (1,200 participants/year) ・Cherry blossom festival (inviting residents in neighborhood communities and local authorities)	・Participation in “The Amagasaki 21st Century Forest Project” ・Participation in “Twilight Clean Campaign” in Amagasaki City ・Blood donation ・Support of Amagasaki City Residents Festival ・Support of summer festival of Kifune Shrine and the grand shrine at Hatsushima
Osaka Steel Works	・Cleaning of commuting roads ・Cooperation for Japan Handicapped Table Tennis Championship ・Cooperation for a Ubusuna Shrine summer festival float with a drum inside ・Support of Konohana Ward residents festival	・Cooperation for Konohana Physically Handicapped Person Organization Participation in family sports event Participation in mandarin picking event ・Support of local council of social welfare ・Blood donation
Naoetsu Works	・Naoetsu beach cleanup volunteers (About 200 participants, once a year) ・Joetsu summer festival participation (About 120 participants for the dance) ・Offering prizes and participation of local elementary school athletic events	
R&D Laboratories	・Clean-up in Hasaki Industrial Park (twice a year) ・Cooperation for Futtsu-City Festival ・Blood donation ・Contribution to various charity programs	・Agreement with Amagasaki-City, Futtsu-City and Kamisu-City to make available certain facilities as safe shelter in case of tsunami alert issued as a result of a major earthquake
All steelworks	・Acceptance of group steelworks visits	

Support of cultural and sports activities	
・Local Community Contribution Prize ・Children's sketch event in steelworks and ports	・Open use of sports facilities. ・Support of "V Premier League Kitakyushu Convention Charity Event"
・Holding of periodic performances by Oita Works drum band "Tesshin Taiko" ・Holding of periodic performances by Oita Works brass band	・Sports guidance at primary and junior high schools — field and track, volleyball, baseball, table tennis, Japanese fencing, judo,etc. ・Support of sports events sponsored by Hikari City Sports Association
・Support of Muroran Music Culture Society ・Support of Muroran Techno-Center	・Support of "Muroran Sharks" baseball team
・Lending of materials and documents to Iron and Steel History Museum ・Support of "Iron History's Week" events	・Guidance of boys' sports teams ・Open use of sports facilities ・Support of Rugby Festival ・Support of "Kamaishi Seawaves RFC" rugby club ・Dispatch of Kamaishi Works rugby men as lecturers and technical instructors and to the lessons to promote international understanding
	・Open use of the sports ground by an American football team and flag football teams (of school children) for their training from April 2001
	・Support of local children rubber-ball baseball league
	・Hosting the NSSMC Boys Baseball Cup (Participation by 360 elementary school boys making up 18 teams) ・Open use of the ground for youth baseball teams (elementary schools) through Joetsu City

Investor Relations

NSSMC is engaged in activities which enable its shareholders and investors to better understand its business strategies, philosophies, and performance. The extensive IR programs are offered, including timely disclosure of useful information and interactive communication with shareholders and investors.

IR Programs

■ For institutional investors and analysts

- Results briefings (Every three months)
- Visits to large institutional investors overseas (regular basis)
- Individual meetings for domestic and overseas institutional investors (on demand)
- Plant tours of steelworks, laboratories and other facilities

■ For shareholders

- Business briefings and plant tours of steelworks

<Events hosted in FY2014>

- Business briefings
  4 briefings at 4 different cities (Tokyo, Osaka, Hiroshima, Kitakyushu)
  Approximately 1,400 shareholders participated

- Plant tours
  8 tours at 7 different steelworks (Kashima, Kimitsu, Wakayama, Hirohata, Yawata, Muroran, Amagasaki)
  Approximately 800 shareholders participated

<Events hosted since the establishment of NSSMC>

	Business briefings		Plant tours	
	Briefings hosted	Number of participants	Tours hosted	Number of participants
October 2012-March 2015	8 briefings	Approx. 2,700	21 tours	Approx. 2,000

■ Booklets to shareholders

- Distribution of the booklets “To Our Shareholders”

■ IR information on Website

Visit the Investor Relations section of the company’s website at http://www.nssmc.com/en/ir/

■ Individual shareholder benefits

<table>
<tr><th rowspan="2">Benefits</th><th rowspan="2">Description</th><th rowspan="2">Period of implementation</th><th colspan="3">Applicable shareholders</th></tr>
<tr><th>As of the end of March 2015</th><th>As of the end of September 2015 (*1)</th><th>After the share consolidation (*2)</th></tr>
<tr><td>Company calendar</td><td>NSSMC's calendar is distributed to shareholders</td><td>Once a year (Late November to early December)</td><td></td><td>Shareholders who own 5,000 or more shares</td><td>Shareholders who own 500 or more shares as of the end of September</td></tr>
<tr><td>Invitation to plant tours (by lottery)</td><td>Shareholders are invited to plant tours</td><td>Twice a year (March-April and October-November)</td><td rowspan="2">Shareholders who own 10,000 or more shares</td><td rowspan="2">Shareholders who own 10,000 or more shares</td><td rowspan="2">Shareholders who own 1,000 or more shares as of the end of March or September</td></tr>
<tr><td>Invitation to business briefings (by lottery)</td><td>Shareholders are invited to business briefings conducted in Tokyo, Osaka, and other locations</td><td>Twice a year (July-September and February-March)</td></tr>
<tr><td>Invitation to football games of Kashima Antlers (by lottery)</td><td>Shareholders are invited to J1-League football games (home and away)</td><td>Twice a year (April-August and August-December)</td><td>Shareholders who own 5,000 or more shares</td><td rowspan="2">Shareholders who own 50,000 or more shares</td><td rowspan="2">Shareholders who own 5,000 or more shares as of the end of March or September</td></tr>
<tr><td>Invitation to concerts at Kioi Hall (by lottery)</td><td>Shareholders are invited to periodic Kioi Sinfonietta Tokyo concerts and other concerts</td><td>Twice a year (March-July and September-February)</td><td>Shareholders who own 50,000 or more shares</td></tr>
</table>

*1: Effective from the end of September 2015, our shareholders benefit program will be partly revised.
*2: The request of share consolidation has been approved by the General Meeting of Shareholders (June 24, 2015) and every 10 shares will be consolidated into 1 share. This consolidation will become effective on October 1, 2015.

Public Relations

	Head Office	Steelworks and research laboratories	Domestic and overseas offices
Corporate PR activities	**Public Relations Center, General Administration Division** ・PR activities directed to mass communications ・CSR ・Corporate advertisement ・PR publications ・Website	**General administration Division** ・Publication of in-house magazines ・Plant tours ・PR activities directed to local mass media	**Coordination Department** ・PR activities directed to local mass media
Sales promotion PR activities	**Marketing Administration Department, Marketing Administration & Planning Division** ・Marketing of iron and steel products	—	—

・Website http://www.nssmc.com/en/ http://global.nssmc.com

・Press releases
・Products information
・Research and development information
・Company outline
・Investor and shareholder information
・CSR Information
・E-mail information service
for subscription: http://www.nssmc.com/en/company/mail/
・Publications in PDF format

・Publication of Picture Books

Intended mainly for primary school students, the picture books introduce NSSMC's activity in view of “social contribution“ and “environment protection.”
The books are distributed to steelworks and science museum visitors and used as PR tools at various exhibitions (Japanese version only).

“A New Story About Earth Friendliness”	Jul. 2001 (rev. Mar. 2014) by PR Center
“A New Story About Iron & Steel”	Oct. 2003 by PR Center
“A New Story About the Future of Iron”	Nov. 2004 by PR Center
“A New Story About a Town of Dreams”	Oct. 2005 by PR Center
“A New Story About a Town of Excitement”	Sep. 2006 by PR Center
“A New Story About Oni (Ogres)”	Apr. 2007 by PR Center & POSCO
“A New Story About Blue Planet”	Dec. 2008 by PR Center
“A New Story About Steel and Life”	Sep. 2009 by PR Center
“A New Story About Steel and Civilization”	Oct. 2009 by PR Center
“A New Story About Steel & Bonds of Friendship”	Mar. 2014 by PR Center

·Publications

Japanese-language publications				
Annual Report	Business reports	Annual	10,000 copies	Public Relations Center, General Admin. Div.
NSSMC Sustainability Report	Report concerning environment and social responsibility	Annual	15,000	Environment Div.
NSSMC Quarterly	NSSMC PR magazine providing the latest information about the wide-ranging operations of NSSMC	Quarterly	37,000	Public Relations Center, General Admin. Div.
Nippon Steel & Sumitomo Metal Fact Book	Data book about Nippon Steel & Sumitomo Metal	Annual	4,700	Public Relations Center, General Admin. Div.
NSSMC E-mail information service	E-mail information service providing NSSMC press releases and activities	As required		Public Relations Center, General Admin. Div.
NSSMC Technical Report	Collection of technical papers introducing latest R&D achievements	3 times/y	3,000	Technical Research & Development Div.
English-language publications				
Annual Report	Business reports	Annual	5,000 copies	Public Relations Center, General Admin. Div.
NSSMC Sustainability Report	Report concerning environment and social responsibility	Annual	1,000	Environment Div.
Basic Facts About Nippon Steel & Sumitomo Metal	Data book about Nippon Steel & Sumitomo Metal	Annual	3,000	Public Relations Center, General Admin. Div.
NSSMC E-mail information service	E-mail information service providing NSSMC press releases and activities	As required		Public Relations Center, General Admin. Div.
NSSMC Technical Report	Collection of technical papers introducing latest R&D achievements	3 (Website version)		Technical Planning Dept., Technical Research & Development Div.
Special-feature publications (Japanese version)				
Easy to Understand Guide to Current and Future Advances in Iron & Steel Making	This re-edited version of the multipart article "The Genesis of Product Making," published in NSSMC PR magazine, introduces NSSMC's advanced technological capabilities, the wellspring of the company's competitiveness. (full-color print, soft cover) Ⅰ Published in Nov. 2004 Ⅱ Published in Jan. 2007 Ⅲ Published in Sep. 2009		¥1,800 (tax not included)	Edited by NSSMC Published by Nippon Jitsugyo Publishing Co., Ltd.
Picture Books "A New Story"	Refer to page 151		Free distribution	Public Relations Center, General Admin. Div.

·In-house Magazines

Distribution	Magazine	Outline			
Company-wide	*Tetsu-no-Kizuna*	A4 magazine-type	10 times/y	50,000 copies	Public Relations Center, General Admin. Div.
Kashima Works	*Kashima*	Tabloid 4-8 pages	4 times/y	4,500	Personnel & General Admin. Dept., General Admin. Div.
Kimitsu Works	*Kimitsu*	Tabloid 8 pages	10 times/y	10,000	Personnel & General Admin. Dept., General Admin. Div.
Nagoya Works	*Tokai*	A4 magazine-type 12-16 pages	6 times/y	7,600	Personnel & General Admin. Dept., General Admin. Div.
Hirohata Works	*Tetsu-no-Hibiki*	B5 magazine-type 16 pages	4 times/y	4,850	Personnel & General Admin. Dept., General Admin. Div.
Yawata Works	*Shinsei-Kurogane*	A4 magazine-type 16 pages	4 times/y	8,500	Personnel & General Admin. Dept., General Admin Div.
Oita Works	*Oita*	Tabloid 8 pages	4 times/y	5,000	General Admin. Dept., Personnel & General Admin. Div.
Muroran Works	*Shirakaba*	Tabloid 4-12 pages	6 times/y	4,000	General Admin. Dept., Personnel & General Admin. Div.
Kamaishi Works	*Kamaishi*	Tabloid 6 pages	4 times/y	3,300	General Admin. Dept., General Admin. Div.
Naoetsu Works	*Network Naoetsu*	A4 1- 2 pages	12 times/y	300	General Admin. Dept., General Admin. Div.
R&D Laboratories	*Kiwami*	A4 magazine-type 8-10 pages	4 times/y	3,500	General Admin. Dept., R&D Planning Div.

・Videograms

Title	Contents	Outline			
Steel-Making in the 21st Century Kashima Works Accepts the Challenge	Production processes and products (Kashima Works)	Oct. 2013	15 min	Japanese English Chinese Korean	Kashima Works
Continuously Challenging with New Spirit	Iron-and steelmaking (Kimitsu Works)	Mar. 2014	11	Japanese English Chinese Korean Portuguese Spanish	Kimitsu Works
Onward with our customers, with our community	History of Nagoya Works Iron- and steelmaking (Nagoya Works)	Oct. 2012	10	Japanese English	Nagoya Works
Power of Steel	Iron- and steelmaking	Sep. 2014	17	Japanese English Chinese	Wakayama Works
For Tomorrow, For the Future Hirohata Works	Production processes and products (8 books)	Oct. 2012	88	Japanese English Chinese	Hirohata Works
Evolution Forging the Future	Production processes and products (Yawata Works) [Tobata・Yawata Area]	Oct. 2012	15	Japanese English Chinese Korean	Yawata Works
Superior Quality & Active Globalization ～Becoming the Strongest Brand in Specialty Steels～	Iron-and steelmaking (Yawata Works) [Kokura Area]	Apr. 2014	11	Japanese English	Yawata Works
Steelworks of Water, Green, and Sunlight	Iron- and steelmaking (Oita Works)	Oct. 2012	17	Japanese English Chinese Korean	Oita Works
Eco-friendly Steelworks In Concert with the Community	Environmental Measurements (Oita Works)	Oct. 2012	14	Japanese English Chinese Korean	Oita Works

Title	Contents	Outline			
Developing the future with special steel	Iron- and steelmaking (Muroran Works)	Oct. 2012	8 min 21	Japanese English Chinese Korean Japanese	Muroran Works
Creating Tomorrow As a Top Supplier of High Grade Seamless Steel Pipes and Tubes	Production processes and products	Oct. 2014	13	Japanese English Chinese Korean	Amagasaki Works
METAL EXPRESS Supporting Transportation and Industry in the 21st Century	History of Osaka Steel Works Production processes and products (Osaka Steel Works)	Apr. 2015	13	Japanese English Chinese	Osaka Steel Works

Subsidiaries and Affiliates

Outlines by Business Segment (As of March 31, 2015)

Business segment	Number of companies*		Sales to customers (¥ million)	Number of employees
	Consolidated subsidiaries	Affiliates accounted for by the equity method		
Steelmaking and steel fabrication	276	91	4,892,257	70,621
Engineering and construction	34	3	313,158	5,282
Chemicals	14	7	205,210	1,843
New Materials	12	0	36,449	1,330
System solutions	20	2	162,953	5,371
(Group employees/Adjustments)	0	2	0	
(Semi-Total)	356	105		
Total	461		5,610,030	84,447

Notes:

∗ Not including Nippon Steel Corporation

1) For the year ended March 31, 2015

2) The figures do not include those seconded to other organizations and part-time workers.

Outlines of Subsidiaries and Affiliates

Major subsidiaries and affiliates (As of March 31, 2015)

Company	Address
●Steelmaking (Subsidiaries)	
East Asia United Steel Corporation	2-6-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Nippon Steel & Sumikin Koutetsu Wakayama Corporation	1850 Minato, Wakayama City, Wakayama Pref., Japan
Nippon Steel & Sumikin Coated Sheet Corporation	1-5-6, Nihonbashihonchou, Chuo-ku,Tokyo, Japan
Osaka Steel Co., Ltd.	3-6-1, Dosho-machi, Chuo-ku, Osaka, Japan (Keihanshin-Midosuji Building 13F)
Nippon Steel & Sumikin Metal Products Co., Ltd.	SA Bldg., 2-17-12, Kiba, Koto-ku, Tokyo, Japan
Nippon Steel & Sumikin Pipe Co., Ltd.	1-1-3, Yurakucho, Chiyoda-ku, Tokyo, Japan
Nippon Steel & Sumikin Texeng. Co., Ltd.	12th Floor, Mitsubishi Bldg., 2-5-2, Marunouchi, Chiyoda-ku, Tokyo, Japan
Nippon Steel & Sumikin Stainless Steel Corporation	2-6-1, Otemachi, Chiyoda-ku, Tokyo, Japan
Nippon Steel & Sumikin Logistics Co., Ltd.	I. S. Riverside Bldg., 1-23-4, Shinkawa, Chuo-ku, Tokyo, Japan
Suzuki Metal Industry Co., Ltd.	1-9-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Geostr Corporation	5th Floor, Frontier Koishikawa Bldg., 1-28-1, Koishikawa, Bunkyo-ku, Tokyo, Japan
Nippon Steel & Sumikin Shapes Corporation	1850 Minato, Wakayama City, Wakayama Pref., Japan
Nippon Steel & Sumikin Welding Co., Ltd.	2nd Floor, Shingu Bldg., 2-4-2, Toyo, Koto-ku, Tokyo, Japan
Nippon Steel & Sumikin Drum Co., Ltd.	1-5-7, Kameido, Koto-ku, Tokyo, Japan
Nippon Steel & Sumikin Blast Furnace Slag Cement Co., Ltd.	16, Nishi Minatomachi, Kokura Kita-ku, Kitakyushu City, Fukuoka Pref., Japan
Nippon Steel & Sumikin Cement Co., Ltd.	64, Nakamachi, Muroran City, Hokkaido, Japan
Nippon Steel & Sumikin Finance Co., Ltd.	2-6-1, Marunouchi, Chiyoda-ku, Tokyo, Japan

(¥ million)

Phone	Established	Paid-in capital	Ratio of voting rights	Sales
81-3-6867-2308	Jul. 2003	17,217	64.6%	-
81-73-451-2355	Nov. 2003	17,217	100.0%	303,958
81-3-6848-3900	Feb. 1950	12,588	100.0%	86,675
81-6-6204-0300	May 1978	8,769	66.3%	67,678
81-3-3630-3200	Apr. 1973	5,912	100.0%	111,826
81-3-6758-0275	Sep. 1911	5,831	100.0%	127,818
81-3-6860-6600	Oct. 1946	5,468	72.3%	248,588
81-3-3276-4800	Oct. 2003	5,000	100.0%	253,218
81-3-3553-1331	Apr. 2006	4,000	100.0%	233,037
81-3-3214-4111	May 1938	3,634	66.6%	59,854
81-3-5844-1200	Mar. 1970	3,352	42.3%	19,887
81-73-454-1131	Oct. 1988	3,000	100.0%	23,189
81-3-6388-9000	Jul. 2002	2,100	100.0%	25,181
81-3-5627-2311	Oct. 1974	1,654	100.0%	21,167
81-93-563-5100	Feb. 1999	1,500	100.0%	14,355
81-143-44-1693	Jun. 1954	1,500	85.0%	15,199
81-3-6867-2911	Jul. 1986	1,000	100.0%	302

Company	Address
Nippon Steel & Sumikin Stainless Steel Pipe Co., Ltd.	3-2 Okasato, Koga City, Ibaraki Pref., Japan
Nippon Steel & Sumikin Steel Wire Co., Ltd.	7 Nozomigaoka, Seki City, Gifu Pref., Japan
Nippon Steel & Sumikin Bolten Corporation	1-4-16, Midorigi, Suminoe-ku, Osaka, Japan
Nippon Steel & Sumikin Eco-Tech Corporation	1-18-1, Kyobashi, Chuo-ku, Tokyo, Japan
NS Preferred Capital Limited	P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands
Nippon Steel & Sumikin Tubos do Brasil Ltda.	Rua Humaita, 275, 10 andar, parte 2, Rio de Janeiro, RJ, Brasil, CEP 22261-005
The Siam United Steel (1995) Co., Ltd.	9, Soi G5, Pakorn Songkrohraj Road, Huay Pong, Muang, Rayong 21150, Thailand
National Pipe Company Limited	P.O.Box 1099 Al-Khobar 31952, Saudi Arabia
Standard Steel, LLC	500 N Walnut Street, Burnham, PA 17009, U.S.A.
Nippon Steel & Sumitomo Metal U.S.A., Inc.	1251 Avenue of the Americas, Suite 2320, New York, NY 10020, U.S.A.
PT. PELAT TIMAH NUSANTARA TBK.	Krakatau Steel Bldg. 3rd Floor, Jl. Jendral Gatot Subroto Kav. 54, Jakarta 12950, Indonesia
Nippon Steel & Sumitomo Metal (Thailand) Co., Ltd.	909, Ample Tower, 14th Floor, Bangna-Trad Road, Khwang Bangna, Khet Bangna, Bangkok, Thailand
Nippon Steel & Sumikin Steel Processing (Thailand) Company Limited	64/5 Moo 4 Eastern Seaboard Industrial Estate, Tambol Pluakdaeng, Amphur Pluakdaeng, Rayong 21140, Thailand
Western Tube & Conduit Corporation	2001 East Dominguez Street, P.O.Box 2720, Long Beach, CA 90801-2720, U.S.A.
Nippon Steel & Sumitomo Metal Australia Pty. Limited	Level 24 1 York Street SYDNEY NSW 2000 Australia

(¥ million, unless stated otherwise)

Phone	Established	Paid-in capital	Ratio of voting rights	Sales
81-280-98-2468	Jul. 2009	916	100.0%	12,037
81-575-25-6511	Jun. 2006	897	51.0%	12,505
81-6-6682-3261	Sep. 1964	550	85.0%	10,717
81-3-6862-8700	Sep. 1970	500	85.1%	25,525
81-3-6867-2951	Oct. 2006	300,000	100.0%	5,720
55-21-3550-1570	Dec. 2010	BRL 2,002mln	100.0%	BRL 16mln
66-38-685-155	Jul. 1995	THB 9,000mln	71.0%	THB 19,133mln
966-3-882-5266	Aug. 1978	SR 200mln	51.0%	SR 12,718mln
1-717-248-4911	1795	USD 47mln	100.0%	USD 257mln
1-212-486-7150	Nov. 1972	USD 40mln	100.0%	USD 175mln
62-21-520-9883	Oct. 1982	USD 26mln	35.0%	USD 163mln
66-2-744-1480	Apr. 2011	THB 718mln	100.0%	THB 156mln
66-38-954-435	Jan. 2013	THB 571mln	66.5%	THB 4,115mln
1-310-537-6300	Dec. 1964	USD 17mln	96.7%	USD 189mln
61-2-8036-6600	Jun. 1977	AUD 21mln	100.0%	AUD 397mln

Company	Address
●Steelmaking (Affiliates)	
Godo Steel, Ltd.	8th Floor, Toyobo Bldg., 2-2-8, Dojimahama, Kita-ku, Osaka, Japan
Topy Industries, Limited	1-2-2, Osaki, Shinagawa-ku, Tokyo, Japan
Sanyo Special Steel Co., Ltd.	3007, Nakashima, Shikama-ku, Himeji City, Hyogo Pref., Japan
Kyoei Steel Ltd.	1-4-16, Dojimahama, Kita-ku, Osaka, Japan
Nippon Steel & Sumikin Bussan Corporation	8-5-27, Akasaka, Minato-ku, Tokyo, Japan
Nippon Denko Co., Ltd.	1-4-16, Yaesu, Chuo-ku, Tokyo, Japan
Nichia Steel Works, Ltd.	19, Nakahama-cho, Amagasaki City, Hyogo Pref., Japan
Sumitomo Precision Products Co., Ltd.	1-10 Fuso-cho, Amagasaki City, Hyogo Pref., Japan
NS United Kaiun Kaisha, Ltd.	21st and 22nd Floors, Otemachi First Square West Tower, 1-5-1, Otemachi, Chiyoda-ku, Tokyo, Japan
Osaka Titanium Technologies Co., Ltd.	1 Higashihama-cho, Amagasaki, Hyogo Pref., Japan
Nippon Coke & Engineering Co., Ltd.	3-3-3, Toyosu, Koto-ku, Tokyo, Japan
Japan Casting & Forging Corporation	46-59, Sakinohama, Nakabaru, Tobata-ku, Kitakyushu City, Fukuoka Pref., Japan
Krosaki Harima Corporation	1-1, Higashi Hamamachi, Yahata Nishi-ku, Kitakyushu City, Fukuoka Pref., Japan
Sanko Metal Industrial Co., Ltd.	4-13-23, Shibaura, Minato-ku, Tokyo, Japan
Sanyu Co., Ltd.	3-1-1, Kasuga Kitamachi, Hirakata City, Osaka, Japan
Usinas Siderúrgicas de Minas Gerais S.A.- USIMINAS	Rua Prof. Jose Vieira de Mendonca, 3.011-Engenho Nogueira, 31310-260-Belo Horizonte, Minas Gerais, Brasil
Vallourec & Sumitomo Tubos do Brasil Ltda.	Distrito Industrial de Jeceaba, s/n°, CEP 35498-000, City of Jeceaba, State of Minas Gerais, Brasil
Baosteel-NSC Automotive Steel Sheets Co., Ltd.	Cold Rolling Comprehensive Building, Wei Wu Road, Baosteel, Baoshan District, Shanghai 201900, P.R. China
UNIGAL Ltda.	Av. Pedro Linhares Gomes, 5431-A, Bairro Usiminas, Ipatinga, MG, CEP 35160-900, Brasil
Companhia Nipo-Brasileira de Pelotizacao	Tubarao-Vitoria, Espirito Santo, Brasil
Guangzhou Pacific Tinplate Co., Ltd.	No. 102, Youyi Road, Guangzhou Economic & Technological Development, Guangzhou City, P.R. China

(¥ million, unless stated otherwise)

Phone	Established	Paid-in capital	Ratio of voting rights	Sales
81-6-6343-7600	Dec. 1937	34,896	16.6%	125,595
81-3-3493-0777	Oct. 1921	20,983	20.5%	237,677
81-79-235-6003	Jan. 1935	20,182	15.3%	171,495
81-6-6346-5221	Aug. 1947	18,515	26.7%	181,436
81-3-5412-5001	Aug. 1977	12,335	36.9%	2,104,606
81-3-6860-6800	Jan. 1935	11,026	21.0%	75,864
81-6-6416-1021	Jun. 1952	10,720	24.3%	27,801
81-6-6482-8811	Jan. 1961	10,311	40.7%	47,135
81-3-6895-6400	Apr. 1950	10,300	34.1%	157,625
81-6-6413-9911	May 1997	8,739	23.9%	40,356
81-3-5560-1311	Jan. 1889	7,000	21.8%	101,797
81-93-884-0011	Jun. 1979	6,000	42.0%	21,867
81-93-622-7224	Oct. 1918	5,537	47.1%	110,425
81-3-5446-5600	Jun. 1949	1,980	16.5%	34,737
81-72-858-1251	Jan. 1957	1,513	35.1%	16,218
55-31-3499-8000	Jan. 1958	BRL 12,150mln	29.2%	BRL 11,742mln
55-31-2141-5124	Jul. 2007	BRL 5,376mln	40.4%	BRL 2,035mln
86-21-2664-3526	Jul. 2004	RMB 3bln	50.0%	RMB 12.1bln
55-31-3829-4578	Jun. 1999	BRL 584mln	30.0%	BRL 374mln
55-27-3333-5179	Mar. 1974	BRL 432mln	31.4%	BRL 347mln
86-20-8221-3620	Dec. 1994	USD 36mln	27.3%	USD 165mln

Company	Address
●Engineering & Construction (Subsidiary)	
Nippon Steel & Sumikin Engineering Co., Ltd.	1-5-1, Osaki, Shinagawa-ku, Tokyo, Japan
●Chemical (Subsidiary)	
Nippon Steel & Sumikin Chemical Co., Ltd.	4-14-1, Sotokanda, Chiyoda-ku, Tokyo, Japan
●New Materials (Subsidiary)	
Nippon Steel & Sumikin Materials Co., Ltd.	7-16-3, Ginza, Chuo-ku, Tokyo, Japan
●System Solutions (Subsidiary)	
NS Solutions Corporation	2-20-15, Shinkawa, Chuo-ku, Tokyo, Japan
●Other (Affiliate)	
Sumco Corporation	1-2-1 Shibaura, Minato-ku, Tokyo, Japan

(¥ million, unless stated otherwise)

Phone	Established	Paid-in capital	Ratio of voting rights	Sales
81-3-6665-2000	Feb. 2006	15,000	100.0%	348,699
81-3-5207-7600	Oct. 1956	5,000	100.0%	212,777
81-3-6853-6260	May 2006	3,000	100.0%	36,449
81-3-5117-4111	Oct. 1980	12,952	62.4%	206,032
81-3-5444-0808	Jul. 1999	136,607	27.8%	225,319

Directory of Nippon Steel & Sumitomo Metal

■Head Office

Nippon Steel & Sumitomo Metal Corporation
2-6-1, Marunouchi, Chiyoda-ku, Tokyo
100-8071, Japan
Tel: 81-3-6867-4111 Fax: 81-3-6867-5607

■Sales Offices

・Chiba Marketing Site
2-3-1, Fujimi, Chuo-ku, Chiba City
Chiba Pref. 260-0015, Japan
Tel: 81-43-227-2281 Fax: 81-43-221-2646

・Yokohama Marketing Site
2-15 Honmachi, Naka-ku, Yokohama City
Kanagawa Pref. 231-0005, Japan
Tel: 81-45-212-4069 Fax: 81-45-201-0845

・Nagano Marketing Site
1-12-7, Minami-chitose, Nagano City
Nagano Pref. 380-0823, Japan
Tel: 81-26-228-2190 Fax: 81-26-228-6317

●Osaka Office
4-5-33, Kitahama, Chuo-ku, Osaka City,
Osaka 541-0041, Japan
Tel: 81-6-6220-5111 Fax: 81-6-6223-0305

●Hokkaido Marketing Branch
N2 W4, Chuo-ku, Sapporo City
Hokkaido 060-0002, Japan
Tel: 81-11-222-8260 Fax: 81-11-251-2791

・Muroran Marketing Site
12-1 Nakamachi, Muroran City
Hokkaido 050-8550, Japan
Tel: 81-143-47-2168 Fax: 81-143-47-2676

●Tohoku Marketing Branch
3-6-1, Ichibancho, Aoba-ku, Sendai City
Miyagi Pref. 980-0811, Japan
Tel: 81-22-227-2661 Fax: 81-22-264-1031

・Aomori Marketing Site
2-10-4, Nagashima, Aomori City
Aomori Pref. 030-0861, Japan
Tel: 81-17-775-3980 Fax: 81-17-775-3988

・Akita Marketing Site
Tel: 81-22-227-2771 Fax: 81-22-264-1031

・Morioka Marketing Site
Tel: 81-22-227-2771 Fax: 81-22-264-1031

・Kamaishi Marketing Site
23-15, Suzuko-cho, Kamaishi City
Iwate Pref. 026-8567, Japan
Tel: 81-193-22-5137 Fax: 81-193-22-5138

・Kitakami Marketing Site
Tel: 81-22-227-2666 Fax: 81-22-264-1031

・Fukushima Marketing Site
Tel:81-90-3123-6488 Fax:81-246-24-0543

●Niigata Marketing Branch
1-3-10, Higashi-odori, Chuo-ku, Niigata City
Niigata Pref. 950-0087, Japan
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Pipe & Tube Unit:
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