Basic Facts About Nippon Steel 2012

Nippon Steel Corporation

Basic Facts About Nippon Steel 2012

Establishment: April 1, 1950
Yawata Iron & Steel Co., Ltd.
Fuji Iron & Steel Co., Ltd.
Inauguration: March 31, 1970
Nippon Steel Corporation

NIPPON STEEL CORPORATION
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- Figures are for Nippon Steel Corporation (nonconsolidated), unless otherwise stated.
- The figures indicating the sales and other financial data and number of shares outstanding and order receipts 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 do not always equal the sum of the relevant figures.
- Each data is as of March 31, 2012, 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 Nippon Steel'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.

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Corporate Philosophy

Nippon Steel Group, focused on steel manufacturing, will contribute to industrial development and the enhancement of peoples' lives through creating and supplying valuable and attractive products and ideas.

In our core steel business, as well as in other fields developed from the core business, we will provide attractive high-level technologies, products and services, both inside and outside Japan, that meet the needs of our society, by contributing to the development of industry and the enrichment of people's daily lives.

Management Principles

1. **To Continue to be a Trusted and Responsible Member of Society**
   We will continually strive to be a responsible member of society; by being environmentally friendly, building safe workplaces, working to ensure smooth operations, and complying with society's rules and regulations. At the same time, we will grow in harmony with society by securing revenues appropriate to earning the trust of our stockholders, customers and society.
2. **To Continuously Challenge Ourselves to Develop and Improve World-Leading Technologies**
   Our capacity for technological development is the basis of our competitiveness. We will constantly pursue technological progress, and aim to produce the best and strongest technology in all fields we are involved in. Furthermore, we are committed to enhancing our manufacturing capability by giving priority to improving our field operations, which represent the starting point of our corporate activities.
3. **To Always Try to Change Ourselves so that we can Deal with Future and Attain Further Development**
   As the business environment changes around us, no matter how drastically, we will work to quickly and accurately grasp the direction of those changes. In order to meet the challenges presented by such changes, we will constantly endeavor to improve ourselves without being constrained by past experience. Every employee will aim to improve our business by becoming a leader of change, and by never being satisfied with the status quo.
4. **To Realize a Group Full of Vitality by Developing and Empowering People**
   The best results are achieved when “people”, the source of our Group's energy, make full use of their abilities, communicate freely and cooperate closely. We will build a dynamic organization where people can grow through their assignments, enjoy their work, and be proud to be a member of our Group.

We are committed to fair and transparent business management based on these principles.

Employee Action Guidelines

Passion and Creativity
We will aim to manufacture the world's top quality products and constantly challenge ourselves to do better.

Workplace and Products
We will strive for continuous improvement in our products with the workplace playing a central role.

Independence and Self Direction
We will be ambitious, set high goals, think independently, act swiftly, and persevere until the job is done.

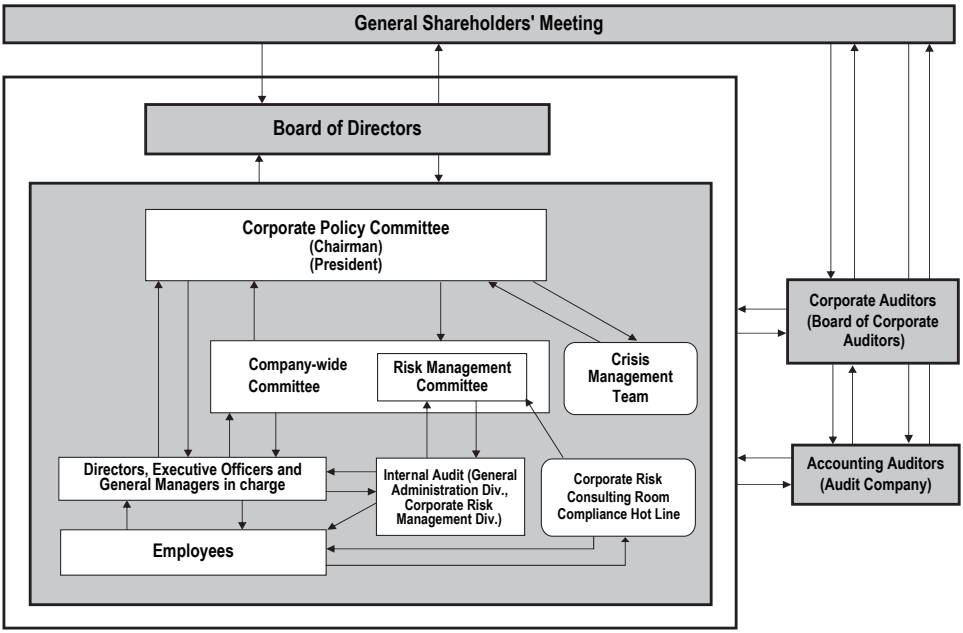
Fairness and Trust
We will emphasize mutual trust based on free discussion, the honoring of agreements and compliance with rules and regulations.

Development and Training
We will develop our own skills and train the next generation of employees.

We will adhere to these guiding principles with fairness and rigor.

Corporate Governance

Relationship between Management Organs and Corporate Governance and Others at Nippon Steel
(Each arrow indicates report, instruction, audit, appointment, etc.)



In order to secure effectiveness and efficiency in business operations, matters of great importance to the management of Nippon Steel and the Nippon Steel Group are determined by the Board of Directors after deliberation at the Corporate Policy Committee attended by the Chairman, President, Executive Vice Presidents and others.

As deliberating bodies subordinate and antecedent to the meetings of the Board of Directors、and the Corporate Policy Committee, a total of 19 company-wide committees have been established and operate according to specific purposes. They include the Ordinary Budget Committee, the Investment and Finance Committee, the Technology Development Committee, the Environmental Management Committee and the Risk Management Committee.

Business operations mandated by the Board of Directors and other committees are promptly implemented by the directors responsible for the operations and the general managers of the relevant divisions under the direction of the Representative Director and Chairman and the Representative Director and President. Concurrently, in order to establish a system of internal checks, Nippon Steel stipulates in its corporate regulations the organizational authorities, the persons in charge, and the appropriate business operating procedures so that the company is thoroughgoing in preventing contravention of the laws and regulations involved.

For the execution of internal audits, Nippon Steel has established a “Risk Management Committee” that is chaired by the Executive Vice President in charge of general administration. While sharing information with corporate auditors, the Risk Management Committee periodically checks for adherence to the risk management and internal control system and for necessary improvements thereto. At the same time, it examines new tasks ahead and, when necessary, instructs the responsible division to work out specific solutions and reviews their progress. These are Nippon Steel's endeavors on a daily basis to enhance its internal audit.

In addition, Nippon Steel has established two help line systems, the Corporate Risk Consulting Room and the Compliance Hot Line (a help line operated by the attorney's office), which offer consultations to its employees and their families, temporary employees and employees of contracting companies pertaining to the risks involved in the performance of their company responsibilities.

Furthermore, Nippon Steel is prepared to immediately call upon its Crisis Management Team — consisting of corporate auditors, outside attorneys in addition to directors in charge and the President who serves as its director — to handle emergencies that threaten to seriously affect corporate management of Nippon Steel or the Nippon Steel Group. In so doing, the company is prepared, even at an early stage, to promptly take any steps necessary to minimize damage or adverse consequences.

Scope of Business

Steelmaking and Steel fabrication

- **Steel Materials**
  Steel sections: 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
  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 incidental to Steelmaking and Steel Fabrication**
  Design/maintenance/installation of machines/electrical equipment/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, aluminum products, power supply, 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 pipelines laying works
- Various energy-related solutions
- Offshore structure fabrication/construction, civil engineering work, bridge fabrication/erection, pipe piling work
- Building construction, steel-structure construction, trusses, standardized buildings products, base-isolation and vibration-control devices

Urban Development

- Urban development, condominiums/other real estate

Chemicals

- Pitch coke, pitch, naphthalene, phthalic anhydride, carbon black, styrene monomer, bisphenol A, styren resin, epoxy resin, chemical products
- Adhesive-free copper-clad laminated sheet for flexible printed circuit boards, liquid crystal display (LCD) materials, organic EL materials, high heat resistant transparency materials

New Materials

- Rolled metallic foils, semiconductor bonding wire and microballs, carbon-fiber composite products, polysilicon for solar cells, metal catalyst carriers for cleaning automotive emissions

System Solutions

- Computer systems engineering and consulting services

Chronology

1857: Japan's first blast furnace went into operation at Kamaishi.
1875: The Ministry of Industry started construction of a steelworks at Kamaishi.
1886: Iron was tapped at Kamaishi Mines Tanaka Iron Works (present Kamaishi Works).
1897: The Ministry of Agriculture and Commerce started construction of a steelworks at Yawata.
1901: The state-owned Yawata Steel Works began operation (present Yawata Works).
1909: Wanishi Iron Works of Hokkaido Coal Mine & Ship Co. started operation (present Muroran Works).
1934: Japan Iron & Steel Co., Ltd. was founded through merger of Yawata Steel Works with Wanishi Iron Works, Kamaishi Mines, Mitsubishi Iron, Fuji Steel, Kyushu Steel and Toyo Steel.
1939: Hirohata Works of Japan Iron & Steel began operation.
1950: Japan Iron & Steel was dissolved.

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

Executive Management and Fellows

Executive Management

(as of June 26, 2012)

Names	Responsibilities	Entering the company Assuming the position	Graduation	Born
Representative Director and Chairman				
Akio Mimura		April 1963 April 2008	March 1963 Tokyo U. (Economics)	Nov. 2, 1940
Representative Director and President				
Shoji Muneoka		April 1970 April 2008	March 1970 Tokyo U. (Agriculture)	May 3, 1946
Representative Directors and Executive Vice Presidents				
Shinichi Taniguchi	General Manager,Wuhan Tin Mill Project Group; Corporate Planning; Accounting & Finance; Overseas Business Development; Raw Materials; Overseas Offices; Cooperating with Executive Vice President M. Iwaki on Usiminas Project	April 1972 April 2009	March 1972 Keio U. (Economics)	Mar. 16, 1949
Kosei Shindo	General Administration; Business Process Innovation; Human Resources; Environmental Management; Cooperating with Executive Vice President M. Iwaki on Safety Enhancement	April 1973 June 2009	March 1973 Hitotsubashi U. (Economics)	Sep. 14, 1949
Masakazu Iwaki	General Manager, Usiminas Project Group; Intellectual Property; Safety Enhancement; Technical Administration & Planning; Plant Engineering and Facility Management; Ironmaking Technology; Steelmaking Technology; Slag & Cement; Cooperating with Executive Vice President K. Shindo on Environmental Management	May 1972 June 2010	April 1972 Tokyo U. (Engineering)	Mar. 20, 1949
Norio Katsuyama	Director, Technical Development Bureau	April 1975 June 2011	March 1975 Kyoto U. (Graduate School of Metals Science & Technology)	May 3, 1949

Names	Responsibilities	Entering the company Assuming the position	Graduation	Born
Shinya Higuchi	Sales Administration & Planning; Global Marketing; Project Development; Each Steel Products Division; Machinery & Materials Procurement; Shanghai-Baoshan Cold-rolled & Coated Sheet Products Project; India Continuous Annealing & Processing Line Project; Domestic Sales Offices; Cooperating with Executive Vice President S. Taniguchi on Overseas Offices	April 1976 June 2012	March 1976 Tokyo U. (Law)	Nov. 12, 1953
Managing Directors, Members of the Board				
Katsuhiko Ota	General Manager, Shanhai-Baoshan Cold-rolled & Coated Sheet Products Project Group; Corporate Planning; Accounting & Finance; Overseas Business Development; Overseas Offices; Rendering Assistance to Executive Vice President M. Iwaki on Usiminas Project; Cooperating with General Manager, General Administration Division on Public Relations	April 1977 June 2011	March 1977 Keio U. (Law)	Jun. 30, 1953
Takayoshi Meiga	Intellectual Property; Technical Administration & Planning; Plant Engineering and facility Management; Ironmaking Technology; Steelmaking Technology; Slag & Cement; Rendering Assistance to Executive Vice President S. Higuchi on Each Steel Products Divisions	April 1977 June 2011	March 1977 Kyoto U. (Engineering)	Jan. 15, 1955
Soichiro Sakuma	Rendering Assistance to Executive Vice President K. Shindo on Legal & Corporate Risk Management	April 1978 June 2012	March 1978 Tokyo U. (Law)	Feb. 15, 1956
Yasumitsu Saeki	Director, Flat Products Division; Director, Bar & Wire Rod Division; Director, Pipe & Tube Divison, General Manager, India Continuous Annealing & Processing Line Project Group; Sales Administration & Planning; Global Marketing	April 1979 June 2012	March 1979 Keio U. (Economics)	May 8, 1955

Names	Responsibilities	Entering the company Assuming the position	Graduation	Born
Managing Directors				
Hiromichi Aoki	Environmental Management; Cooperating with Managing Director T. Meiga on Energy, Recycling and Slag; Rendering Assistance to Executive Vice President K. Shindo on General Affairs	July 2007 April 2009	March 1974 Hitotsubashi U. (Economics)	Jan. 22, 1951
Kenji Hiwatari	Director, Plate Division; Director, Construction Materials & Products Division; Project Development; Titanium	April 1975 April 2011	March 1975 Keio U. (Law)	Jan. 16, 1953
Akihiro Miyasaka	General Superintendent, Nagoya Works	April 1976 April 2011	March 1976 Tokyo U. (Engineering)	Feb. 22, 1954
Atsuhiko Yoshie	Director, Steel Research Laboratories, Technical Development Bureau	April 1980 April 2012	March 1980 Tokyo U. (Graduate School of Naval Engineering)	May 1, 1955
Masato Yamada	Deputy General Manager, Shanghai-Baoshan Cold-rolled & Coated Sheet Products Project Group; Deputy General Manager, India Continuous Annealing & Processing Line Project Group; Cooperating with Director, Flat Products Division on Flat Products Technology	April 1980 April 2012	March 1980 Tokyo U. (Graduate School of Nuclear Engineering)	May 14, 1955
Directors				
Masayuki Shibata	Rendering Assistance to Direcor, Bar & Wire Rod Division on Bar & Wire Rod Products Technology	April 1979 April 2009	March 1979 Tokyo U. (Engineering)	Apr. 23, 1954
Shinji Fujino	General Superintendent, Kimitsu Works	April 1981 April 2009	March 1981 Tohoku U. (Graduate School of Metallurgical Engineering)	Jul. 29, 1955
Eiji Hashimoto	Rendering Assistance to Managing Director K. Ota on Overseas Business Development	April 1979 April 2009	March 1979 Hitotsubashi U. (Commerce)	Dec. 7, 1955
Yoshitsugu Sakamoto	General Manager, Technical Administration & Planning Division; Rendering Assistance to Executive Vice President K. Shindo on Business Process Innovation	April 1981 April 2009	March 1981 Keio U. (Graduate School of Mechanical Engineering)	Mar. 18, 1956

Names	Responsibilities	Entering the company Assuming the position	Graduation	Born
Tatsuro Shirasu	General Manager, General Administration Division; Rendering Assistance to Executive Vice President K. Shindo on Business Process Innovation	April 1979 April 2009	March 1979 Tokyo U. (Law)	Mar. 26, 1956
Shinji Shibao	General Superintendent, Hirohata Works	April 1980 April 2009	March 1980 Kyushu U. (Engineering)	Jan. 22, 1957
Shinji Tanimoto	General Superintendent, Yawata Works	April 1982 April 2009	March 1982 Sophia U. (Graduate School of Mechanical Engineering)	May 24, 1957
Shinichi Fujiwara	Raw Materials; Machinery & Materials Procurement	April 1978 April 2011	March 1978 Tokyo U. (Law)	Oct. 10, 1954
Tsuneo Miyamoto	General Manager, Sales Administration & Planning Division	April 1980 April 2011	March 1980 Keio U. (Economics)	Nov. 20, 1955
Toshiharu Sakae	General Manager, Raw Materials Division-Ⅱ	April 1980 April 2011	March 1980 Tokyo U. (Law)	Jan. 25, 1956
Koji Tanabe	General Superintendent, Muroran Works, Bar & Wire Rod Division	April 1982 April 2011	March 1982 Tokyo Inst. Of Technology (Graduate School of Metallurgical Engineering)	Dec. 6, 1956
Yutaka Takeuchi	General Manager, Corporate Planning Division	April 1980 April 2011	March 1980 Tokyo U. (Economics)	Dec. 10, 1956
Akihiko Inoue	Deputy General Manager, Wuhan Tin Mill Project Group; Rendering Assistance to Director, Flat Products Division on Flat Products Technology	April 1982 April 2011	March 1982 Tokyo U. (Graduate School of Industrial Mechanical Engineering)	Aug. 21, 1957
Yasuto Agou	General Superintendent, Oita Works	April 1982 April 2011	March 1982 Kyushu U. (Graduate School of Computer Science & Communication Engineering)	Feb. 2, 1958
Hirotsune Satoh	General Manager, Human Resources Division	April 1981 April 2011	March 1981 Keio U. (Economics)	Apr. 30, 1956

Names	Responsibilities	Entering the company Assuming the position	Graduation	Born
Katsuhiro Miyamoto	General Manager, Accounting & Finance Division	April 1981 April 2012	March 1981 Hitotsubashi U. (Law)	Oct. 22, 1956
Hiroyuki Uchida	Deputy General Manager, Usiminas Project Group	April 1981 April 2012	March 1981 Tokyo U. (Engineering)	Sep. 27, 1958
Yoichi Furuta	General Manager, Overseas Business Development Division	April 1981 April 2012	March 1981 Tokyo U. (Law)	Dec. 28, 1958
Hiroyuki Nitta	General Manager, Business Process Innovation Division	April 1983 April 2012	March 1983 Kyoto U. (Graduate School of Electrical Engineering)	Jan. 20, 1959
Kazuyuki Orita	Director, Plant Engineering and Facility Management Center	April 1983 April 2012	March 1983 Kyoto U. (Graduate School of Applied Mathematics and Physics)	Feb. 12, 1959
Senior Corporate Auditor				
Toshihide Tanabe		April 1975 June 2012	March 1975 Kyushu U. (Law)	Jul. 9, 1950
Corporate Auditors				
Hirotomo Suetsugu		April 1977 June 2012	March 1977 Kyoto U. (Law)	Dec. 30, 1953
Shigemitsu Miki		- June 2005	March 1958 Tokyo U. (Law)	Apr. 4, 1935
Shigeo Kifuji		- June 2006	March 1963 Tokyo U. (Law)	Sep. 29, 1940
Takao Kusakari		- June 2009	March 1964 Keio U. (Economics)	Mar. 13, 1940

"Executive Management System"

Based on the shift in organization to promote consolidated management in fiscal 2006, in order to facilitate decision-making by management with greater speed and mobility in responding to changes in business environments in the future, Nippon Steel has reduced the number of directors on its board, while at the same time introducing the Executive Management System in June 2006. Members under this system shall be "important employees"(under the Company Law of Japan) who execute their respectively assigned important business responsibilities.

Fellows (Treated as Managing Director)

(as of April 1, 2012)

Names	Responsibilities	Entering the company Assuming the position	Graduation	Born
Shigeru Ogawa	Mechanical working	April 1977 June 2005	March 1977 Kyoto U. (Graduate School of Mechanical Engineering)	Nov. 2, 1952
Misao Hashimoto	General Superintendent, Advanced Technology Research Laboratories, Technical Development Bureau Surface science	April 1977 June 2005	March 1977 Tokyo U. (Graduate School of Physics)	Nov. 28, 1952
Kohsaku Ushioda	Metallurgy and physical property of steel products	April 1978 April 2007	March 1978 Tokyo U. (Graduate School of Physics)	Aug. 4, 1953
Yoshiyuki Ueshima	Steelmaking process	April 1982 April 2009	March 1982 Kyoto U. (Ph.D. in Engineering)	Mar. 11, 1955
Manabu Takahashi	General Manager, Sheet Products Lab., Steel Research Laboratories, Technical Development Bureau Sheet products and their application technologies	April 1982 April 2011	March 1978 Kyusyu U. (Graduate School of Physics)	Nov. 18, 1956

"Nippon Steel Fellow" System

In the "Nippon Steel Fellow" System, the Fellow Selection Committee selects fellows from among researchers with standing achievements and according to professional specialization. The fellow is treated as a director and the system was introduced in June 1991.

Major Outside Posts and Others

Post and name	Major outside posts	Others
Representative Director and Chairman **Akio Mimura**	Vice Chairman, Japan Business Federation (May 25, 2005～May 28, 2009) Chairman, The Japan Iron & Steel Federation (May 28, 2003～May 25, 2006) Chairman, World Steel Association (formerly, IISI) (Oct. 6, 2004～Oct. 5, 2005) Member, National Council on Economic and Fiscal Policy (Oct. 17, 2008～Sep. 15, 2009) Chairman, The Advisory Committee for Natural Resources and Energy of Agency for Natural Resources and Energy (Mar. 1, 2007～) Chairman, Central Council for Education (Feb. 10, 2009～)	・Hobbies Shogi, Golf
Representative Director and President **Shoji Muneoka**	Chairman, The Japan Iron and Steel Federation (May 27, 2008～May 28, 2010) Vice Chairman, Japan Business Federation (May 28, 2009～)	・Hobbies Listenning to classical music, Golf

Successive Chairmen and Presidents

Yawata Iron & Steel Co., Ltd.

Chairman	Tenure	President
—	April 1, 1950～April 9, 1952	**Takashi Miki**
	May 10, 1952～January 6, 1956	**Gisuke Watanabe**
	January 13, 1956～May 28, 1962	**Arakazu Ojima**
Arakazu Ojima	May 28, 1962～May 29, 1967	**Yoshihiro Inayama**
—	May 29, 1967～March 30, 1970	

Fuji Iron & Steel Co., Ltd.

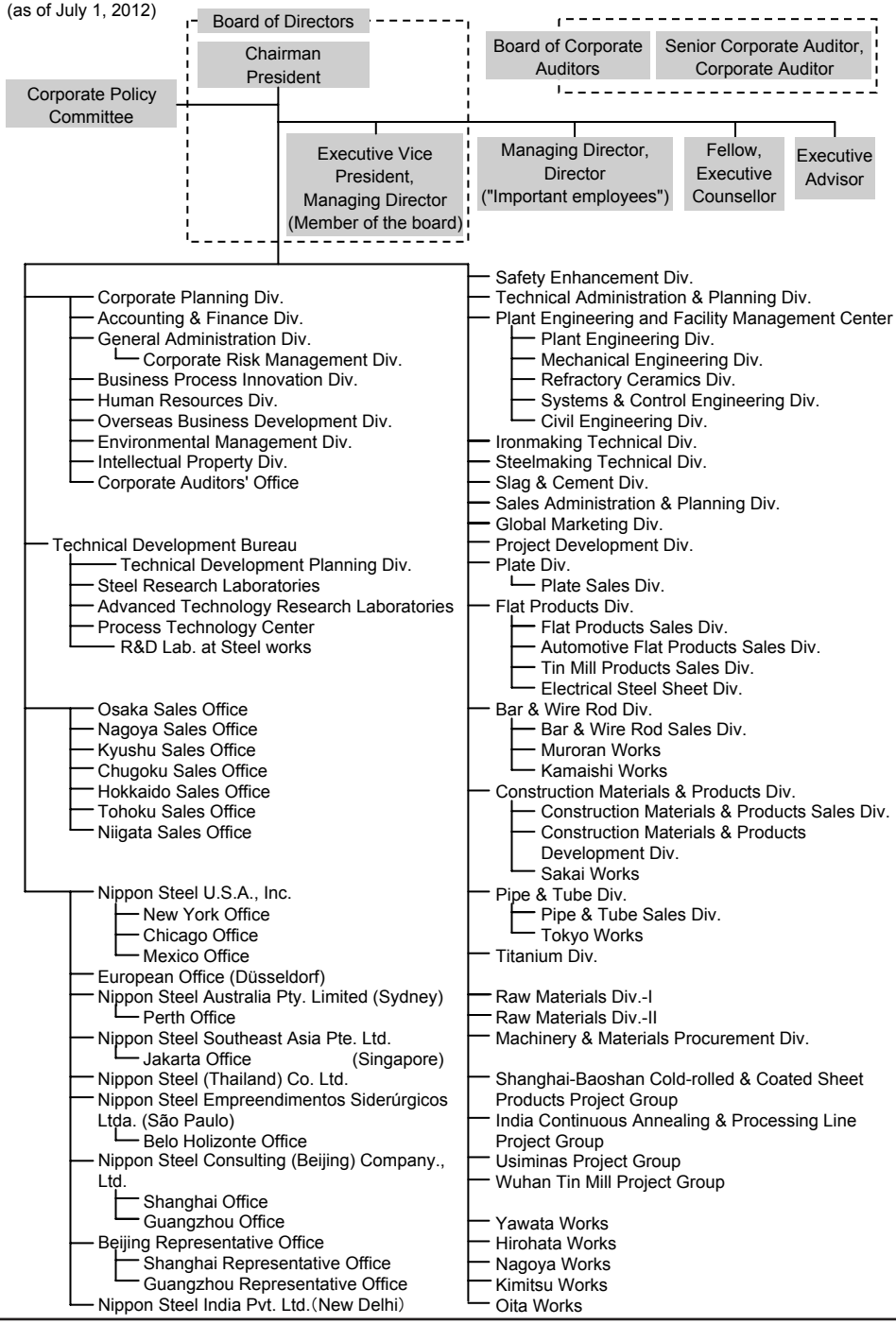
Chairman	Tenure	President
—	April 1, 1950～March 30, 1970	**Shigeo Nagano**

Nippon Steel Corporation

Chairman	Tenure	President
Shigeo Nagano	March 31, 1970～May 30, 1973	**Yoshihiro Inayama**
Yoshihiro Inayama	May 30, 1973～June 29, 1976	**Tomisaburo Hirai**
	June 29, 1976～January 18, 1977	**Teruyoshi Tasaka**
	January 20, 1977～June 29, 1981	**Eishiro Saito**
Eishiro Saito	June 29, 1981～June 26, 1987	**Yutaka Takeda**
Yutaka Takeda	June 26, 1987～June 29, 1989	**Hiroshi Saito**
Akira Miki	June 29, 1989～June 29, 1993	
Hiroshi Saito	June 29, 1993～March 31, 1998	**Takashi Imai**
Takashi Imai	April 1, 1998～March 31, 2003	**Akira Chihaya**
Akira Chihaya	April 1, 2003～January 22, 2007	**Akio Mimura**
—	January 23, 2007～March 31, 2008	
Akio Mimura	April 1, 2008～	**Shoji Muneoka**

Organization

(as of July 1, 2012)



Business Integration with Sumitomo Metal Industries, Ltd.

I. Objectives and Background of the Business Integration

1. Buisiness Environment Surrounding the Steel Industry

(1) Expansion of steel demand in emerging countries
(2) The augmentation of new business areas of steel application, such as those in energy and environment-related sectors
(3) Intensified competition in the steel supply markets globally by commissioning of newly constructed steel mills in Asia
(4) Globalization of steel consuming industries
(5) Rapid and drastic changes in the markets for procuring raw materials for steel

2. Objectives of the Business Integration

Through the Business Integration, the Companies will make a thorough effort to seek the "combination of their respective advanced management resources that each has built up and the consolidation of the superior areas of their respective businesses". In addition, the Companies will accelerate the implementation of business structure reform by such means as "pursuing greater efficiency in domestic production bases and expanding overseas businesses". Through realization of these objectives at an early stage, the Companies aim to be "the Best Steelmaker with World-Leading Capabilities," a company with higher standards in all areas including scale, cost, technology and customer service.

Through maximization of the potential of steel as a fundamental industrial material by utilizing worldleading technology and manufacturing know-how, the Integrated Company will support the development of customers in and outside Japan, as well as contribute to further growth of the Japanese and global economies and the improvement of global society.

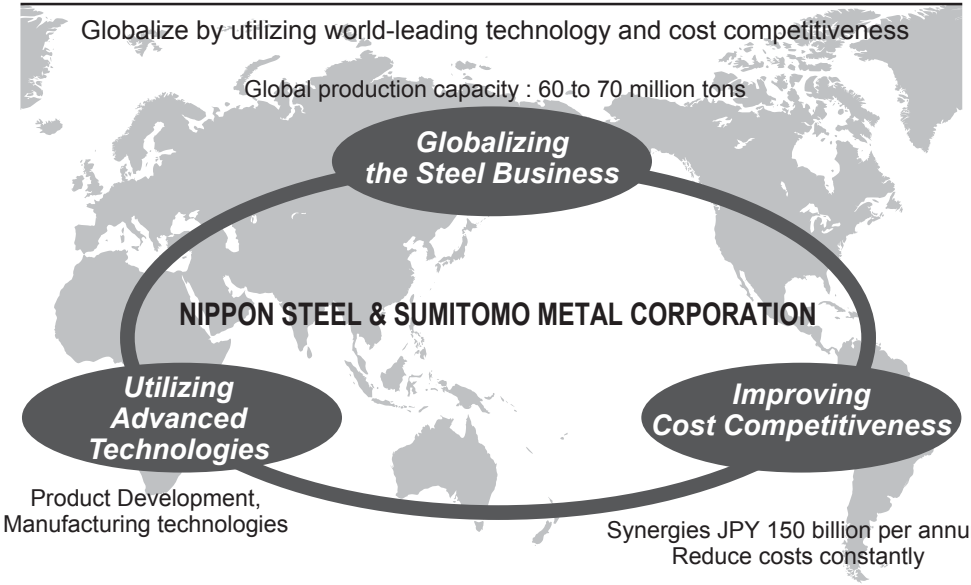
II. Management Policy of the Integrated Company

1. Globalizing the steel business
2. Utilizing advanced technologies
3. Improving cost competitiveness
4. Reinforcing non-steel business segments

III. Schedule of Integration

February 3, 2011	Execution of the Memorandum Regarding Consideration of the Business Integration
May 31, 2011	Submission to the Fair Trade Commission of a notification for the merger plan
September 22, 2011	Execution of the Master Integration Agreement
December 14, 2011	Approved by the Japan Fair Trade Commission
April 27, 2012	Execution of a merger agreement
June 26, 2012	Shareholders' meeting of each of the Companies to approve the Merger Agreement and other related matters
October 1, 2012 (planned)	Effective date of Merger (the date of integration)

Creating the Best Steelmaker with World-Leading Capabilities



Synergies

Will realize synergies of JPY 150 billion per annum in approx. 3 years after merger.
Reduce costs constantly

JPY 150 billion		Endeavor to overachieve the synergy at early stage
Technology /R&D	40 billion yen	1. Integrated R&D capabilities facilitate speedy innovation 2. Apply best practice for every steelworks (top-runner technologies/know-how)
Production /Sale	40 billion yen	1. Raising productivity by reallocating products among production lines 2. Efficient production lines through preventing redundant investments 3. Increasing high-functioning products capacity by fixing bottlenecks 4. Cooperation among works 5. Integration and cooperation of group companies / improving efficiency on integrated basis
Procurement	40 billion yen	1. Reducing costs in procurement and transportation of raw materials 2. Reducing costs on equipments, repair and materials by applying best practice 3. Integration and cooperation of group companies
Improvement in Efficiency of Head Office, etc	30 billion yen	1. Integrating offices / reallocating managers to overseas projects 2. Reducing general administrative expenses 3. Reducing system development cost (no redundant investments) 4. Eliminating redundant assets (raw materials, products, and work-in-progress)

Losses resulting from the Great East Japan Earthquake and status of repairs and reconstruction

(as of May, 2012)

With restoration work now complete, the equipment and facilities that were damaged by the Great East Japan Earthquake on March 11, 2011 have all been restored to their normal conditions.

Circumstances leading to restoration

Kamaishi Steelworks

- April 13, 2011 — The wire rod mill resumed operation (after production suspension, due to some parts of the facility becoming flooded by the tsunami)
- July 1, 2011 — The IPP ("independent power producer," along with a 136,000 kW coal-fired thermal generating station) resumed operation
- September 9, 2011 — The coal unloading facility was restored, and the pipe conveyer was put back into operation
- March 11, 2012 — The wire-rod product loading facilities (an all-weather berth) for the domestic market were restored
- May 10, 2012 — The wire-rod product shipping facility for exports resumed operation

Sendai Factory of Nippon Steel & Sumikin Metal Products

- The entire factory was inundated by the tsunami, sustaining serious damage to production equipment
- August 2, 2011 — The six-inch tube mill resumed operation
- May 17, 2012 — The 16-inch pipe mill resumed operation

Kimitsu Steelworks

- The ironmaking and steelmaking processes have promptly recovered to the production levels of the previous, pre-disaster year
- In the strained state of power supply in the Kanto area, the Kimitsu Cooperative Thermal Power Plant (joint investment with Tokyo Electric Power, approved output of 1 million kW) has been put into full-capacity operation, currently providing the maximum supply (480,000 kW) to Tokyo Electric Power
- In view of power supply shortages, we continue to give due attention to conservation, etc., regarding the aspects of operations involving the rolling and subsequent production stages

<FY 2010> (¥ billion)

Loss on disaster (consolidated)	23.7
(NSC)	14.6
(1) Cost of repairing/restoring production facilities, etc	approx. 17
(2) Lost and damaged inventory assets	approx. 4
(3) Other costs incurred due to the damage from the disaster	approx. 3

Business Plans

Management Plans and Organizational Reshuffling

1970	・Nippon Steel Corporation was inaugurated.	
1974	・Engineering Divisions Group was organized.	
1977	・Project Planning & Development Bureau was organized.	
1978	First Modernization Plan →	To rationalize annual crude steel production setup from 47million 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 classified into basic five units:head office, steelworks, company-wide unit, engineering business and development business.	
1981	・The technical department was reorganized to establish the Technical Development Bureau and the Central R&D Bureau.	
1982	Second Modernization Plan → ・The personnel system was reorganized to a three-tier position system.	To urgently meet the annual crude steel production scale of 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 inaugurated through 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 Div.	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 Div.was organized.	
1986	・Electronics Division was organized.	
1987	First Medium-Term Business Plan (Fourth Modernization Plan) → ・The articles of incorporation were changed to promote 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 from 1987 to 1990* To realize the production system that can secure profits even if annual crude steel production in 1990* 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 (change of operating structures)
1988	・The Electronics & Information Systems Division was spun-off to establish Nippon Steel Information & Communication Systems Inc.	
1989	・Urban Development Division was organized.	
1990	・Space World opened.	

1991	Second Medium-Term Business Plan → ・Technical Development Bureau was organized and R&E Center was completed as an organization to integrate research, development and engineering. ・Nippon Steel Fellow System was introduced.	Plan duration Three years from 1991 to 1993* 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 → ・Corporate Policy Committee was organized.	Plan duration: Three years from 1994 to 1996* 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 group system). ・Stainless Steel Division was organized. ・Business divisions of the Engineering Divisions Group were reorganized.	Plan duration: Three years from 1997 to 1999* 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 1999*
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 from 2000 to 2002*
1. Strong consolidated business and robust Nippon Steel group
2. Strengthening of consolidated management for improved consolidated business results
---Invigoration of consolidated management to realize the medium-term consolidated business plan---
(Target 2002* (Consolidated))
・Ordinary profit ¥180 billion
・Free Cash Flow ¥500 billion/ 3year
・ROS 7.5%, ROA 5.5%

- Organizational and operating systems of the steel business were examined 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 wastes treatment/recycling to the business line.

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. (change of the company name 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 line.

2003 Medium-Term Consolidated Business Plan →

Plan duration：Three years from 2003 to 2005*
1. Substantial improvements of its financial structure
2. Completion of selection and concentration of its business segment, 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
(Target 2005* (Consolidated))
・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 line.
- 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 from 2006 to 2008*
1. Completion of our Group's 40 million ton crude steel production base
2. Implementation of "Global Player Strategy"
3. Enhancement of our alliance network with domestic and overseas steel manufacturers
4. Construction of a strong group management system uniting our six business segments' strengths together
5. Strengthening of financial position (Acquisition of international rating A1)

(Target 2008* (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 from 2009 to 2011*
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 NSC 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 our competitive edge
   - ・Structure of global tri-polar (Domestic, Asia, American and Pan-Atlantic) production and processing bases (Envisaging a global capacity of 50 to 60 million tons)
   - ・Realizimg a "Global Corporate Group"

2011 ・Integration Oita Works and Hikari Pipe & Tube Division

* Fiscal years(twelve-month period beginning April 1 of the years specified)

Operation of Blast Furnaces

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)

Global Network

Alliances with Domestic Steelmakers

Sumitomo Metal industries and Kobe Steel :

Dec. 2001 Alliance with Kobe Steel for strengthening each other's competitiveness (complementary iron- and steelmaking materials and cost reduction)

Feb. 2002 Alliance with Sumitomo Metals 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 Integration of the welding-materials business with Sumitomo Metals (establishment of Nippon Steel & Sumikin Welding Co., Ltd.)

Nov. 2002 Cooperation for hot rolled steel sheets, strengthened the alliance, mutual capital subscription agreement with Sumitomo Metals (subscription of about ¥5 billion each)
Strengthening of cooperation, mutual capital subscription agreement with Kobe Steel (subscription of about ¥3 billion each)

Sep. 2003 Integration of the plate fusion-cutting business with Kobe Steel (establishment of Nittetsu Shinko Shearing)

Oct. 2003 Integration of the stainless-steel business with Sumitomo Metals (establishment of Nippon Steel & Sumikin Stainless Steel Corp.)

Jan. 2005 Alliance in the automotive steel tube business in China with Sumitomo Pipe & Tube Co., Ltd., Sumitomo Corporation, and Sumitomo Metals (start of commercial production by Guangzhou You-Ri Automotive Parts Co., Ltd.)

Mar. 2005 Start of studies on deepening the cooperation among the three companies and on the mutual acquisition of each other's stocks

Apr. 2005 Start of the supply of hot rolled steel sheets from Nippon Steel and Kobe Steel to Sumitomo Metals

Jun. 2005 Capital subscriptions (Nippon Steel 10% and Kobe Steel 2%) to East Asia United Steel Corporation
Joint use of the iron- and steel making facilities of Wakayama Works of Sumitomo Metals (start of slab supply to Nippon Steel)

Dec. 2005 Additional cross-purchase of shares among the three companies backed by 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 Agreement to deepen the cooperation among the three companies (joint studies on deepening the cooperation and how to cope with a takeover bid)

Apr. 2006 Joint undertaking of the business of cast-steel rolling-mill rolls with Sumitomo Metals (establishment of Nippon Steel & Sumikin Rolls Corporation)

Dec. 2006 Integration of the structural steel sheet business as well as the road and civil engineering business of both the Nippon Steel group and the Sumitomo Metals group (establishment of Nippon Steel & Sumikin Coated Sheet Corporation and Nippon Steel & Sumikin Metal Products Co., Ltd.)

Oct. 2007 Start of studies on deepening and expanding the cooperation among the three companies

- Furthering the effective utilization of the increased iron- and steel-making capacities of Sumitomo Metals / Wakayama
- Securing high-grade sheet steel supply capacity in cooperation with Sumitomo Metals and a combination processing with Sumitomo Metals / Naoetsu
- Cooperating with Kobe Steel in the environmental and recycling areas and iron-making technology exchange

Dec. 2007 Additional cross-purchase of shares among the three companies backed by expanded and enhanced cooperation
Nippon Steel → Sumitomo Metals 5.01%→9.4%
Sumitomo Metals → Nippon Steel 1.81%→4.2%
Nippon Steel → Kobe Steel 2.05%→3.4%
Kobe steel → Nippon Steel 0.41%→0.8%
Sumitomo Metals → Kobe Steel 2.05%→3.4%
Kobe Steel → Sumitomo Metals 1.71%→2.3%

Oct. 2008 Joint undertaking of the business of steel dust recycling and direct-reduced iron production and utilization with Kobe Steel (establishment of Nittetsu Shinko Metal Refine Co., Ltd.)

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

Oct. 2012 Business Integration with Sumitomo Metals

Nisshin Steel :

May 2000 Mutual supply of stainless steel hot rolled materials (chromium: Nippon Steel → Nisshin, nickel: Nisshin → Nippon Steel)
Nippon Steel's ownership: 9.2%

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 affiliate of Nippon Steel applicable under the equity method
Nippon Steel's ownership: 14.6%

Nakayama Steel :

Jul. 2002 Slab supply from Nippon Steel and coke supply from Nakayama Steel

Aug. 2004 Integration of a high tension bolt business (establishment of NS Bolten Co., Ltd.)

Apr. 2005 Establishment of NS Bar & Wire Co., Ltd., a company for rolling and manufacturing bars & wire rods

Mar. 2006 Agreement on the effective utilization of the hot rolling facility of Nakayama Steel (toll rolling)
Nippon Steel's ownership: 9.8%

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/Muroran Works
Nippon Steel'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.)
Nippon Steel's ownership: 5.0%

Aichi Steel :

Nov. 2000 Cooperation in automotive special steel bar & wire rods field (strengthening competitiveness on production and cost, and joint R&D)
Nippon Steel'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 affiliate of Nippon Steel applicable under the equity method
Nippon Steel's ownership: 15.0%

Oji Steel :

Nov. 2007	Oji Steel became an affiliate of Nippon Steel applicable under the equity method
Jan. 2008	Oji Steel became a subsidiary company under Nippon Steel's group management Nippon Steel's ownership: 51.5%

Topy Industries :

Sep. 2008	Alliance for strengthening each other's competitiveness
Oct. 2008	Topy Industries became an affiliate of Nippon Steel applicable under the equity method Nippon Steel'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 (ownership: 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 (ownership: 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 for automotive steel sheet with Arcelor and Tata Steel
Oct. 2003	Deepening 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

Note: 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 completed in July 2007.

* For details, see p.29

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-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
Dec. 2006	Start of Joint iron-ore benchmark price negotiations with Vale
Jan. 2008	Establishment of POSCO-NIPPON STEEL RHF Joint Venture, Co., Ltd. (PNR), a joint venture concerning direct-reduced iron supply and dry-dust recycling (equity ratio: NSC 30%, POSCO 70%)
Apr. 2009	Participation to Vietnamese Cold Rolling Mill, POSCO-Vietnam Co., Ltd., with 15% shareholding
Oct. 2010	Joint participation to Mozambique Revuboe coal mine for co-development
Mar. 2011	Joint participation to Brazilian Niobium company, CBMM, as a Japanese and Korean consortium.

Maximizing the Effects of the Alliances at Home and Abroad

	Sumitomo Metal	Kobe Steel	Nisshin Steel	USIMINAS	POSCO	ArcelorMittal
<Nippon Steel's ownership>	<9.4%>	<3.4%>	<9.2%>	<29.2%>	<5.0%>	< - >
Business Integration • Alliance	October 2012: Business Integration (planned)		December 2006: Made a member of the Nippon Steel group 2012 - : New Shareholders Agreement (Participation of Ternium Group)		2000 - : Strategic Alliance Agreement	2001 - : Strategic Alliance Agreement
Cooperation in the supply of semi-products	Slabs & hot-rolled sheets to be supplied to each other	Slabs & hot-rolled sheets to be supplied to each other	2000 - : Stainless hot-rolled sheets, etc. being supplied to each other	Mutual supply of semi-products being studied	2007 – : Semi-products to be supplied to each other during blast-furnace relining	
Mutual cooperation in products						Joint technical activities and cross-licensing, etc. of automotive sheet steel tschnologies
Cost reduction in procurement & physical distribution of raw materials					2006 - : Joint iron-ore benchmark price negotiations with Vale 2010: Investment to Mozanbique Revaboe coal mine 2011: Investment to Brazilian Niobium company, CBMM	
Joint studies on the iron- & steel-making processes	Exchanges in the department of iron-making technology	Exchanges in the department of iron-making technology		Support in the production structure optimization	Joint studies & technical exchanges	
Joint operation of joint ventures	2005 - : East Asia United Steel	2005 - : East Asia United Steel		1999 - : UNIGAL	1995 - : Siam United Steel 2009 - : POSCO- Vietnam	1987 - : I/N Tek 1989 - : I/N Kote
Integration of subsidiaries & affiliates	Integration in 6 business segments*	Integration of shearing business				
Cooperation in environmental protection and recycling	Joint promotion of recycling of resource from plastics waste	2008 - : RHF JV (on the premises of Hirohata)	2010 - : Dust recycling (Kure → Hirohata JV)		2009 - : Start of operation of RHF JV (on the premises of Pohang & Gwangyang)	Joint studies & information exchanges

* Welding materials, stainless steels, rolling-mill rolls, the structural steel sheets business, the road & civil engineering business, and electric-arc welded stainless steel pipe

Overseas Major Steelmaking Operations

Usinas Siderúrgicas de Minas Gerais S/A (USIMINAS)

・Business line	Integrated steel manufacturer
・Location	Belo Horizonte, Minas Gerais State, Brazil
・Capital	Real 12,150 million
・Equity participation by Nippon Steel	29.2% (Ordinary Share, including indirect participation) [As of Jan. 2012]
・President	Julian Alberto Eguren (since Jan. 2012)
・No. of employees	30.6 thousand (Consolidated) [As of Dec. 31, 2012]
・Crude Steel Production	6,699 (Ipatinga Works 3,691 / Cubatão Works 3,008) thousand tons/y [CY 2011]
・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 (1,030 thousand 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 February 2008 Establishment of Mineracao Usiminas SA for mining business in August 2010 (Currently : USIMINAS 70%, Sumitomo Corporation Group 30%) Iron-ore production capacity will be increased to 29 million tons/y in the future

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 Co., Ltd. 40%)
Oct. 1962	Blowing-in of the No. 1 Blast Furnace of Ipatinga Works
After 1966	Nippon Steel's technical assistance started (currently, the seventh program)
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.
Dec. 2006	Nippon Usiminas Co., Ltd. became a subsidiary of Nippon Steel, making USIMINAS applicable under the equity method to Nippon Steel's consolidated accounts (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 1st half 2012)
- Construction of the No. 2 hot-dip galvanizing line at UNIGAL * (Operation in May 2011)
- Optimization Plan for Ipatinga and Cubatão Works

* For details, see p.30

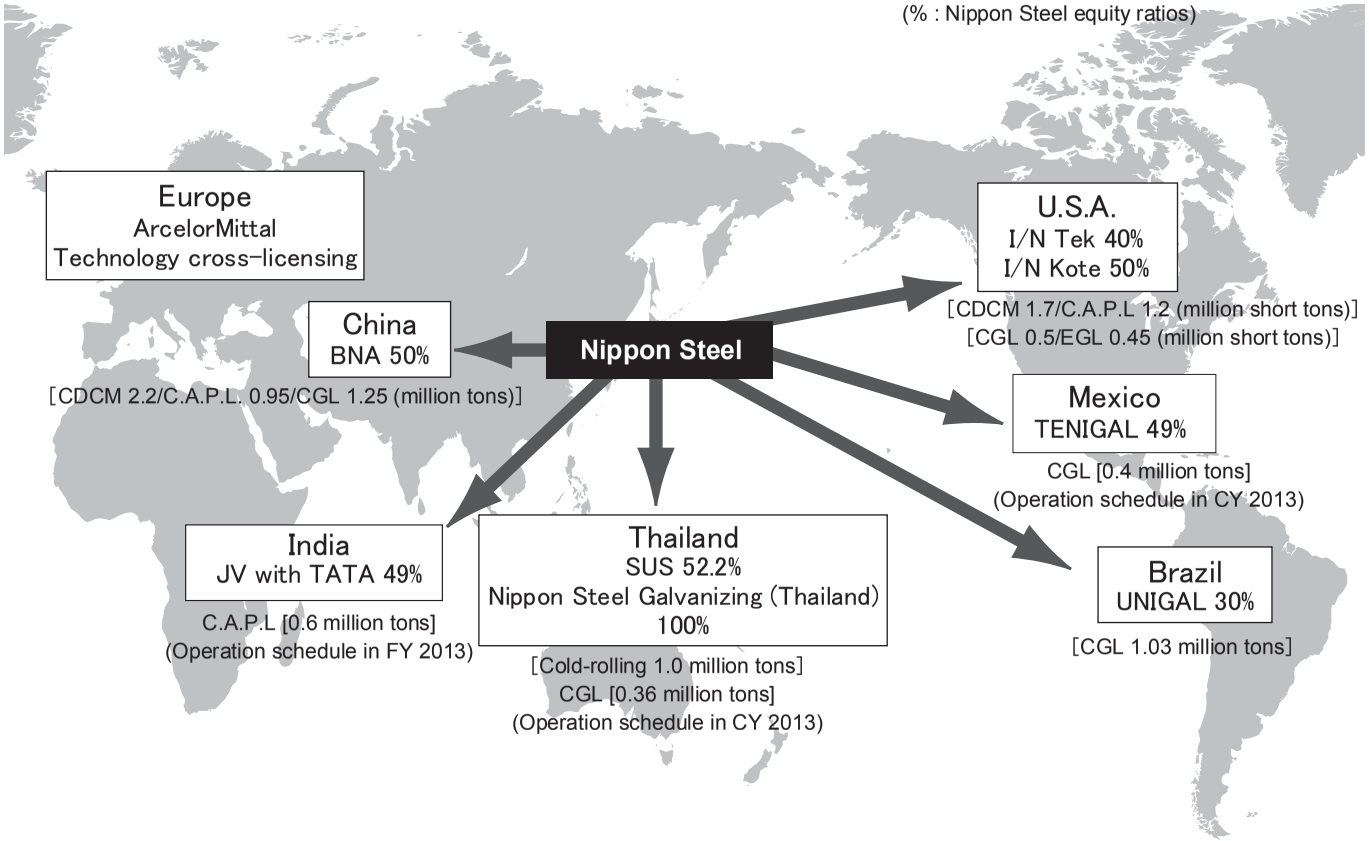
<Supply base of automotive steel sheet>

I/N Tek	
・Business line	Commissioned rolling of cold-rolled steel sheets
・Location	New Carlisle, Indiana, U.S.A.
・Start-up	March 1990 (established in July 1987)
・Capital	US$ 195 million
・President	Chris Richards
・Vice president	J. Hashimoto (dispatched from Nippon Steel)
・No. of employees	250
・Equity participation by Nippon Steel	40.0% (60.0% by ArcelorMittal)
・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, auto makers, electric appliance makers, steel furniture makers and construction material makers, including Japanese companies via ArcelorMittal and/or NS Sales (Nippon Steel's subsidiary)
I/N Kote	
・Business line	Manufacture and sale of coated steel sheets
・Location	New Carlisle Indiana, U.S.A.
・Start-up	October 1991 (established in September 1989)
・Capital	US$ 120 million
・President	Chris Richards
・Vice president	J. Hashimoto (dispatched from Nippon Steel)
・No. of employees	250
・Equity participation by Nippon Steel	50.0% (50.0% by ArcelorMittal)
・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.
The Siam United Steel (1995) Co., Ltd. (SUS)	
・Business line	Manufacture and sale of cold-rolled steel sheets
・Location	Eastern Industrial Estate, Rayong Province, Thailand
・Start-up	November 1998 (established in July 1995)
・Capital	THB 9,000 million
・President	T. Ohara (dispatched from Nippon Steel)
・No. of employees	847
・Equity participation by Nippon Steel	52.2%
・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 Galvanizing (Thailand) Co., Ltd.	
・Business line	Manufacture and sale of automotive hot-dip galvanized and galvannealed steel sheets
・Location	Eastern Industrial Estate, Rayong Province, Thailand
・Start-up	October 2013 (scheduled) (established in June 2011)
・Capital	US$ 118 million
・President	Akihiko Ota (dispatched from Nippon Steel)
・No. of employees	approx. 200
・Equity participation by Nippon Steel	100.0%
・Major facilities	1 continuous galvanizing line (360,000 tons/y)

UNIGAL Ltda.	
・Business line	Manufacture of hot-dip galvanized steel sheets
・Location	Ipatinga, Minas Gerais State, Brazil
・Start-up	October 2000 (established in June 1999)
・Capital	Real 585 million
・President	Marcelo Dantas
・Vice president	H. Kawano (dispatched from Nippon Steel)
・No. of employees	312
・Equity participation by Nippon Steel	30.0%
・Major facilities	2 continuous galvanizing lines (480,000 tons/y + 550,000 tons/y)
Baosteel-NSC Automotive Steel Sheets Co., Ltd. (BNA)	
・Business line	Manufacture and sale of cold rolled and hot-dip galvanized steel sheets
・Location	Shanghai, People's Republic of China
・Start-up	March 2005 (established in July 2004)
・Capital	3 billion RMB
・President	Zhanhong Mao
・Vice president	S. Hosokai (Dispatched from Nippon Steel)
・No. of employees	650
・Equity participation by Nippon Steel	50.0%
・Major facilities	1 CDCM (continuous descaling and cold-rolling mill) — (2.2 million tons/y) 1 C.A.P.L.(continuous annealing and processing line) — (0.95 million tons/y) 3 continuous galvanizing lines (450,000 tons/y + 350,000 tons/y + 450,000 tons/y)
Joint Venture with TATA	
・Business line	Manufacture and sale of automotive cold-rolled steel sheets
・Location	Jamshedpur, Jharkhand, India
・Start-up	FY 2013 (scheduled) (to be established in 2012)
・Capital	INR 8.7 billion
・President	・・・
・No. of employees	approx. 300
・Equity participation by Nippon Steel	49.0%
・Major facilities	1 C.A.P.L. (continuous annealing and processing line) — (600,000 tons/y)
TENIGAL, S.de R.L.de C.V.	
・Business line	Manufacture and sale of automotive hot-dip galvanized and galvannealed steel sheets
・Location	In the vicinity of Monterrey City, Mexico
・Start-up	CY 2013 (scheduled) (established in December 2010)
・Capital	US$ 175 million
・President	Cesar Jimenez
・No. of employees	approx. 130 (planned)
・Equity participation by Nippon Steel	49.0%
・Major facilities	1 hot-dip galvanizing line (400,000 tons/y)

Global Growth Strategy (Automotive Sheet Steels Supply Setup)

(Capacity/year)
(% : Nippon Steel equity ratios)



< Processing and distribution base >

Guangzhou Pacific Tinplate Co., Ltd. (PATIN)	
・Business line	Manufacture and sale of tinplate
・Location	Guangzhou City, Guangdong Province, People's Republic of China
・Start-up	February 1997 (established in December 1994)
・Capital	US$ 36 million
・President	K. Chikamatsu (dispatched from Nippon Steel)
・No. of employees	265
・Equity participation by Nippon Steel	25.0%
・Production capacity	200,000 tons/y
・Major facilities	1 tinning line 3 shearing lines

Nippon Steel Bar & CH Wire (China) Co., Ltd. (NBC China)	
・Business line	Manufacture and sale of steel wire for cold heading
・Location	Weiting Town, Suzhou Industrial Park, People's Republic of China
・Start-up	September 2007 (established in September 2006)
・Capital	US$ 1.5 million
・Chairman	K. Fukuyasu (dispatched from Nippon Steel)
・No. of employees	21
・Equity participation by Nippon Steel	28.0%
・Production capacity	7,000 tons/y →42,000 tons/y (capacity increase scheduled)
・Major facilities	2 wire drawing machines +3 wire drawing machines, +1 pickling and film-application line, +1 heat treatment furnace <Operation schedule in March 2013>

Wuxi NSP Automotive Parts Co., Ltd.	
・Business line	Manufacture and sale of automotive steel pipe and automotive parts
・Location	Wuxi City, Chiangsu Province, People's Republic of China
・Establishment	August 2004
・Capital	YEN 1,200 million(after capital increase)
・Chairman	H. MAJIMA (dispatched from Nippon Steel Pipe)
・No. of employees	200
・Equity participation by Nippon Steel	10.0%
・Production capacity	24,000 tons/y
・Major facilities	2 electric resistance-welded pipe lines 3 cold-drawing machines

WISCO-NIPPON STEEL Tinplate Co., Ltd. (WINSteel)	
・Business line	Manufacture and sale of tinplate and tin mill black plate
・Location	Wuhan City, Hubei Province, People's Republic of China
・Start-up	FY 2013 (scheduled) (established in October 2011)
・Capital	740 million RMB
・President	Michio Harada (dispatched from Nippon Steel)
・No. of employees	Approx. 300
・Equity participation by Nippon Steel	50.0%
・Major facilities	1 C.A.P.L. (continuous annealing and processing line)— (400,000 tons/y) 1 tinning line (200,000 tons/y)

NIPPON STEEL PIPE INDIA PRIVATE LIMITED (NPI)

・Business line	Manufacture and sale of automotive machine structural steel pipe
・Location	Neemrana Industrial Park in the state of Rajasthan, India
・Start-up	January 2012 (established in September 2010)
・Capital	Approx. INR 700 million
・President	T. Takamoto (dispatched from Nippon Steel)
・No. of employees	80
・Equity participation by Nippon Steel	40.5%
・Production capacity	Approx. 800 tons/m → approx. 2,400 tons/m (after integrated manufacturing setup completion)
・Major facilities	1 cutting & heat treating +1 electric-welded pipe manufacturing & cold drawing <Operation schedule in January 2013>

PT. Pelat Timah Nusantara (Latinusa)

・Business line	Manufacture and sale of tinplate
・Location	Cilegon, Indonesia
・Establishment	1982
・Capital	IDR 101.9 billion
・Vice President	T. Honda (dispatched from Nippon Steel)
・No. of employees	419
・Equity participation by Nippon Steel	35.0%
・Production capacity	160,000 tons/y
・Major facilities	1 tinning line 1 shearing line

PT. Indonesia Nippon Steel Pipe (INP)

・Business line	Manufacture and sale of machine structural steel pipe
・Location	Bukit Indah Industrial Park, Citampek Karawang Province, West Lava, Indonesia
・Start-up	January 2007 (established in December 2005)
・Capital	US$ 11.6 million
・President	T. Takamoto (dispatched from Nippon Steel)
・No. of employees	590
・Equity participation by Nippon Steel	(SNP 69.6%)
・Production capacity	42,000 tons/y
・Major facilities	2 electric resistance-welded pipe lines 3 cold-drawing machines 2 heat-treating furnaces

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

・Business line	Manufacture and sale of electro-galvanized steel sheets
・Location	Prai Industrial Estate IV, Penang, Malaysia
・Start-up	February 2009 (established in January 2006)
・Capital	33 million Ringgit
・President	Iruru Hidaka (dispatched from Nippon Steel)
・No. of employees	90
・Equity participation by Nippon Steel	50.1%
・Major facilities	1 electrogalvanizing line (150,000 tons/y)

Yung Kong Galvanising Industries Bhd. (YKGI)

・Business line	Manufacture and sale of hot-dip galvanized and color coated steel sheets
・Location	Kuching, Sarawak, Malaysia
・Start-up	1984 (established in 1977)
・Capital	102 million Ringgit
・President	Soh Thian Lai
・No. of employees	262
・Equity participation by Nippon Steel	10.0%
・Major facilities	1 pickling line (300,000 tons/y) 1 cold-rolling line (250,000 tons/y) 1 continuous galvanizing line (250,000 tons/y) 1 cold coating line (90,000 tons/y)

Midland Rolling Mills Limeted (MRM)

・Business line	Manufacture and sale of cold rolled steel sheets and coils
・Location	Abeokuta, Ogun State, Nigeria
・Start-up	April 2011 (established in November 2006)
・Capital	2.4 billion Naira
・President	M. P. Singh
・No. of employees	170
・Equity participation by Nippon Steel	10.0%
・Production Capacity	1 cold rolling line (150,000 tons/y) +1 pickling line (300,000 tons/y) <Operation schedule in 2nd half, 2012>

SAFAL STEEL (PROPRIETARY) LIMITED

・Business line	Manufacture and sale of galvanized and color coated steel sheets
・Location	Durban, Kwazulu Natal, South Africa
・Start-up	April 2010
・Capital	Rand 120 million
・President	Ronnie Graham
・No. of employees	345
・Equity participation by Nippon Steel	7.0%
・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)

Suzuki Garphyttan AB

・Business line	Manufacture and sale of valve spring wire and stainless wire
・Location	Garphyttan, Orebro, Sweden
・Establishment	1906
・Capital	SEK 15 million
・President	Jan Pieters
・No. of employees	340
・Equity participation by Nippon Steel	(Suzuki Metal Industry 100.0%)
・Major facilities	1 wire drawing line (30,000 tons/y)

Siam Tinplate Co., Ltd. (STP)

・Business line	Manufacture and sale of tinplate and tin-free steel
・Location	Map Ta Phut Industrial Estate, Rayong Province, Thailand
・Start-up	February 1992 (established in August 1988)
・Capital	THB 800 million
・President	T. Kaji
・Vice president	S. Takahashi (dispatched from Nippon Steel) and others
・No. of employees	520
・Equity participation by Nippon Steel	15.64%
・Major facilities	1 tinning/tin-free steel line(150,000 tons/y) 1 tin-free steel line (120,000 tons/y) 4 shearing lines

Siam Nippon Steel Pipe Co., Ltd. (SNP)

・Business line	Manufacture and sale of machine structural steel pipe
・Location	Siam Eastern Industrial Park, Rayong Province, Thailand
・Start-up	January 1996 (established in March 1995)
・Capital	THB 783 million
・President	T. Takamoto (dispatched from Nippon Steel)
・No. of employees	1100
・Equity participation by Nippon Steel	60.47%
・Production capacity	71,000 tons/y
・Major facilities	3 electric resistance-welded pipe lines 5 cold-drawing machines 4 heat-treating furnaces

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

・Business line	Manufacture and sale of steel wire for cold heading
・Location	Eastern Seaboard Industrial Estate, Rayong Province, Thailand
・Start-up	September 2007 (established in December 2006)
・Capital	THB 230 million
・President	K. Nagase (dispatched from Nippon Steel)
・No. of employees	110
・Equity participation by Nippon Steel	28.0%
・Production capacity	40,000 tons/y
・Major facilities	1 pickling and surface treatment line 6 wire drawing machines 2 heat treatment furnace

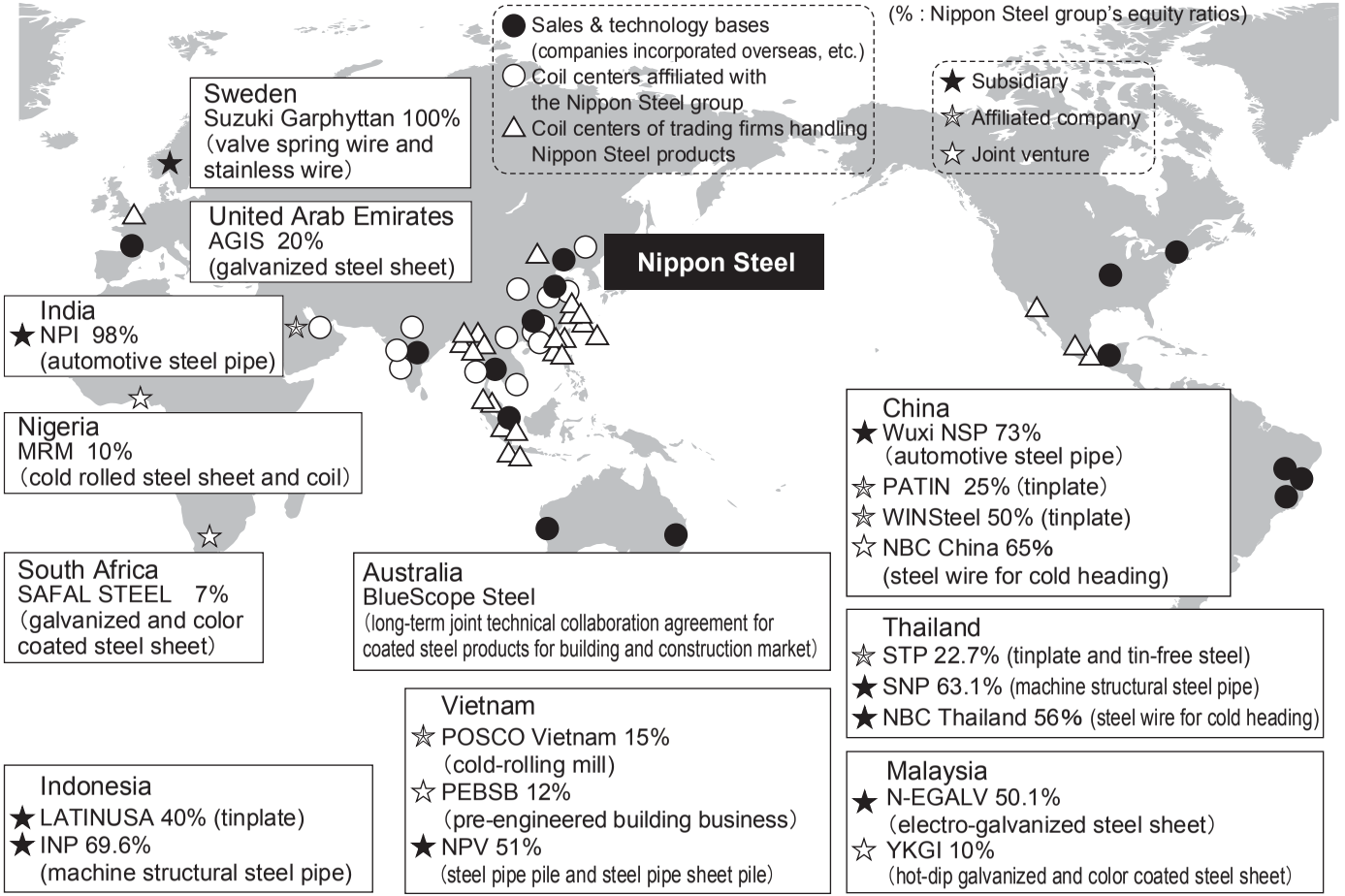
PEB Steel Buildings Co., Ltd. (PEBSB)

・Business line	Pre-engineered building business
・Location	Dong Xuyen Industrial Estate, Ba Ria Vung Tau Province, Vietnam
・Start-up	2005 (established in 1994)
・Capital	US$ 5 million
・President	Sami Kteily
・No. of employees	300
・Equity participation by Nippon Steel	12.0%
・Production capacity	36,000 tons/y (steel material conversion)

Nippon Steel Pipe Vietnam Co., Ltd. (NPV)	
・Business line	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 June 2010)
・Capital	US$ 15 million
・President	K. Kanezaki (dispatched from Nippon Steel)
・No. of employees	123
・Equity participation by Nippon Steel	51.0%
・Major facilities	1 spiral pipe line (60,000 tons/y)

Al Ghurair Iron & Steel L. L. C. (AGIS)	
・Business line	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 105 million
・President	Abu Bucker Husain
・No. of employees	407
・Equity participation by Nippon Steel	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) (as a future expansion)

Global Growth Strategy (Fabrication, Distribution and Sales Bases)



Environmental Considerations

Global environmental issues — one of the world's most pressing matters, today. In this area, Nippon Steel has been very active and productive, achieving the world's highest level in energy saving and introducing many environmentally friendly products, and will continue to make vigorous endeavors, aimed at realizing a sustainable society in the long run. Determined to remain an environmentally advanced industry, we conduct three ecological approaches.

※ Our three ecological approaches are put together by the work of Nippon Steel's six business segments (steel, engineering and construction, urban development, chemicals, new materials, system solutions).

ECO-PRODUCTS

Our products are ecologically-designed, using our cutting edge technologies, to save energy and resources for structuring a sustainable society in the long run.

ECO-PROCESS

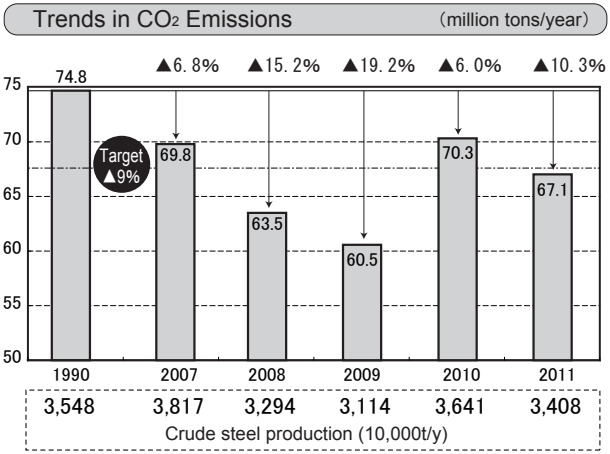
Our production processes, designed to have as little environmental impact as possible, are the topnotch of perfection attainable now in conservation and energy efficiency and are still being constantly perfected.

ECO-SOLUTION

Our solutions to various energy-saving and environmental-protection needs have made a significant contribution in many parts of the world. Some of our environmental solutions will include desired technology transfers from a global perspective.

Action Plans for Reducing CO_2 Emissions

Nippon Steel, since the outbreak of the first oil crisis, went all-out to make processes and operations continuous and to recover used energy wherever possible, achieving by around 1990 an energy-efficiency level of more than 20%. On average in fiscal 2012 from 2008, the Japanese steel industry, including Nippon Steel, has announced the voluntary energy action plan, setting a target of 10% reduction from the 1990 level.



※Each figure in the above graph represents a total of the five companies, including Nippon Steel and affiliated electric-furnace companies.

In fiscal 2011, CO_2 emissions of the Nippon Steel Group totaled about 67.1 million tons, down 10.3% from the fiscal 1990 level (a decrease of ▲6.7% in CO_2 emission per ton of crude steel).

ECO-PRODUCTS (Environmentally-friendly steel products)

	Promotion of measures against global warming (Energy conservation aid 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)
Automobiles	■Weight reduction and improved safety ●High-strength steel sheets, pipes and bar and wire materials ●Extra-heavy wall, small diameter ERW tubes ■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	■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 ■Products that address noise and vibration ●Laminated damping steel sheets	■Waste reduction through extended product lifespan ●GA-TRIP steel sheets ●Galvanized steel sheets with high corrosion-resistance ●SUPERNICKEL® steel sheets for hybrid car batteries
Containers	■Weight reduction for 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)
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	■Materials free of substances causing environmental impact ●Lead-free galvanized steel sheets (ECOKOTE®, ECOTRIO®) ●Chromate-free electro-galvanized steel sheets for home appliances (ZINKOTE®21, ZINKOTE®COLOR) ●Chromate-free precoated steel sheets for home appliances (Non-Chro VIEWKOTE®) ■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
Electrical power and energy	■Higher power generation efficiency ●High-temperature boiler steel pipes ■Higher transformer efficiency ●Grain-oriented electrical steel sheets (ORIENTCORE・HI-B®) ■Higher efficiency for energy transportation ●High-strength transportation line pipes	■Increased use for LNG ●Highly corrosion-resistant thick plates for smoke stacks	■Measures to aid power generation from waste ●New 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
Construction and civil engineering, etc.	■Improved construction efficiency ●HTUFF® (Super High HAZ (heat-affected-zone) Toughness Technology with Fine Microstructure imparted by Fine Particles) steel ●High-heatinput welding steel ●Fixed external dimension H-section steel ●Bolt connection system, SHTB® (super high tension bolt) ■Energy conservation ●Steel house (Nittetsu Super Frame™ method of construction)	■Environmental conservation (Reductions in surplus soil, noise and vibration) ●NS ECO-PILE®, GANTETSU™ pile ●Steel-made cast-in-site diaphragm wall, steel-made impermeable wall ●Permeable steel sheet pile, Steel-pipe piles for TN Method, Steel-pipe piles for Gyro-Press Method® ●Non-fraime method ■Improved marine safety ●Hiarest steel sheets (HIAREST®) ●NS-Ship-Safety 235 ■Reduced use of rare metals ●Stainless Steel that contains a very small amount of tin (NSSC FW®1, FW®2)	■Longer life and improved endurance and reliability ●Steel for high-strength structures, High- tensile steel wires ●Rails for heavy - lord railway ■Improved corrosion-resistance capabilities ●Ni-based weather-resistant steel, Titanium-clad steel sheets ●Highly corrosion-resistant galvanized steel sheets (Super Dyma®, etc.) ●New pitting-resistant steel sheets for tankers ●Highly corrosion-resistant plate for crude oil tank (NSGP®-1) ●MARILOY® ●Alloyed titanium (Super-TIX®)

ECO-PROCESS (Environmentally-designed manufacturing processes)

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

Recycling Steel Slag and Dust

Steel slag, making up the majority of the by-products, and for the purposes of natural resource conservation and energy conservation, nearly all amount is used as raw materials for cement, ground improvement material, road bed material, andso forth. Dust generated in the process of iron manufacture is processed by the “RHF (rotary hearth furnace) equipment” developed jointly with Nippon Steel Engineering Co., Ltd. to recover resources, thus establishing the zero emission system for steel dust.

Recycling of resource from Plastics of Containers and Packaging Waste

Nippon Steel is making a 100% recovery of resources (coke, oil, gas) from the container and packaging plastics collected by individual local governments from ordinary homes. At present, Nippon Steel has established a world's largest, waste-plastics reception network by which its five steelworks in nationwide locations are servicing the entire country. Nippon Steel recycles about 30% (200,000tons) of the container and packaging plastic collected from municipalities throughout Japan, and to date has processed a total of 1.7million tons (between 2000 and 2011). This is equivalent to a total CO_2 reduction of approximately 5.3 million tons. In addition, Nippon Steel also recycles fiber products including waste uniforms and food trays in cooperation with tray producing companies into petrochemical products, using our obovementioned technology.

Recycling of resource from Waste-Tire

Nippon Steel’s Hirohata Works recycles waste tires gathered from all over the country. In resource recovery, waste tires are used as raw materials and fuels 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 81% achieved (81% of the total power generation in steelworks is generated from recovered waste heat and byproduct gas)

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

Nippon Steel recovers high-temperature waste heat and byproduct 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 89% of the total electric power that it needs, and purchases the remaining 11% from outside. A total of 81% of the total electric generation used by the steelworking facilities is generated from recovered waste heat and byproduct gases.

CDQ (Coke Dry Quenching): Nippon Steel 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.

R&D of a Revolutionary Iron-making Method

SCOPE21

This next-generation coke manufacturing technology, SCOPE21, designed for dramatic energy-saving and CO_2 emission reduction and expand the use of low-grade metallurgical coal, has been introduced for the first time in the world.

COURSE50

The present iron-making process uses coal as a reducing agent for iron ores and, for this reason, unavoidably makes CO_2 emissions. Nippon Steel and four other Japanese integrated steel producers, together with Nippon Steel 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, completing R&D by 2030 and industrialization and spread by around 2050.

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

Bio-Oil & Bio-Mass from Residual Wood from the Thinning of Mountain Forest

Wood from the thinning of mountain forests is made into chips and, mixed with solvents, subjected to microwave irradiation. Constituent parts of wood are thus decomposed into bio-oil, for use as a substitute fuel for petroleum and a raw material for chemical products. For these, the verification test is now under way. (Nippon Steel Chemical Co., Ltd.)

Nippon Steel's Kamaishi Works is using such wood chips and non-commercial-grade timbers for a coal-fired thermal power station. Mixing woody bio-mass in coal combustion can serve the purpose of using less coal, which is a fossil fuel to be imported, and thus reducing CO_2 emissions, while also helping in tending to forests.

Marine Forest Creation

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

Hometown Forest Creation

At the start of Nippon Steel in 1971, "Hometown-Greening" programs were also launched at all of its steelworks scattered throughout the country. After studies on natural vegetation and indigenous trees in the surrounding areas, seeding, and planting seedlings, the steelworks' respective programs have now produced forests with a total area of about 700 hectares and with 30m-high trees, providing habitats of various wild 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” each year. Exchanges between specialists of both countries have been contributing to the improved technological strengths of Chinese steelmakers.

Approach through Global Superior Energy Perfomance Partnership (GSEP) on Clean Development and Climate

Asia-Pacific Partnership (APP) on Clean Development and Climate which the seven countries of Japan, U.S., Canada, China, Korea, India and Australia had been undertaking the transfer and spread of energy-saving and environmental-protection technologies since 2006 dissolved progressively and GSEP has established in 2011.More countries will work on the spread of energy-saving technology under GSEP.

Approach through worldsteel (World Steel Association)

World Steel Association issued its Position Paper “A global sector approach to CO_2 emissions reduction for the steel industry” in December 2007. This approach is so far the most fair, rational and effective framework for global warming countermeasures, from the viewpoint of “Participation of all major emitting countries leading to an emission reduction throughout the world”.

Personnel and Labor Relations

Employees

Number of Employees

As of March 31		1970	2006	2007	2008	2009	2010	2011	2012
Total enrollment		79,638 *1	19,880	17,733	17,709	17,646	17,790	17,861	17,326
Employees by division (enrollment of Nippon Steel)		79,326 *2	15,212	14,346	15,083	15,503	15,845	16,150	16,158
・Head office*7		5,331 *3	1,002	1,043	1,101	1,129	1,154	1,192	1,473
・Steelworks	Yawata	27,669	2,552	2,635	2,701	2,810	2,856	2,850	2,861
	Muroran	7,834	515	535	570	583	579	604	584
	Kamaishi	4,761	150	161	212	216	223	224	223
	Hirohata	10,588	1,074	1,110	1,160	1,191	1,244	1,293	1,286
	Hikari*5	3,092	214	226	224	244	245	243	—
	Nagoya	8,518	2,747	2,794	2,847	2,922	2,971	3,044	2,994
	Sakai	3,431	191	301	320	327	354	346	332
	Kimitsu	3,891	2,878	2,939	3,285	3,363	3,416	3,474	3,510
	Oita	319	1,501	1,531	1,573	1,629	1,696	1,767	1,998
	Tokyo	650	91	94	101	117	119	119	116
・Technical Development Bureau*7		604	702	732	745	746	758	765	549
・Domestic sales offices		—	353	212	215	209	219	218	222
・Overseas offices*4		—	34	33	29	17	11	11	10
・Engineering Divisions Group*6		2,638	1,106	—	—	—	—	—	—
・New Materials Division*6		—	102	—	—	—	—	—	—
Of the total enrollment, those seconded to subsidiaries and other organizations		… *2	4,668	3,387	2,626	2,143	1,945	1,711	1,168

*1 : Including 303 of Kawasaki Steel Works and others

*2 : Including those seconded to subsidiaries and other organizations for the employees by division (enrollment of Nippon Steel) for 1970

*3 : Including those of overseas and domestic sales offices

*4 : Those working at Nippon Steel U.S.A. Inc. and Nippon Steel Southeast Asia Pte.Ltd. and Nippon Steel Australia Pty.Ltd. and Nippon Steel Empreendimentos Siderúrgicos Ltda. and Nippon Steel (Thailand) Co.,Ltd and Nippon Steel Consulting (Beijing) Co.,Ltd are included in those seconded to subsidiaries and other organizations.

*5 : Hikari Works integrated into Oita Works in April 2011

*6 : Spinned off in July 2006

*7 : Those shifted from Technical Development Bureau to Plant Engineering and Facility Management Center in Head office which reorganized in November 2011

(Reference, as of March 31, 2012)

Number of Employees	16,158	Average age	39.8	Average years of continuous service	19.5	Average annual income	5,927,144
(Male	15,339)	(Male	40.1)	(Male	19.5)		
(Female	819)	(Female	35.7)	(Female	15.5)		

Number of New Employees

FY	2005	2006	2007	2008	2009	2010	2011	2012*	2013**
Total	478	524	656	749	876	891	864	637	580
Female	16	25	36	33	72	62	156	128	…
Clerical staff	74	69	85	71	91	95	123	98	50
Technical staff	80	84	90	98	152	146	141	139	130
Staff of operation / maintenance	324	371	481	580	633	650	600	400	400
Mid-career employees	165	114	198	183	93	229	240	…	…

*As of April 1
**Planned

Number of Company Employees Studying Abroad

Years ended March 31	2006	2007	2008	2009	2010	2011	2012	2013
Employees newly studying abroad	2	8	3	3	7	5	5	8

Wages and Bonuses

Increase in Monthly Wages

(¥/month)

Years ended March 31	2006	2007	2008	2009	2010	2011	2012	2013
Wage increase	0	0	0	0	0	0	0	0
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	3,700	3,700

Notes:
1) Standard employee (35 years old, 17 years of continuous service)
2) Multiple-year (2 year) agreement from 1999

Annual Bonus Payment

(¥1,000/year)

Years ended March 31	2006	2007	2008	2009	2010	2011	2012	2013
Amount of standard	2,140	2,460	2,490	2,200	1,650	1,150	1,400	1,200
Summer	1,070	1,230	1,245	1,100	825	575	700	600
Winter	1,070	1,230	1,245	1,100	825	575	700	600

Notes:
1) Standard employee (39 years old, 21 years of continuous service)
2) 2003～: Profit-link bonus
Formula: X =1,130,000+ (Adjusted Ordinary Profit)/2,927,000,000
Adjusted Ordinary Profit=Last fiscal year's ordinary profit x 0.8 + current fiscal year's profit x 0.2
Exception: In case ordinary profit is less than 25 billion or more than 360billion, negotiation is held.

Starting Salaries

(¥/month)

Years ended March 31	2006	2007	2008	2009	2010	2011	2012	2013
University graduates	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
High-school graduates	156,500	156,500	160,000	160,000	160,000	160,000	160,000	160,000

Working Hours

(days and hours)

Years ended March 31	2006	2007	2008	2009	2010	2011	2012	2013
Annual number of holidays								
Regular daytime workers	118	118	118	118	118	118	118	118
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	1,916	1,916
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	1,908	1,908

Notes:

1) Targets are set for annual fixed working hours of under 1,900 hours
2) Daily working hours in 2012: 7.75 hours for regular daytime workers and 7.25 hours for daytime/nighttime shift workers

Welfare

Childcare Leave

- This leave, designed to aid employees responsible for child-care in continuing company life more compatibly with family life, has been in effect since April 1, 1992.
- Of employees bringing up children less than one year and six months old, those desiring to take child-care leave shall be eligible for this leave until the child reaches the age of one year and six months (or two years, under special circumstances).

Long-term Care Leave

- This leave, designed to aid employees responsible for family-care in continuing company life more compatibly with family life, has been in effect since April 1, 1993.
- Of employees whose family members are in need of nursing care, those desiring to take family-care leave shall be eligible for this leave for a maximum period of one year from the start or for a total of ninety-three days from the start.

Others

- Company houses and apartments:
  About 5,000 units (about 500 for headquarters area)
- Bachelor houses and apartments:
  25 locations accommodating 3,771 persons
  (2 locations accommodating 309 for headquarters area)
- Loan system for house purchase:
  Loan limit ¥50 million for employees with more than 10 years of continuous service and more than 30 years of age
- Child Education Support System:
  Loan limit ¥5 million
- Refreshment Holiday System:

	Travel coupon	Special holidays
Employees with 15 years of continuous service	¥150,000	10 holidays
Employees with 30 years of continuous service	¥400,000	10 holidays

- Welfare facilities: 4 locations
  Operated by the company
  Possessed by the health insurance union

Sporting Activities

Judo—Hirohata Works, Head Office

■ Recent major results

・All-Japan Business Team Tournament	victory in 1995 and 1996, second best in 1997, victory in 1998, third best in 1999, victory in 2000, third best in 2001-2004, second best in 2005-2006, third best in 2009, victory in 2010-2011
・All-Japan Team Tournament	victory in 1993 and 1994, second best in 1995-1997, third best in 1998-1999

■ Recent major individual results at world tournament

・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 Entry
・World Championship	Japan (1995) -86 kg H. Yoshida Second best／-95 kg S. Okaizumi 3rd place Birmingham (1999) -90 kg H. Yoshida Victory Munich (2001) -90 kg M. Tobitsuka Entry Japan (2010) +100kg K. Takahashi 5th place
・Kano-Jigoro Cup	Japan (1996) Open N. Yabu 3rd place
・Grand Slam	Japan (2009) +100kg K. Takahashi Victory Rio de Janeiro (2010) +100kg K. Takahashi Victory Japan (2010) -90kg M. Nishiyama Victory／+100kg K. Takahashi Second best Japan (2011) -90kg M. Nishiyama Victory
・World Master	Kazakhstsn (2012) -90kg M. Nishiyama Victory
・Asian Games	China (2010) Open K. Takahashi Victory

■ Recent major individual results at Japanese tournament

・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 Second best／1999 -90 kg H. Yoshida Victory 2000 -90 kg H. Yoshida Victory -90 kg M. Tobitsuka Second 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 Second best
・Kodokan Cup All-Championship by Weight	1997 +100 kg N. Yabu Second best -100 kg S. Okaizumi 3rd place 1998 +100 kg N. Yabu Second best -90 kg H. Yoshida Victory 1999 +100 kg K. Masuchi Second best -100 kg T. Inoue Second best 2000 -90 kg M. Tobitsuka Victory／2001 -100 kg H. Yoshida Second best 2005 -81kg S. Yoshinaga Victory／2008～2011 -90 kg M. Nishiyama Victory 2010 +100kg K. Takahashi Victory

Volleyball—Sakai Blazers
(incorporated in December 2000 as a 100% subsidiary of Nippon Steel)

■ Recent major results

・Japan League	3 continuous victories since 1988, Second best in 1991, 13 cumulative victories
・V-League	Victory in 1996 and 1997 and 2005 and 2011 Second best in 1994 and 1995 and 2009 and 2010

■ Athletes in national team

・Olympics	Seoul (1988)	10th place	M. Manabe
	Barcelona (1992)	6th place	T. Ueda, Y. Nakagaichi
	Beijing (2008)		T. Ueda (Head Coarch), 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 to 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　Third (1995)　Y. Sakuraba／Fourth (1999)　Y. Sakuraba

Baseball—Nagoya Works and Kimitsu Works (reorganized to club teams in 2003 to restart as Tokai REX and Kazusa Magic respectively)

■ Recent major results
- Inter-City Baseball Championship Tournament
  1995 Yawata：Entry；Nagoya：Best 8／1996 Yawata：Entry；Kimitsu：Best 8
  1997 Yawata：Entry／1998 Hirohata, Nagoya：Entry／2000 Kimitsu：Best 4
  2001-2002 Kimitsu：Entry／2003 Kimitsu, Hirohata：Entry
  2006 Hirohata：Entry／2008 Hirohata：Entry
  2010 Kazusa Magic, Hirohata：Entry／2011 Muroran Sharks, Hirohata：Entry
  Victory：1937,1954 Yawata／1968,1971 Hirohata
  Second best：1959 Kamaishi／1963 Muroran／1974 Yawata／1983 Nagoya
  1990 Hirohata

■ National team
- Olympics　Atlanta(1996)　N. Matsunaka／Sydney(2000)　S. Watanabe, K. Noda

Reference:Organization of Labor Unions

Japanese Trade Union Confederation
Established in 1989
President : N. Koga
General Secretary :H. Nagumo
54 organizations
-Membership : 6,750,000
Phone : 03-5295-0550
(as of April 2012)

Japan Federation of Basic Industry Workers' Unions
Established in 2003
President : R. Kozu
Vice-president : K. Sawada
Vice-president : S. Kaneko
Vice-president : H. Kojima
General Secretary : S. Kudo
399 organizations
-Membership : 256,019
Phone : 03-3555-0401～4
(as of April 2012)

Federation of Nippon Steel Workers' Unions
Established in 1972
President : T.Omori
Vice-president : Y. Todaka
General Secretary : N. Kohno
Standing Members of Central Executive Committee
T. Arakawa
T. Tamai
A. Uemura
S. Hasegawa
S. Kato
I. Kuroshima
Membership : 18,660
Phone : 03-6867-6284
(as of April 2012)

Japan Council of Metal Workers' Unions(IMF-JC)
Established in 1964
President : K. Nishihara
5 organizations -Membership : 2,020,000 (as of April 2011)
Phone : 03-3274-2461

Yawata Workers' Union (established in 1945)
President : K. Shinagawa General Secretary : T. Masuda
Membership : 3,131 Phone : 093-671-2861

Muroran Workers' Union (established in 1945)
President : N. Sugawara General Secretary : K. Ohgara
Membership : 1,126 Phone : 0143-44-5349

Kamaishi Workers' Union (established in 1946)
President : K. Miura General Secretary : T. Matsumoto
Membership : 220 Phone : 0193-24-3013

Hirohata Workers' Union (established in 1945)
President : A. Fukunaga General Secretary : T. Kirino
Membership : 1,618 Phone : 0792-36-1491

Hikari Workers' Union (established in 1972)
President : A. Fujimura General Secretary : T. Ueda
Assistant General Secretary : N. Kawato
Membership : 214 Phone : 0833-71-1817

Nagoya Workers' Union (established in 1962)
President : T. Tsunaki General Secretary : K. Mochida
Vice-president : M. Matsumura
Membership : 2,890 Phone : 052-601-1881

Sakai Workers' Union (established in 1961)
President : T. Ozaki General Secretary : M. Tanimichi
Membership : 323 Phone : 072-238-1888

Kimitsu Workers' Union (established in 1972)
President : H. Odani General Secretary : K. Honma
Assistant General Secretary : T. Kondo
Membership : 3,282 Phone : 0439-52-8711

Oita Workers' Union (established in 1971)
President : K. Kanda General Secretary : R. Matsuo
Vice-president : K. Ishimoto
Membership : 1,808 Phone : 097-551-1056

Tokyo Workers' Union (established in 1945)
President : T. Hirota General Secretary : H. Kobayashi
Membership : 102 Phone : 03-3968-6964

Head Office Workers' Union (established in 1970)
President : T. Kubota General Secretary : H. Yamaguchi
Assistant General Secretary : M. Kobayashi
Membership : 834 Phone : 03-3242-8207

Nippon Steel Chemical Workers' Union (established in 1972)
President : K. Tomitoku General Secretary : N. Yamasaki
Membership : 1,029 Phone : 093-871-7851

Nippon Steel & Sumikin Stainless Steel Workers' Union (established in 2005)
President : T. Ichikura General Secretary : H. Nakamura
Assistant General Secretary : E. Fujita
Membership : 1,103 Phone : 0833-71-5255

Nippon Steel Engineering Workers' Union (established in 2007)
President : D. Matsuyama General Secretary : H. Kouki
Vice-president : K. Egashira
Membership : 872 Phone : 03-3275-6327

Nippon Steel Materials Workers' Union (established in 2008)
President : S. Takahashi General Secretary : Y. Kurohara
Membership : 95 Phone : 03-3275-6327

Financial Summary

Nippon Steel Group (consolidated)

As of or for the years ended March 31	2003	2004	2005
Crude steel (million tons)	32.34	32.73	32.79
Net sales	2,749,306	2,925,878	3,389,356
Operating profit (loss)	142,961	224,475	429,948
Ordinary profit (loss)	68,879	172,851	371,446
Net income (loss)	(51,686)	41,515	220,601
Net assets	789,443	938,581	1,188,409
Total assets	3,757,175	3,705,917	3,872,110
Net assets per share	¥118.73	¥138.92	¥176.20
Net income (loss) per share	(¥7.69)	¥6.15	¥32.73
Net income per share after dilution	—	—	¥32.71
Shareholders' equity	789,443	938,581	1,188,409
Ratio of shareholders' equity to total assets (%)	21.0	25.3	30.7
Ratio of net income(loss) to shareholders' equity (%)	(6.1)	4.8	20.7
Ratio of cash dividends to net income (%)	—	—	15.3
Interest-bearing debt	1,871,875	1,561,228	1,282,266
Interest expenses	28,695	23,236	19,070
Capital expenditure	163,318	149,593	195,228
Depreciation	196,653	183,510	180,571
No. of consolidated subsidiaries	258	259	258
No. of affiliates accounted for by the equity method	86	73	71
Number of employees	49,400	46,233	46,451

Net sales by business segment

Steelmaking and steel fabrication	1,980,809	2,156,946	2,620,732
Engineering and construction	274,903	293,137	279,866
Urban development	105,188	120,811	89,275
Chemicals	—	—	—
New materials	—	—	—
(Chemicals and nonferrous materials)	346,232	275,797	*1 331,168
System solutions	153,143	150,850	146,531
(Other businesses)	79,059	73,615	76,244
Total	2,939,337	3,071,159	3,543,819
Elimination of intersegment transactions	(190,031)	(145,280)	(154,463)
Consolidated total	2,749,306	2,925,878	3,389,356

Ordinary profit (loss) or Operating profit (loss) by business segment

Steelmaking and steel fabrication	112,816	189,717	376,926
Engineering and construction	2,460	4,359	6,696
Urban development	4,469	13,526	8,503
Chemicals	—	—	—
New materials	—	—	—
(Chemicals and nonferrous materials)	13,458	12,667	*2 26,374
System solutions	9,776	9,182	11,384
(Other businesses)	(2,155)	(4,310)	384
Total	140,825	225,143	430,269
Elimination of intersegment transactions	2,135	(668)	(321)
Consolidated total	142,961	224,475	429,948

(¥ million)

	2006	2007	2008	2009	2010	2011	2012
	33.95	34.52	36.23	31.24	29.92	34.92	32.44
	3,906,301	4,302,145	4,826,974	4,769,821	3,487,714	4,109,774	4,090,936
	576,319	580,097	545,580	342,930	32,005	165,605	79,364
	547,400	597,640	564,119	336,140	11,833	226,335	143,006
	343,903	351,182	354,989	155,077	(11,529)	93,199	58,471
	1,677,889	2,369,228	2,413,954	2,174,809	2,335,676	2,380,925	2,347,343
	4,542,766	5,344,924	5,193,498	4,870,680	5,002,378	5,000,860	4,924,711
	¥252.65	¥295.78	¥303.33	¥265.23	¥293.19	¥295.84	¥290.77
	¥51.07	¥54.28	¥56.33	¥24.60	(¥1.83)	¥14.81	¥9.29
	¥51.04	¥53.18	¥53.51	¥23.71	—	¥14.51	—
	1,677,889	1,892,883	1,908,777	1,668,682	1,844,382	1,860,799	1,828,902
	36.9	35.4	36.8	34.3	36.9	37.2	37.1
	24.0	19.7	18.7	8.7	(0.7)	5.0	3.2
	17.6	18.4	19.5	24.4	—	20.2	26.9
	1,223,837	1,213,057	1,192,027	1,454,214	1,383,794	1,337,851	1,334,512
	13,647	11,293	12,639	15,839	17,999	15,609	14,533
	203,973	273,440	308,993	305,738	329,356	287,236	281,748
	183,365	192,454	244,038	273,744	284,092	291,587	280,940
	251	258	254	251	255	270	286
	69	67	72	73	73	74	76
	46,143	47,257	48,757	50,077	52,205	59,183	60,508
	3,057,510	3,482,377	3,994,526	4,038,685	2,823,193	3,473,495	3,476,855
	336,179	367,968	359,884	386,643	331,905	254,941	248,934
	104,045	94,347	93,839	70,152	80,073	86,556	80,419
	—	*3 318,755	*3 289,029	212,172	179,412	193,896	197,669
	—	65,601	76,157	59,907	58,799	60,888	54,245
*1	373,072	—	—	—	—	—	—
	148,339	156,505	165,360	161,541	152,234	159,708	161,582
	69,057	—	—	—	—	—	—
	4,088,205	4,485,555	4,978,797	4,929,103	3,625,619	4,229,485	4,219,706
	(181,903)	(183,410)	(151,823)	(159,281)	(137,904)	(119,711)	(128,769)
	3,906,301	4,302,145	4,826,974	4,769,821	3,487,714	4,109,774	4,090,936
	513,977	514,562	475,951	307,047	(20,589)	181,968	98,846
	9,517	13,031	21,496	24,674	31,655	14,883	12,775
	14,155	14,301	12,602	3,929	2,937	9,273	9,371
	—	*2 23,645	*2 21,050	894	10,431	13,244	13,598
	—	3,129	559	(2,397)	444	2,111	607
*2	*2 27,037	—	—	—	—	—	—
	11,806	13,992	14,756	11,479	10,732	11,332	11,215
	(1,185)	—	—	—	—	—	—
	575,308	582,662	546,416	345,627	35,613	232,814	146,415
	1,010	(2,564)	(835)	(2,696)	(3,607)	(6,478)	(3,408)
	576,319	580,097	545,580	342,930	32,005	226,335	143,006

∗1 Effect of changing its definition of sales at Nippon Steel Chemical (¥49.9billion) and effect of the decline in the number of consolidated subsidiaries (¥30.9 billion) are included.

∗2 Having regard to losses of ¥2.7 billion incurred as a result of Nippon Steel Chemical becoming the wholly owned subsidiary of Nippon Steel.

∗3 Nippon Steel Chemical transferred coke operations to Nippon Steel in July 1, 2007.
Sales of coke operations is ¥60.1 billion in fiscal 2006, ¥16.3 billion in fiscal 2007.

Notes:

1) Amounts of money discard fractions.
   Other figures are rounded to the nearest unit.
2) Figures for crude steel include, in addition to the Company's, production amounts of Osaka Steel Co., Ltd., Nippon Steel & Sumikin Stainless Steel Corporation, Shin-Hokkai Steel Co., Ltd., Tokai Spcial Steel Co., Ltd., and Oji Steel Co., Ltd., which all are subsidiaries of the Company. Production amount of Oji Steel Co.,Ltd. has been included since the second half of fiscal 2007.
3) The basis of dividing business segment changed at the beginning of the year ended March 31, 2001 as follows :
   - Some companies which had been included in "Chemicals, nonferrous metals, and ceramics" were transferred to Steelmaking and steel fabrication. Therefore a change in the name of the related industry segment from Chemicals, nonferrous metals, and ceramics to "Chemicals and nonferrous materials" was made.
   - All companies which had been included in "Transportation" were transferred to "Steelmaking and steel fabrication" and the "Transportation" segment was subsequently abolished.
   - Some companies which had been included in "Engineering and construction" were transferred to "Steelmaking and steel fabrication", and "Services and others".
   - Some companies which had been included in "Services and others" were transferred to "Steelmaking and steel fabrication". As the result of these changes, sales and operating profit (loss) for 2000 and 2001 are presented under the new segments.
4) "Other businesses" includes "Power supply" and "Service and others".
5) To adapt to the business operations being promoted, the business segment "Electronics & information Systems" was changed to "System Solutions" in 2002. Also, to adapt to actual business administration conditions being implemented, some of the companies which were categorized hitherto as "Urban development" were transferred to "Services and others" effective from January 2002.
6) On July 1, 2006, Nippon Steel spun off two business sectors, engineering and construction, and new materials. At the same time, the company positioned as the operating domain its six business sectors, steelmaking and steel fabrication, engineering and construction, urban development, chemicals, new materials, and system solutions. "Chemicals" and "New materials", which were included in the chemicals and nonferrous materials segment, are now positionedas independent businesses, and "titanium and aluminum operations", which were part of the chemicals and nonferrous materialssector, have been transferred to "Steelmaking and steel fabrication". "Other businesses" (electric power supply, services, and others) has been transferred to "Steelmaking and steel fabrication".
7) Minority interest in consolidated subsidiaries and defferd hedgein profit(loss) are included in shareholders' equity from fiscal 2007.
8) Beginning with the fiscal year 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 the result of this, ordinary profit (loss) are presented from fiscal 2011 and operating profit (loss) are presented before fisical 2010.

Reference : The highest and lowest records in past

(¥ billion)

Item	Consolidated		Non-Consolidated	
	Highest	Lowest	Highest	Lowest
Net sales	4,826.9 (2008)	2,581.3 (2002)	3,128.6 (2009)	1,224.4 (1972)
Operating profit (loss)	580.0 (2007)	(10.9) (1994)	433.9 (2006)	(62.8) (2010)
Ordinary profit (loss)	597.6 (2007)	(36.7) (1994)	389.7 (2007)	(94.9) (2010)
Net income (loss)	354.9 (2008)	(54.0) (1994)	248.8 (2007)	(57.6) (2010)
Crude steel production (million tons)	36.23 (2008)	31.24 (2009)	40.99 (1974)	23.20 (1999)

Note :

1) Consolidated records : since 1991 (Crude steel production : since 2003)

2) Years ended March 31

Nippon Steel (non-consolidated)

As of or for the years ended March 31	2003	2004	2005
Production (million tons)			
Pig iron	27.62	28.24	27.81
Crude steel	29.90	30.14	29.88
Steel Products	28.22	28.40	28.53
Net sales	1,789,706	1,861,829	2,147,863
・Domestic	1,290,548	1,321,404	1,526,408
・Exports	499,158	540,424	621,454
Operating profit (loss)	92,279	162,966	303,886
Ordinary profit (loss)	48,359	117,678	247,826
Net income (loss)	(20,447)	31,184	145,824
Common stock	419,524	419,524	419,524
Number of shares outstanding (1,000)	6,806,980	6,806,980	6,806,980
Net assets	713,772	845,099	1,019,186
Total assets	2,588,698	2,652,353	2,819,991
Net assets per share (¥/share)	107.15	124.99	150.98
Cash dividends per share (¥/share)	1.5	1.5	5.0
Net income (loss) per share (¥/share)	(3.02)	4.62	21.63
Net income per share after dilution (¥/share)	—	—	—
Ratio of shareholders' equity to total assets (%)	27.6	31.9	36.1
Ratio of net income(loss) to shareholders' equity (%)	—	4.0	15.6
Ratio of cash dividends to net income (%)	—	32.5	23.1
Interest-bearing debt	1,188,209	1,075,872	909,370
Interest expenses	20,916	16,652	13,919
Capital expenditure	85,000	120,000	140,000
Depreciation	148,106	134,314	129,903
Number of employees	16,481	15,138	15,081

Net Sales by Grouping (non-consolidated)

Steel products (total)	1,450,056	1,535,023	1,817,524
・Sections	155,161	170,023	232,119
・Flat-rolled products	857,847	959,811	1,155,790
・Tubulars	71,173	72,068	84,958
・Specialty steel products	347,401	311,615	316,469
・Secondary products	18,472	21,504	28,186
Pig iron, steel ingots and others	19,071	22,279	32,640
Engineering and construction	251,916	242,347	224,060
Chemicals and nonferrous materials and power supply	68,662	62,179	73,638
Total	1,789,706	1,861,829	2,147,863

Notes:

1) Amounts of money discard fractions.
   Other figures are rounded to the nearest unit.
2) Production of steel products: Commissioned production is excluded and sub-products are included.
3) Number of employees: Excluding those seconded to subsidiaries and other organizations
4) Sales of sub-products: Included in steel products
5) Sales of slag products: Excluded from "Chemicals and nonferrous materials and power supply" in and after 2000 (ended March 31, 2000) and included in "Pig iron, steel ingots and others".
6) On July 1, 2006, Nippon Steel spun off two business sectors, engineering and construction, and new materials. Net sales of them in 1st quarter are included in Engineering and construction and Chemicals and nonferrous materials and power supply.

(¥ million)

2006	2007	2008	2009	2010	2011	2012
29.05	28.33	29.63	26.43	24.60	29.91	28.49
31.20	31.60	33.11	28.61	27.50	32.46	30.20
28.80	30.42	31.66	27.01	26.72	31.01	28.56
2,591,388	2,562,899	2,782,944	3,128,694	2,152,171	2,708,406	2,672,479
1,853,137	1,767,702	1,892,173	2,155,587	1,359,135	1,663,433	1,675,699
738,251	795,197	890,770	973,107	793,036	1,044,972	996,779
433,933	402,277	376,128	252,965	(62,810)	57,657	1,187
388,740	389,776	353,144	203,661	(94,998)	80,191	23,602
244,034	248,844	235,897	108,986	(57,638)	49,419	19,606
419,524	419,524	419,524	419,524	419,524	419,524	419,524
6,806,980	6,806,980	6,806,980	6,806,980	6,806,980	6,806,980	6,806,980
1,391,985	1,474,897	1,369,206	1,208,835	1,271,147	1,260,233	1,220,223
3,446,558	3,713,909	3,548,498	3,374,010	3,586,291	3,561,725	3,498,597
209.37	230.15	217.22	191.78	201.67	199.94	193.59
9.0	10.0	11.0	6.0	1.5	3.0	2.5
36.21	38.42	37.37	17.29	(9.14)	7.84	3.11
—	37.75	35.71	16.84	—	—	—
40.4	39.7	38.6	35.8	35.4	35.4	34.9
20.2	17.4	16.6	8.5	(4.7)	3.9	1.6
24.5	26.0	29.4	34.7	—	38.3	80.4
960,115	1,234,969	1,294,965	1,543,853	1,595,460	1,625,033	1,666,078
9,856	10,692	16,605	20,686	21,993	21,771	21,638
165,000	200,000	230,000	220,000	270,000	210,000	180,000
130,619	134,177	174,924	197,165	214,311	220,937	212,266
15,212	14,346	15,083	15,503	15,845	16,150	16,158
2,198,476	2,373,276	2,624,888	2,951,142	2,042,545	2,560,701	2,506,883
264,690	265,144	309,814	371,938	250,764	267,544	246,916
1,419,742	1,525,485	1,675,463	1,901,581	1,349,998	1,693,272	1,621,616
104,938	112,587	115,283	124,521	74,878	86,570	87,511
388,723	450,792	503,206	533,952	348,199	494,822	528,620
20,382	19,266	21,120	19,148	18,704	18,491	22,217
46,818	53,365	62,981	73,694	37,171	64,799	68,114
256,722	50,791	—	—	—	—	—
89,371	85,466	95,074	103,856	72,454	82,905	97,482
2,591,388	2,562,899	2,782,944	3,128,694	2,152,171	2,708,406	2,672,479

Capital Procurement from Capital Markets

Bonds and notes	Date of issue	Total issues (¥ 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
46th straight bond	Nov. 20, '02	10,000	1.36%	Nov. 20, '12
48th straight bond	Feb. 13, '03	15,000	1.18%	Feb. 13, '13
49th straight bond	Jun. 4, '03	20,000	0.80%	Jun. 4, '13
52nd straight bond	May 28, '04	15,000	1.67%	Mar. 20, '14
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
54th straight bond	Jan. 25, '08	20,000	1.18%	Dec. 20, '13
55th straight bond	Jan. 25, '08	30,000	1.66%	Dec. 20, '17
56th straight bond	May 23, '08	30,000	1.55%	Mar. 20, '14
57th straight bond	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	Sep. 2, '08	10,000	2.491%	Jun. 20, '28
60th straight bond	Dec. 2, '08	30,000	1.214%	Dec. 20, '12
61st straight bond	Dec. 2, '08	15,000	1.891%	Sep. 20, '18
62nd straight bond	Jun. 6, '09	20,000	1.163%	Jun. 20, '14
63rd straight bond	Jun. 6, '09	20,000	1.942%	Jun. 20, '19
64th straight bond	Apr. 20, '10	20,000	1.53%	Mar. 19, '20
65th straight bond	Aug. 31, '10	15,000	1.076%	Jun. 19, '20
66th straight bond	May 24, '11	10,000	0.58%	Mar. 18, '16
67th straight bond	May 24, '11	30,000	1.293%	Mar. 19, '21
68th straight bond	Oct. 20, '11	15,000	1.109%	Sep. 17, '21
Total		735,000		

Note:

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

Equipment Investments—Japanese Steel Industry and Nippon Steel

(¥billion)

Years ended March31	Japanese steel industry		Nippon Steel			
			Consolidated		Non-Consolidated	
	Investments	(Cumulative total)	Investments	Depreciation	Investments	Depreciation
1971	852.0	(852.0)			275.0	111.9
1972	774.9				250.0	113.3
1973	651.6				173.0	130.1
1974	592.8				96.0	136.1
1975	892.2				197.0	139.6
1976	1,147.4	(4,910.9)			325.0	151.4
1977	1,264.6				280.0	174.4
1978	684.1				200.0	178.3
1979	580.5				160.0	178.9
1980	618.3				170.0	201.6
1981	606.8	(8,665.2)			165.0	201.5
1982	792.2				220.0	194.9
1983	1,031.9				300.0	197.0
1984	879.1				210.0	190.1
1985	651.8				170.0	185.1
1986	639.5	(12,659.7)			175.0	181.1
1987	641.1				165.0	179.3
1988	490.9				105.0	184.9
1989	526.2				125.0	178.3
1990	756.9				150.0	166.9
1991	967.9	(16,042.7)			170.0	166.7
1992	1,146.6				200.0	172.3
1993	1,101.5				200.0	166.6
1994	811.7		(Consolidated figures		170.0	146.8
1995	703.4		available from FY 1995)		130.0	141.7
1996	735.5	(20,541.4)	234.9	238.0	120.0	154.3
1997	561.5		241.4	232.5	100.0	149.3
1998	526.3		232.5	241.0	100.0	148.1
1999	552.9		234.8	221.4	135.0	139.4
2000	464.4		227.0	214.2	180.0	153.3
2001	362.0	(23,008.5)	157.3	207.0	135.0	150.9
2002	382.3		195.8	197.3	175.0	144.4
2003	305.6		163.3	196.7	85.0	148.1
2004	373.4		149.6	183.5	120.0	134.3
2005	397.8		195.2	180.6	140.0	129.9
2006	543.2	(25,010.8)	204.0	183.4	165.0	130.6
2007	663.6		273.4	192.5	200.0	134.2
2008	773.5		309.0	244.0	230.0	174.9
2009	709.6 *3		305.7	273.7	220.0	197.2
2010	763.6 *4		329.4	284.1	270.0	214.3
2011	593.8 *4 *1		287.2	291.6	210.0	220.9
2012	548.3 *5 *2		281.7	280.9	180.0	212.3
2013*2			…	…	…	…

Notes:

1) No. of subjected companies differs according to each year

2) Investments: Construction Basis

3) Includes ferrous metal machine parts and tools in 2007

∗1: Estimate; ∗2: Planned; ∗3: Total of 36 companies;
∗4: Total of 44 companies ∗5: Total of 43 companies

Source: Japanese steel industry—Survey on Corporate finance, Ministry of Economy, Trade and Industry

Recent Major New Installations at Nippon Steel

Steelworks	Investment work	Completion	Capacity
Kimitsu	Replace of Hot-dip galvanizing line	June 2006	40,000 tons/m
Nagoya	Replace of Hot-dip galvanizing line	September 2006	20,000 tons/m
Kimitsu	No.6 Continuous caster	November 2006	160,000 tons/m
Hirohata	Hot-dip galvanizing line	December 2006	30,000 tons/m
Nagoya	Relining of No.1 blast furnace	April 2007	5,443 m^3
Nagoya	Basic oxygen furnace	November 2007	270 tons/ch×1
Oita	No.5 Coke oven	May 2008	1,000,000 tons/y
Oita	Relining of No.1 blast furnace	May 2009	5,775 m^3
Oita	Expansion of Plate mill	September 2009	+ 50,000 tons/m
Kimitsu	Expansion of secondary refining	April 2010	+ 160,000 tons/m
Kimitsu	Relining of No.2 blast furnace	May 2012	4,500m^3
Nagoya	No.5 Coke oven (No.3 Coke oven : scheduled to be stopped)	2nd half, FY2012*	1,000,000 tons/y
Yawata	Relining of No.4 blast furnace	1st half, FY2014*	5,000m^3

* Scheduled to be completed

Steelmaking Operations

Sales

Sales (Values) of Iron and Steel Products by Type of Products

(¥ million)

Years ended March 31	2010			2011			2012		
	Domestic	Exports	Total	Domestic	Exports	Total	Domestic	Exports	Total
Steel products	1,258,907	783,638	2,042,545	1,525,190	1,035,510	2,560,701	1,523,408	983,474	2,506,883
Sections	169,486	81,278	250,764	186,096	81,447	267,544	179,624	67,292	246,916
Flat-rolled products	743,711	606,286	1,349,998	913,109	780,163	1,693,272	898,104	723,512	1,621,616
Tubulars	68,046	6,832	74,878	68,713	17,856	86,570	70,125	17,385	87,511
Specialty steel products	259,334	88,865	348,199	339,345	155,477	494,822	353,732	174,888	528,620
Secondary products	18,329	375	18,704	17,926	565	18,491	21,821	395	22,217
Pig iron,steel ingots,others	36,111	1,059	37,171	63,332	1,466	64,799	66,635	1,478	68,114
Total	1,295,019	784,698	2,079,717	1,588,523	1,036,976	2,625,500	1,590,044	984,953	2,574,997
(% of total sales)	(95.3%)	(98.9%)	(96.6%)	(95.5%)	(99.2%)	(96.9%)	(94.9%)	(98.8%)	(96.4%)
Total sales	1,359,135	793,036	2,152,171	1,663,433	1,044,972	2,708,406	1,675,699	996,779	2,672,479

Notes:

1) Discarding fractional amount below one million yen

2) Sub-products: Included in steel products
Iron and steel slag products: Included in pig iron, steel ingots, others

Sales (Tonnage) of Iron and Steel Products by Type of Products

(1,000 tons)

Years ended March 31	2005	2006	2007	2008	2009	2010	2011	2012
Steel products	29,514	29,595	31,514	32,900	28,200	27,088	31,351	29,089
Sections	4,515	4,458	4,416	4,798	4,082	4,015	3,813	3,168
Flat-rolled products	19,683	19,916	21,243	22,243	19,110	18,895	21,973	20,316
Tubulars, specialty steel products, secondary products	5,316	5,220	5,855	5,860	5,008	4,178	5,565	5,605
Pig iron,steel ingots,others	9,518	9,889	10,011	9,832	9,000	7,551	9,045	9,201

Note: Sub-products: Included in steel products
Iron and steel slag products: Included in pig iron,steel ingots,others in and after 2000

Production

Crude Steel Production:Japanese Steel Industry and Nippon Steel (1,000 tons,%)

Fiscal years	National total	Integrated steelmakers		Electric-furnace steelmakers*		Nippon Steel**	
			% of total		% of total		% of total
1970	92,406	76,999	83.3	15,407	16.7	32,982	35.7
1971	88,441	72,910	82.4	15,530	17.6	29,971	33.9
1972	102,972	84,625	82.2	18,347	17.8	35,369	34.3
1973	120,017	99,672	83.0	20,345	17.0	40,989	34.1
1974	114,035	95,107	83.4	18,929	16.6	36,899	32.4
1975	101,613	84,792	83.4	16,821	16.6	32,293	31.8
1976	108,326	88,358	81.6	19,968	18.4	34,394	31.8
1977	100,646	81,464	80.9	19,182	19.1	31,655	31.5
1978	105,059	82,822	78.8	22,237	21.2	31,994	30.5
1979	113,010	87,231	77.2	25,779	22.8	33,582	29.7
1980	107,386	82,331	76.7	25,054	23.3	31,682	29.5
1981	103,029	78,100	75.8	24,929	24.2	29,970	29.1
1982	96,299	70,964	73.7	25,334	26.3	27,051	28.1
1983	100,200	73,075	72.9	27,125	27.1	27,727	27.7
1984	106,470	77,944	73.2	28,526	26.8	29,596	27.8
1985	103,758	74,671	72.0	29,087	28.0	27,981	27.0
1986	96,379	68,697	71.3	27,682	28.7	25,567	26.5
1987	101,877	73,280	71.9	28,597	28.1	27,157	26.7
1988	105,656	75,637	71.6	30,019	28.4	28,217	26.7
1989	108,139	76,472	70.7	31,667	29.3	28,362	26.2
1990	111,710	78,099	69.9	33,611	30.1	28,993	26.0
1991	105,853	75,333	71.2	30,520	28.8	27,687	26.2
1992	98,937	69,466	70.2	29,471	29.8	25,320	25.6
1993	97,092	69,072	71.1	28,020	28.9	25,123	25.9
1994	101,363	70,869	69.9	30,494	30.1	26,565	26.2
1995	100,023	68,482	68.5	31,541	31.5	26,173	26.2
1996	100,793	68,309	67.8	32,484	32.2	25,706	25.5
1997	102,800	70,352	68.4	32,448	31.6	26,619	25.9
1998	90,979	62,512	68.7	28,467	31.3	23,201	25.5
1999	97,999	69,193	70.6	28,806	29.4	25,620	26.1
2000	106,901	77,095	72.1	29,806	27.9	27,838	26.0
2001	102,064	74,264	72.8	27,800	27.2	26,140	25.6
2002	109,786	79,771	72.9	30,015	27.1	29,902	27.2
2003	110,998	81,401	73.3	29,597	26.7	30,416	27.0
2004	112,897	82,734	73.3	30,163	26.7	30,432	27.4
2005	112,718	82,939	73.6	29,779	26.4	31,667	28.1
2006	117,745	86,453	73.4	31,292	26.6	32,161	27.3
2007	121,511	89,963	74.0	31,549	26.0	33,631	27.7
2008	105,500	79,336	75.2	26,165	24.8	28,996	27.5
2009	96,449	75,392	78.2	21,056	21.8	28,028	29.1
2010	110,792	86,112	77.7	24,680	22.3	32,990	29.8
2011	106,463	81,146	76.2	25,317	23.8	30,628	28.8

Notes: Underlined figures: Highest and lowest (since 1971)

Source: The Japan Iron and Steel Federation

* Including production by those other than iron and steel companies

** Including production by NSSC (since 2004)

Iron and Steel Statistics

Domestic Consumption of Ordinary Steel Products by Market

(1,000 tons,%)

Fiscal years	2006	2007	2008	2009	(% of total)	2010	(% of total)	2011	(% of total)
Construction	28,085	26,229	25,248	18,678	40.5	18,558	38.5	19,084	38.6
Building construction	21,425	19,247	18,363	12,638	27.4	12,988	27.0	13,707	27.7
Civil engineering	6,660	6,982	6,885	6,040	13.1	5,570	11.6	5,377	10.9
Shipbuilding	5,745	6,072	6,238	5,932	12.9	6,001	12.5	5,480	11.1
Automobiles	13,739	14,412	11,580	10,204	22.1	10,567	21.9	11,351	23.0
Industrial machinery	6,360	6,525	5,393	3,283	7.1	4,545	9.4	5,145	10.4
Electrical machinery	3,952	4,052	3,537	3,019	6.6	3,267	6.8	3,074	6.2
Secondary processing	3,406	3,396	2,885	2,416	5.2	2,588	5.4	2,596	5.3
Others	3,340	3,296	2,760	2,547	5.5	2,637	5.5	2,687	5.4
Total	64,627	63,982	57,641	46,079	100.0	48,163	100.0	49,417	100.0

Note: 2011: Estimates by Nippon Steel

Source: The Japan Iron and Steel Federation

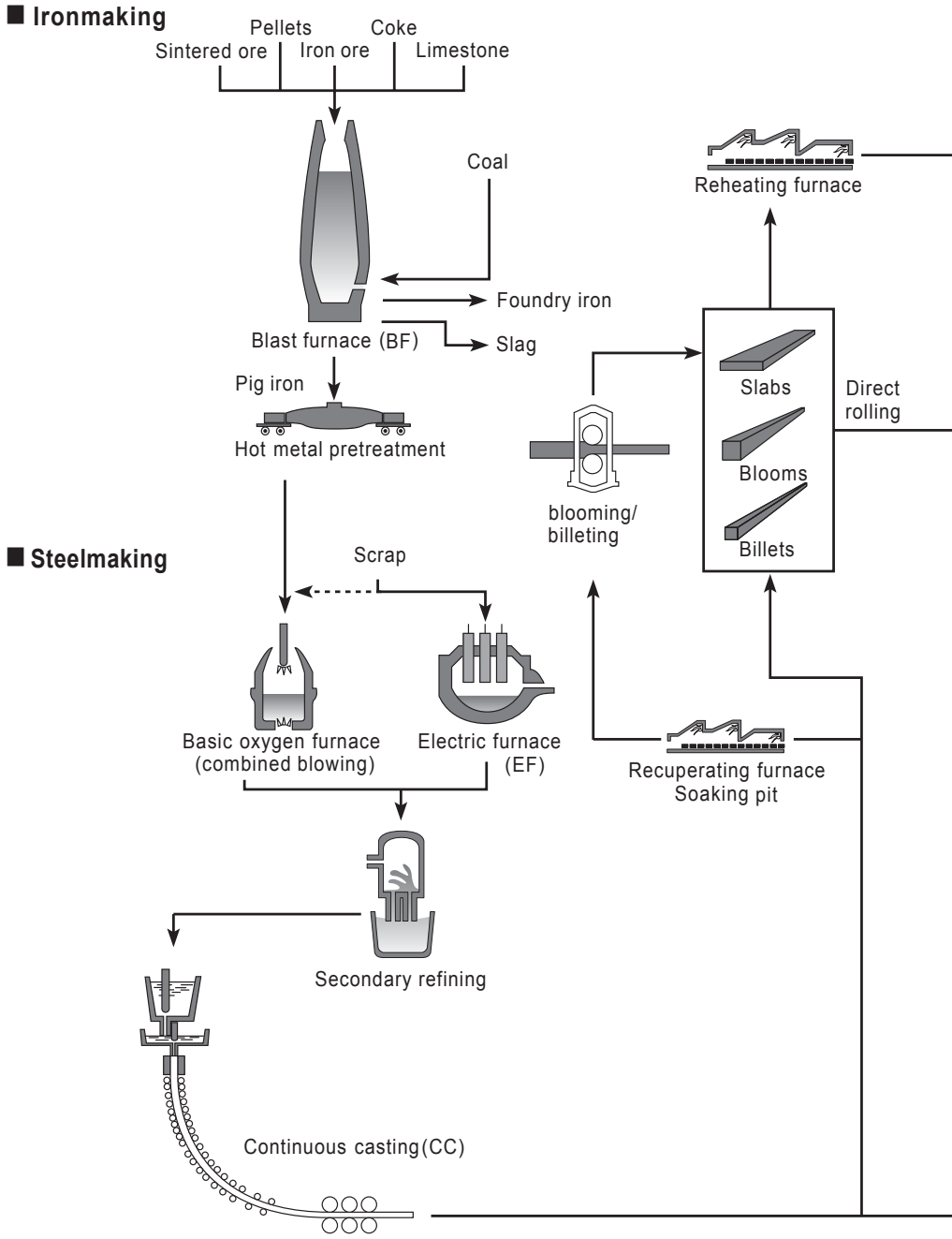
Domestic Order Receipts for Ordinary and Specialty Steel Products by Type of Products

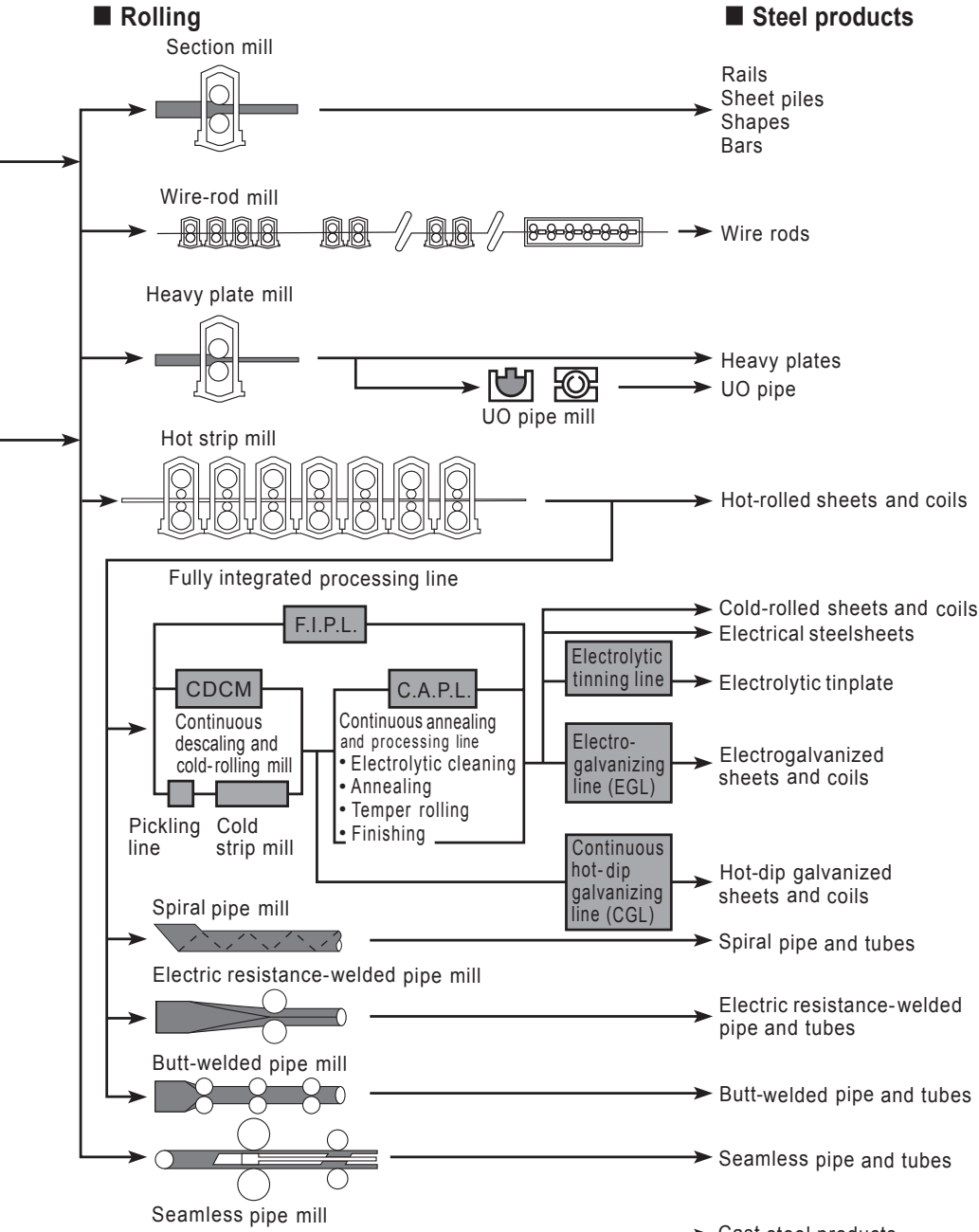
(1,000 tons)

Fiscal years	1985	1990	1995	2007	2008	2009	2010	2011
Ordinary steel products	50,611	70,748	58,004	57,199	47,489	40,697	44,259	43,730
Rails	258	281	268	243	290	195	218	198
Sheet piles	751	1,020	852	666	553	443	354	494
H beams	3,332	7,240	4,990	4,021	3,454	2,523	2,666	2,735
Shapes	3,886	4,412	3,497	2,566	2,112	1,856	1,906	1,909
Bars	7,629	14,584	11,542	10,324	8,441	7,446	7,511	7,958
Wire rods	2,900	3,222	2,844	2,423	1,825	1,535	1,643	1,557
Plates	6,825	8,045	6,831	10,314	9,883	7,794	8,983	8,485
Hot-rolled sheets and coils	5,894	7,093	7,011	7,237	5,599	4,862	5,794	5,697
Cold-rolled sheets and coils	6,106	5,655	4,315	4,021	3,155	2,913	3,231	3,087
Electrical sheets	705	918	695	612	516	444	514	524
Tinplate	1,561	1,950	1,749	1,083	938	989	982	899
Galvanized sheets	1,280	1,705	1,362	468	378	347	389	366
Other coated sheets	5,155	8,971	7,065	9,479	7,176	6,881	7,359	7,226
Pipe and tubes	4,329	5,652	4,984	3,742	3,169	2,469	2,710	2,599
Specialty steel products	8,492	11,074	9,840	14,154	11,220	9,901	12,308	12,169
Structural steel	4,034	5,556	4,659	7,626	5,862	4,887	6,558	6,576
Stainless steel	993	1,433	1,582	1,695	1,271	1,350	1,527	1,419
Free-cutting steel	962	1,017	789	768	577	490	576	525
High-strength steel	775	1,049	871	1,896	1,752	1,603	1,714	1,702
Others	1,728	2,019	1,939	2,169	1,758	1,571	1,932	1,948
Total	59,103	81,822	67,844	71,353	58,709	50,598	56,566	55,899

Source: The Japan Iron and Steel Federation

Iron-and Steelmaking Flow at Nippon Steel




■ Rolling
■ Steel products
Section mill
Rails
Sheet piles
Shapes
Bars
Wire-rod mill
Wire rods
Heavy plate mill
Heavy plates
UO pipe
UO pipe mill
Hot strip mill
Hot-rolled sheets and coils
Fully integrated processing line
F.I.P.L.
Cold-rolled sheets and coils
Electrical steelsheets
CDCM
Continuous descaling and cold-rolling mill
C.A.P.L.
Continuous annealing and processing line
• Electrolytic cleaning
• Annealing
• Temper rolling
• Finishing
Electrolytic tinning line
Electrolytic tinplate
Electro-galvanizing line (EGL)
Electrogalvanized sheets and coils
Pickling line
Cold strip mill
Continuous hot-dip galvanizing line (CGL)
Hot-dip galvanized sheets and coils
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
Seamless pipe and tubes
Seamless pipe mill
Cast steel products

Outline of manufacturing base

Works	Yawata Works	Muroran Works	Kamaishi Works	Hirohata Works	
Founding	1901	1909	1886	1939	
General Superintendent[*1]	Shinji Tanimoto	Koji Tanabe	Yutaka Ando	Shinji Shibao	
No.of employees[*2]	2,861	584	223	1,286	
Site (1,000㎡)[*3]	14,941	8,075	3,439	6,321	
Crude steel production (1,000 tons)[*4]	3,623	1,537	—	693	
Major production equipment					
Blast furnaces (Inner Volume, m^3) <Relining Oparation>	Tobata No.4 BF ($4,250m^3$) <Feb. 1998～> 1BF	No.2 BF($2,902m^3$) <Nov. 2001～> : Taken over by Hokkai Iron & Coke Co.,Ltd.in April 1994		(Cold ferrous materials melting furnace)	
Basic-oxygen furnaces	No.1 steelmaking plant: 170t/ch × 2 No.3 steelmaking plant: 350t/ch × 2	No.1 steelmaking plant: 270t/ch × 2		Melting furnace: 200t/ch × 1 Decarburization furnace:100t/ch × 1 Melting/decarburization furnace: 120t/ch × 1	
Electric furnaces		100t/ch×1			
Continuous casters	No.1 steelmaking plant: 1 caster No.3 steelmaking plant: 2 casters	1 caster		1 caster	
Slabbing mills					
Section mills	Shape mill×1				
Bar/Wire rod mills		Wire rod mill×1 Barmill×1	Wire rod mill×1		
Pipe and tube mills	Spiral mill×1				
Plate/sheet mills	Hot-rolling mill×1 Cold-rolling mill×3 Electrical sheet mill ×2			Hot-rolling mill×1 Cold-rolling mill×2 Electrical sheet mill ×1	
Coating lines	Tinning line×2 Tin-free steel line×1 Hot-dip galvanizing line×2 Electrogalvanizing line×2 Terne-coating line ×1			Tinning line×2 Hot-dip galvanizing line×2 Electrogalvanizing line×1	

∗1: As of April 1, 2012
∗2: Excluding those seconded to subsidiaries and other organizations
∗3: Including the site used for employee welfare facilities
∗4: For the year ended March 31, 2012

(as of July 1, 2012)

	Nagoya Works	Sakai Works	Kimitsu Works	Oita Works	Hikari Pipe & Tube Mill	Tokyo Works
	1958	1961	1965	1971	1955	1935
	Akihiro Miyasaka	Kazuo Fujita	Shinji Fujino	Yasuto Agou		Junichi
	2,994	332	3,510	1,998	(including in Oita Works)	116
	6,432	1,406	12,192	7,153	821	116
	6,247	—	8,515	9,586	—	—
	No.1 BF(5,443m^3) <Apr. 2007～> No.3 BF(4,300m^3) <Apr. 2000～> 2 BFs		No.2 BF(4,500m^3) <May. 2012～> No.3 BF(4,822m^3) <May 2001～> No.4 BF(5,555m^3) <May 2003～> 3 BFs	No.1 BF(5,775m^3) <Aug. 2009～> No.2 BF(5,775m^3) <May 2004～> 2 BFs		
	No.1 steelmaking plant: 160t/ch × 3 No.2 steelmaking plant: 270t/ch × 3		No.1 steelmaking plant: 220t/ch × 3 No.2 steelmaking plant: 300t/ch × 3	steelmaking plant: 397t/ch × 3		
	2 casters		No.1 steelmaking plant: 3 casters No.2 steelmaking plant: 3 casters	3 casters		
	Slabbing mill×1		Slabbing mill×1			
		Shape mill×1	Shape mill×1		Hot extrusion mill ×1(shapes and pipe/tubes)	
			Wire rod mill×1			
	Medium-diameter ERW mill×1		Spiral mill×2 ERW mill×1 Butt-weld mill×1 UO mill×1		Medium-diameter ERW mill×1 Small-diameter ERW mill×1	Seamless mill×1
	Plate mill×1 Hot-rolling mill×1 Cold-rolling mill×2		Plate mill×1 Hot-rolling mill×1 Cold-rolling mill×2	Plate mill×1 Hot-rolling mill×1		
	Tinning line×1 Tin-free steel line×1 Hot-dip galvanizing line×4 Electrogalvanizing line×1 Film-laminating line×2		Hot-dip galvanizing line×4 Electrogalvanizing line×1 Coil-coating line ×1			

Domestic Distribution Route of Iron and Steel Products

Sales form

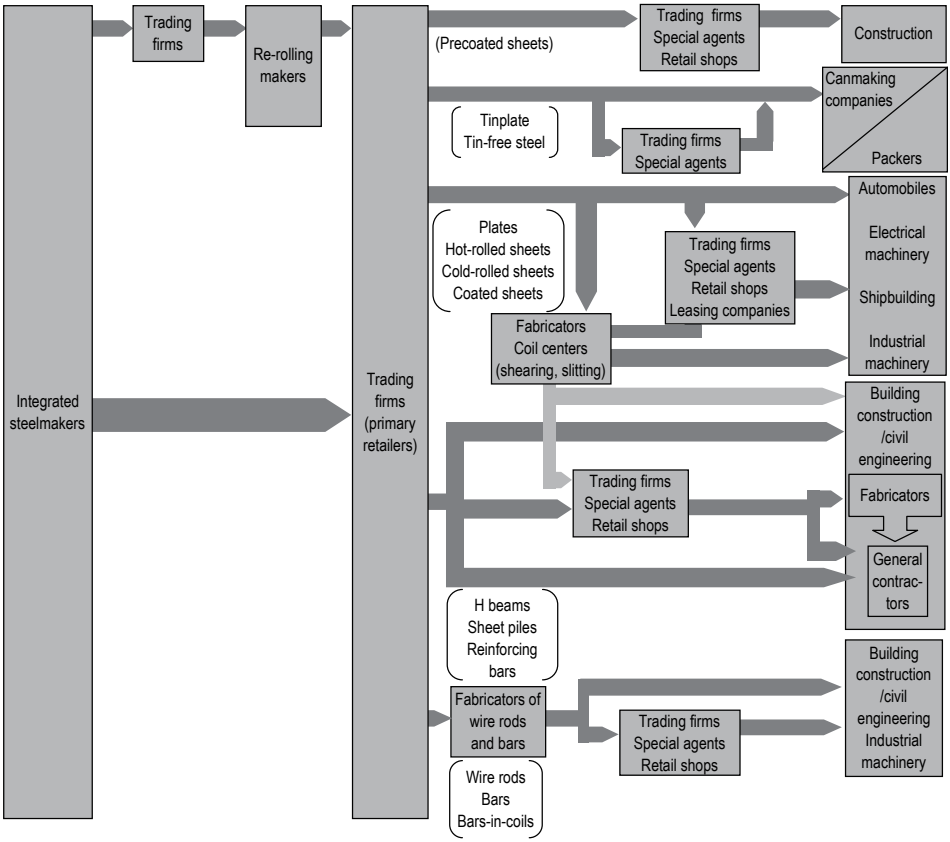
- Tied sale

  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

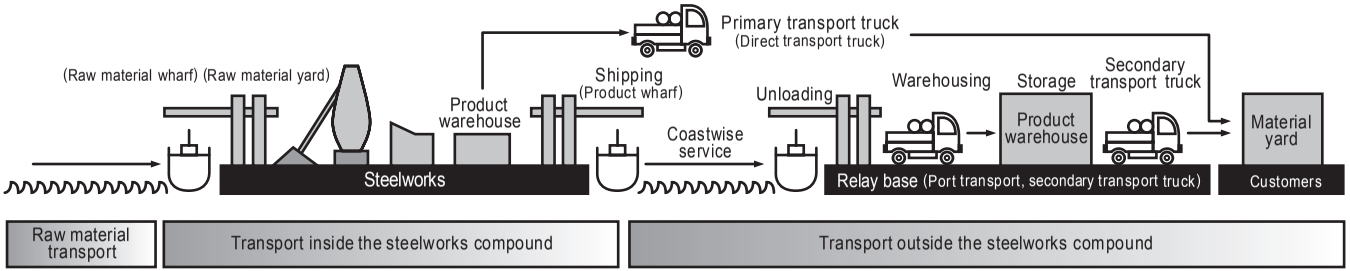
  Steelmakers sell steel products to retailers and trading firms without end users being specified, and the retailers and trading firms stockpile the steel products which are purchased at their responsibility and risk and then sell the products with their own sales efforts, taking into account the market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

Distribution Route



Transport Mode of Steel Products for Domestic Customers: Nippon Steel

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

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

Years ended March 31	2006	2007	2008	2009	2010	2011	2012
■ Iron ore							
Australia	78.72	80.76	84.58	74.26	70.17	80.70	79.76
	(60.4)	(59.2)	(60.1)	(57.8)	(60.9)	(60.4)	(62.2)
Brazil	27.78	31.50	31.73	35.15	31.76	38.86	37.05
	(21.3)	(23.1)	(22.5)	(27.4)	(27.6)	(29.1)	(28.9)
India	10.63	8.52	7.68	5.77	5.87	4.77	2.73
	(8.2)	(6.2)	(5.5)	(4.5)	(5.1)	(3.6)	(2.1)
Others	13.17	15.68	16.75	13.31	7.40	9.32	8.70
	(10.1)	(11.5)	(11.9)	(10.4)	(6.4)	(7.0)	(6.8)
Total	130.29	136.47	140.74	128.50	115.20	133.65	128.24
	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
Nippon Steel's imports	**49.13**	**49.18**	**50.61**	**45.15**	**39.04**	**49.71**	**50.45**
of the total	**(37.7)**	**(36.0)**	**(36.0)**	**(35.1)**	**(33.9)**	**(37.2)**	**(39.3)**
■ Coking coal							
Australia	41.62	44.91	47.32	43.44	40.26	42.61	37.35
	(61.2)	(61.1)	(55.9)	(55.4)	(58.3)	(56.4)	(54.9)
U.S.A.	1.36	0.24	0.00	1.58	1.04	3.43	5.80
	(2.0)	(0.3)	(0.0)	(2.0)	(1.5)	(4.5)	(8.5)
Canada	6.67	7.06	10.64	8.12	7.23	8.27	6.74
	(9.8)	(9.6)	(12.6)	(10.4)	(10.5)	(11.0)	(9.9)
China	5.08	4.95	3.41	2.29	0.76	0.89	0.65
	(7.5)	(6.7)	(4.0)	(2.9)	(1.1)	(1.2)	(1.0)
Others	13.31	16.29	23.33	22.95	19.75	19.22	17.47
	(19.6)	(22.2)	(27.5)	(29.3)	(28.6)	(25.5)	(25.7)
Total	68.04	73.45	84.70	78.38	69.04	75.50	68.01
	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
Nippon Steel's imports	**21.61**	**21.86**	**22.96**	**21.95**	**20.34**	**22.56**	**20.85**
of the total	**(31.8)**	**(29.8)**	**(27.1)**	**(28.0)**	**(29.5)**	**(29.9)**	**(30.7)**

Note: Figures of coking coal, before 2004, contains low ash thermal coal for power plant, about 10 million tons

Source: Composed of Customs Clearance Statistics of the Finance Ministry
Nippon Steel Nippon Steel statistics

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

(Upper: US$/ton CIF; lower: ¥/ton CIF)

Years ended March 31	2006	2007	2008	2009	2010	2011	2012
■ Iron ore							
Average	46.69	55.58	66.53	100.11	75.83	128.87	172.76
	5,273	6,500	7,633	10,137	7,058	11,316	13,658
Australian ore	41.92	48.84	57.04	90.74	67.99	119.00	160.73
	4,727	5,710	6,560	9,213	6,329	10,450	12,707
Brazilian ore	52.99	65.39	78.40	114.12	87.68	146.26	193.98
	5,998	7,645	8,970	11,500	8,162	12,843	15,336
■ Coking coal							
Average	101.49	98.05	92.98	222.50	145.28	209.88	236.31
	11,448	11,451	10,718	22,545	13,522	18,429	18,682
Australian coal	111.26	102.12	95.68	248.94	157.78	183.69	256.09
	12,549	11,930	11,011	25,211	14,686	16,130	20,247
U.S. coal	156.67	161.40	NA	313.48	202.06	223.95	278.51
	17,671	18,457	NA	32,205	18,808	19,665	22,019
Canadian coal	123.36	122.30	112.64	272.82	184.68	194.13	290.03
	13,914	14,268	13,024	27,697	17,190	17,047	22,930
Chinese coal	101.70	89.34	106.07	256.89	117.57	160.93	228.60
	11,471	10,453	12,264	26,167	10,944	14,131	18,073

Source: Customs Clearance Statistics, Finance Ministry

Overseas Raw Material Investment of Nippon Steel

	Country	Shareholders	Capacity (Million tons/y)
■Iron Ore			
Robe River	Australia	Rio Tinto 53.0% NSC 10.5% Other Japanese 36.5%	60
Beasley River (details to be discussed)	Australia	Rio Tinto 53.0% NSC 28.2% Other Japanese 18.8%	to be developed
NIBRASCO	Brazil	VALE 51.0% NSC 25.4% Other Japanese 23.6%	10
■Coking Coal			
Warkworth	Australia	Rio Tinto 55.6% NSC 9.5% Other Japanese 34.9%	7
Bulga	Australia	Xstrata 68.3% NSC 12.5% Other Japanese 19.2%	10
Hail Creek	Australia	Rio Tinto 82.0% NSC 8.0% Other Japanese 10.0%	8
Moranbah North	Australia	Anglo American 88.0% NSC 5.0% Other Japanese 7.0%	5
Integra	Australia	VALE 61.2% NSC 5.95% POSCO 5.95% Other Japanese 26.9%	5
Foxleigh	Australia	Anglo American 70.0% NSC 10.0% POSCO 20.0%	3
Elkview	Canada	Teck Coal Partnership 95.0% NSC 2.5% POSCO 2.5%	7
Revuboe	Mozambique	Talbot Group 58.9% NSC 23.3% Nippon Steel Trading 10.0% POSCO 7.8%	to be developed
■Ferroalloy			
CBMM	Brazil	Moreila Salles Group 70.0% NSC 2.5% POSCO 2.5% Other Japanese 7.5% Other Korean 2.5% Other Chinese 15.0%	90 ktons/y

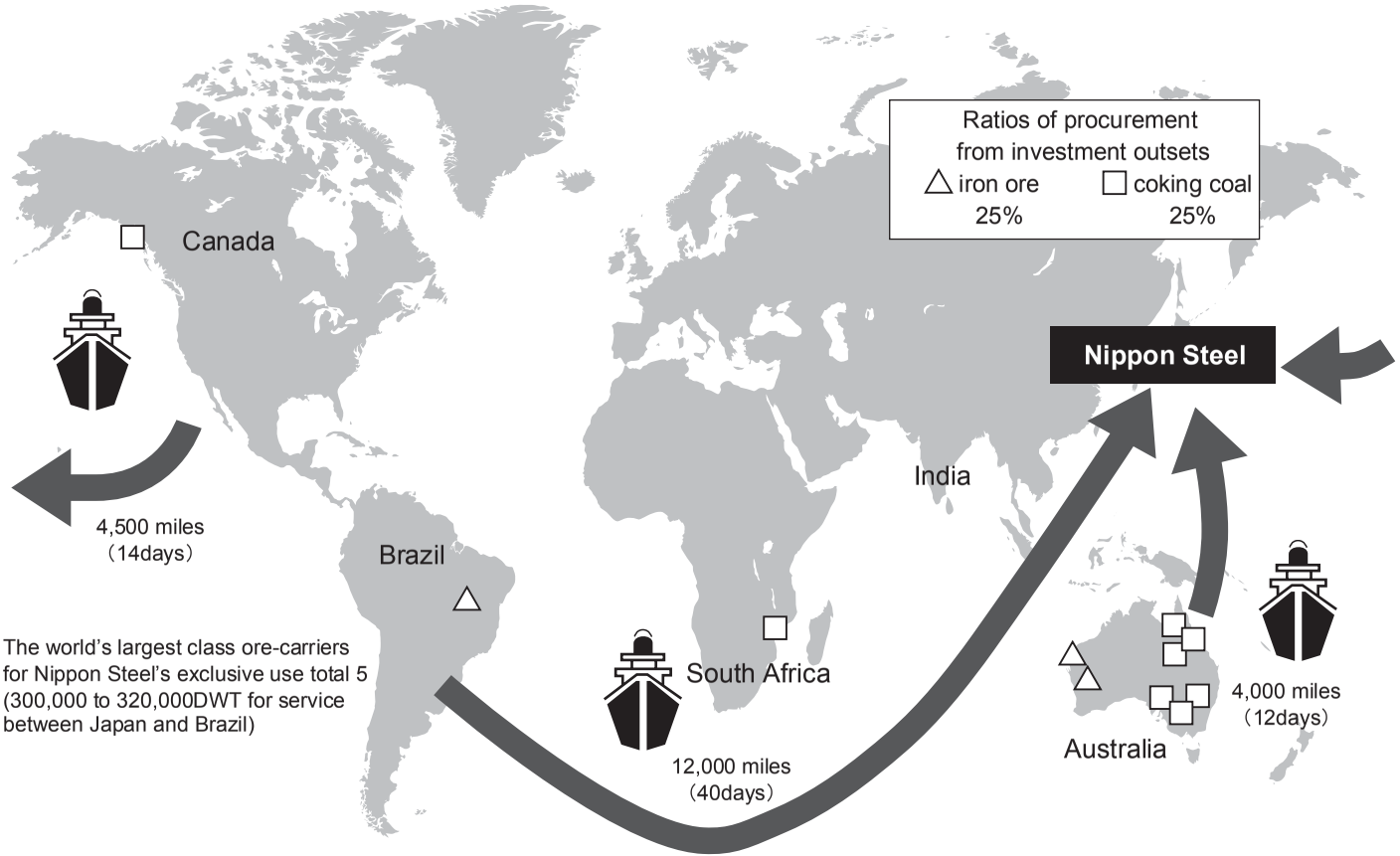
Alliances with Resources Companies

■ Comprehensive alliance with Rio Tinto (April 2004 ～)

・Investments:	Obtained an interest in the iron-ore deposits at Beasley River (Nippon Steel Australia Pty. Limited 28.2%) and joint development Expansion of the West Angelas Mine (20→25 million t/y) Expansion of Port Walcott Obtained interests (Nippon Steel Australia 8%) in the Hail Creek Mine (hard coking coal), signed a long-term agreement, and support for future expansion Support for the integration of operations of the Warkworth and Mt. Thorley Mines
・Long-term contracts:	The ore-deposits at Yandi (low-alumina ores, 21 years) and Robe River, etc., totaled 22 million t/y: support for the expansion of the Yandi Mine (→52 million t/y) The Hail Creek Mine (hard-coking coal) 2 million t/y (15 years): support for expansion
・Other areas:	Joint use of infrastructure (railroads, ports, and electric power) by the Hamersley / Robe River joint venture Combination transport (Australia-Europe transport for Rio Tinto and Brazilian-ore transport for Nippon Steel) Technical exchange

Stable Raw Materials Procurement

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



Energy

Energy Consumption: Japanese Steel Industry

(%)

Years ended March 31	1991	1996	2006	2007	2008	2009	2010	2011
Percentage share by energy								
Coal based energy	80.7	82.3	82.8	81.9	82.4	85.1	86.1	85.5
Oil-based energy	6.3	6.3	6.9	7.0	6.9	9.1	8.2	9.1
Purchased electricity	13.0	11.4	10.2	11.0	10.8	5.8	5.7	5.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Consumption in PJ	2,526	2,425	2,336	2,389	2,458	2,159	2,018	2,275
Energy consumption per ton of crude steel produced (GJ/t-s)	22.61	23.83	20.72	20.29	20.23	21.16	21.54	21.16

Source: The Japan Iron and Steel Federation

Reduction Material Rate: Japanese Steel Industry

(kg/ton of pig iron tapped)

Years ended March 31	1974	1981	1986	1991	1996	2009	2010	2011
Reduction material rate	498	476	501	504	522	504	505	505
・Coke rate	440	458	484	440	408	387	386	365
・PCI rate	0	0	15	60	111	116	119	140
・Tar rate	5	6	2	1	2	0	0	0
・Heavy oil rate	53	12	0	3	1	1	0	3

Notes:
1) PCI: Pulverized coal injection
2) 1991 and before : BF Fuel rate

Source: The Japan Iron and Steel Federation

Oil-based Fuel Consumption: Japanese Steel Industry and Nippon Steel

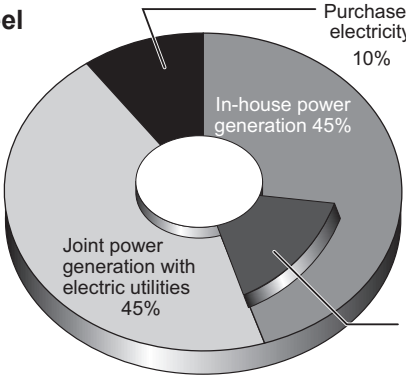
(1,000 kiloliters)

Years ended March 31	1974	1981	1986	1991	1996	2010	2011	2012
Japanese steel industry								
※ Heavy oil	13,463	4,120	1,878	2,274	1,925	831	845	747
Kerosene and light oil	1,003	686	364	423	354	111	122	121
LNG and LPG (1,000 tons)	825	884	792	1,129	1,103	719	754	734
Nippon Steel								
Heavy oil	4,522	1,044	118	199	118	59	57	54
・For BF injection	2,498	607	0	73	8	0	0	0
・For reheating/power generation	2,024	437	118	126	110	59	57	54
Kerosene and light oil	309	43	22	43	32	14	16	16
LNG and LPG (1,000 tons)	150	377	281	370	511	441	426	392

Note: Figures in parentheses: % comparison to 1974

※ Data for the Japanese steel industry the Ministry of Economy, Trade & Industry and others

Power Supply at Nippon Steel <FY 2011>



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

Direct-linkage Operations at Nippon Steel

Process	Comparison of production processes between conventional and direct-linkage processes	Lead time	Start-up
CC-DR(continuous casting-direct rolling)			
Conventional	Molten steel tapping → Ingot-making → Soaking → Slab-bing → Condi-tioning → Reheat-ing → Hot rolling (5 processes)	Molten steel tapping to Hot coils 5 days	Yawata Works (June 1987) Kimitsu Works (March 1988)
CC-DR	Molten steel tapping → Con-tinuous casting → Hot rolling (Single process)	1 hour	
C.A.P.L.(continuous annealing and processing line)			
Conventional	Cold rolling → Electro-lytic cleaning → Anneal-ing → Cooling → Temper rolling → Inspection/ finishing (5 processes)	Cold rolling to Inspection/ finishing 10 days	Kimitsu Works (No.1, October 1972; No.2, August 1991) Yawata Works (No.1, February 1979; No.2, October 1982) Nagoya Works (No.1, July 1982; No.2, December 1991)
C.A.P.L.	Cold rolling → C.A.P.L. (Single process)	10 minutes	
F.I.P.L.(fully integrated processing line)			
Conventional	Descal-ing → Cold roll-ing → Electro-lytic cleaning → Anneal-ing → Cooling → Temper rolling → Inspection/ finishing (6 processes)	Cold rolling to Inspection/ finishing 11 days	Hirohata Works (August 1982)
	Descal-ing → H (Hirohata)-C.A.P.L. (Single process)	10 minutes	
F.I.P.L.	F.I.P.L.	Descaling to Inspection/ finishing 15 minutes	

Recycling of Steel Cans

We positively promote various measures toward improving the recycling ratio of used steel cans with Japan Steel Can Recycling Association.

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

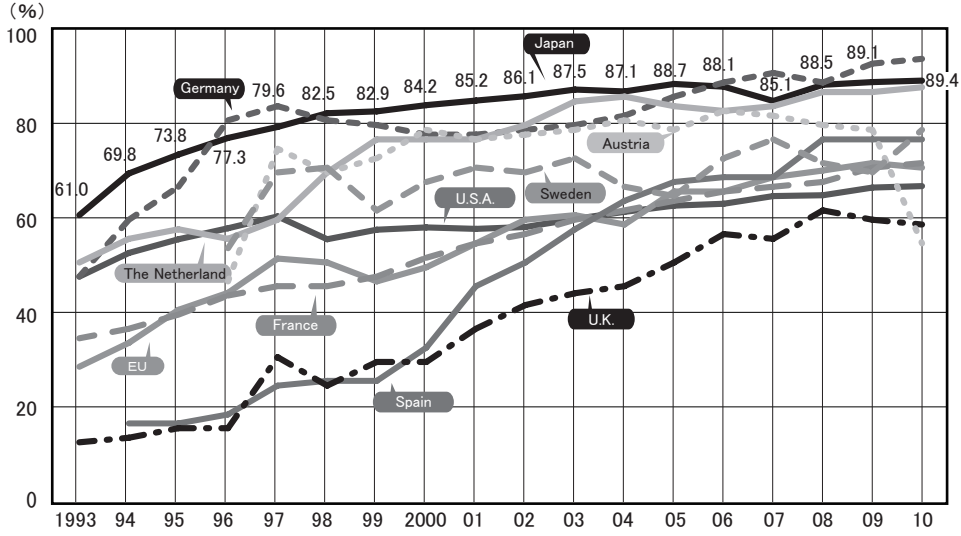
- Chairman: Kozo Uchida (Representative Director and Executive Vice President, Nippon Steel)

- Four tinplate makers (Nippon Steel, NKK (present JFE), Kawasaki Steel (present JFE) and Toyo Kohan), three can-making companies (Toyo Seikan, Daiwa Can and Hokkai Can) and eight trading companies jointly established the Japan Used Can Treatment Association in 1973 (Japan Steel Can Recycling Association since April 2001).

Practical Measures

- Promotional activities in terms of prevention of littering with empty cans and 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 346 places (485 times) for 39 years since 1973
- Donation of food cans to children in developing countries to support for school feeding programme of World Food Programme (WFP)

Steel Can Recycling in Major Countries



Notes:

1) The guidelines prepared by the Industrial Council of the Ministry of Economy, Trade and Industry targets the Japan's attainment of more than 85% after 2002.
2) Recycling in the Netherlands include aluminum cans in and after 1997.

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

Imports

Imports by Type of Products

(1,000 tons)

Fiscal years	1985	1990	1995	2007	2008	2009	2010	2011
Pig iron	723	3,721	2,468	1,128	830	323	693	432
Ferro-alloys	877	1,351	1,787	2,146	2,053	1,123	1,872	1,747
Ingots and semi-finished products	421	1,165	505	197	152	39	99	305
Ordinary steel products	2,868	6,182	5,721	3,668	3,322	2,797	3,838	4,637
Wire rods	27	524	408	221	249	239	280	315
Plates	1,022	1,303	1,192	161	213	171	263	520
Hot-rolled sheets	1,522	2,713	2,337	1,657	1,410	1,174	1,632	1,801
Cold-rolled sheets	192	531	952	978	853	640	851	911
Galvanized sheets	6	177	400	366	317	308	447	602
Pipe and tubes	46	312	244	92	70	94	111	155
Others	53	621	188	193	211	171	254	334
Specialty steel products	26	25	155	239	202	194	311	438
Secondary products and others	30	151	272	724	694	599	750	864
Total	4,946	12,596	10,908	8,102	7,253	5,075	7,563	8,424

Source : The Japan Iron and Steel Federation

Imports by Major Supply Source

(1,000 tons)

Fiscal years	1985	1990	1995	2007	2008	2009	2010	2011
Korea	1,437	2,809	2,811	2,185	1,914	1,765	2,430	3,042
Taiwan	477	644	587	786	642	577	727	849
China	—	288	698	580	653	350	600	674
India	—	97	125	—	—	1	—	—
Russia	—	—	161	5	10	1	—	—
Romania	89	198	36	—	—	—	—	—
Turkey	—	148	114	—	—	—	—	—
Brazil	407	495	248	—	—	—	—	—
Australia	—	69	171	3	3	2	10	3
New Zealand	—	91	103	25	14	30	42	24
Others	458	1,342	668	84	86	71	29	46
Total	2,868	6,182	5,721	3,668	3,322	2,797	3,838	4,637

Source : The Japan Iron and Steel Federation

Exports

Export Shipments

Years ended March 31		1977	1986	1991	1996	2009	2010	2011*1	2012
Tonnage	(1,000tons)	36,518	32,076	17,264	22,621	34,153	39,003	43,636	41,234
Monetary values	($ million)	11,148	13,684	13,636	18,911	43,963	35,281	47,255	49,600
	(¥ billion)	3,311	3,257	1,928	1,812	4,462	3,267	4,059	3,966
Per-ton price	($)	305	427	790	835	1,287	905	1,083	1,203
	(¥ 1,000)	90	101	112	80	131	84	93	96
Exchange rate	(US$1=¥)	297	238	141	96	101	93	86	80

Source : The Japan Iron and Steel Federation

Export Shipments by Destination

(1,000 tons)

Years ended March 31	1977	1986	1991	1996	2009	2010	2011*1	2012
Asia	10,472	18,423	10,839	17,776	28,258	33,106	35,885	33,172
China	3,072	10,133	1,784	3,525	6,131	7,089	7,591	6,896
Korea	1,484	1,998	1,767	3,432	8,512	10,775	10,554	8,853
Taiwan	1,317	1,132	1,632	2,447	3,271	3,908	3,616	3,525
Singapore	778	670	867	1,064	706	643	782	743
Indonesia	720	750	742	963	1,321	1,213	1,813	1,818
Thailand	753	786	1,770	2,641	3,939	3,718	4,813	4,618
Middle East	4,866	3,324	924	556	1,015	1,410	1,383	1,467
Iran	1,757	763	397	83	110	294	195	148
Saudi Arabia	1,081	1,163	246	290	383	609	610	751
Europe	8,008	2,810	951	667	784	649	1,240	1,416
EU-27*2	1,635	518	353	289	548	424	679	539
Former USSR*3	3,044	2,172	364	110	128	67	360	325
N.America	8,117	5,234	3,421	2,285	1,756	1,375	1,926	2,188
USA	7,619	4,875	3,213	2,158	1,522	1,101	1,705	2,003
Canada	497	359	208	127	234	274	221	185
Central & South America	3,008	992	455	615	1,351	1,474	2,149	1,927
Africa	1,257	546	358	311	430	583	550	612
Oceania	790	755	316	416	560	407	504	453
Total	36,518	32,076	17,264	22,621	34,153	39,003	43,636	41,234

Source : The Japan Iron and Steel Federation

Export Shipments by Type of Products

(1,000 tons)

Years ended March 31	1977	1986	1991	1996	2009	2010	2011*1	2012
Ordinary steel products	32,340	27,365	13,612	16,751	23,435	25,751	29,162	27,372
Plates	4,145	2,845	877	1,408	3,436	3,752	3,753	3,685
Hot-rolled sheets	5,522	3,076	1,628	2,254	6,012	8,661	9,256	8,784
Cold-rolled sheets	5,756	4,784	3,188	4,230	2,831	3,463	4,128	3,796
Electrical sheets	380	309	316	543	795	779	949	969
Tinplate	872	771	755	790	597	572	614	605
Coated sheets	2,533	2,877	2,761	3,501	5,113	4,800	6,161	5,427
Pipe and tubes	4,705	6,138	2,675	1,919	2,299	1,262	1,665	1,650
Sections	8,463	5,316	1,412	2,107	2,352	2,463	2,636	2,457
Specialty steel products	1,757	2,142	2,986	3,842	5,263	5,723	8,136	7,710
Secondary products	1,366	961	526	495	604	595	717	672
Others	1,054	1,608	140	1,534	4,852	6,935	5,620	5,481
Total	36,518	32,076	17,264	22,621	34,153	39,003	43,636	41,234

∗1 In 2011, the all-time high reached in 2010 was broken

Source : The Japan Iron and Steel Federation

∗2 EC-9 for 1977,EC-12 by December 1995,
EU-15 by March 2004,EU-25 after April 2004,
EU-27 after January 2007

∗3 CIS after 2007

Steel Trade

1. Latest Steel-Trade-Related Topics (as of June 2012)

(1) Overview

Early in 2008, anti-dumping (AD) action began to be taken against Chinese steel products in full force. In addition, as the global economy began decelerating from the fall of the same year onward, with attendant disruptions in world steel markets, more and more countries and products are becoming targets for AD measures. Most recently, in addition to China, Korea and Taiwan are also beginning to become primary targets of AD petition.

AD action has not been taken against Japanese steel products for the past several years. However, trade friction involving Japanese products is showing an upward trend, such as the AD action that started against Japanese stainless steel plates in Korea (in April 2011), the AD investigation that started against cold-rolled steel sheets in Indonesia (in June 2011), and the AD investigation against stainless steel seamless tubes for boilers in China (in September 2011).

Further, protectionist measures, such as mandatory standard systems (imports to be conditional on the obtainment of domestic standard specifications of each importing country) and pre-shipping inspection requirements, have been gathering steam, chiefly in Asian regions, causing a depressive impact on Japanese steel products.

(2) Global AD action taken against Japan steel products

Filing Country	Product Items and Status (SSR: Sunset Review)
U.S.	Stainless steel bars: Started in February 1995.Third SSR started in December 2011 (investigation in progress)
	Clad steel: Started in July 1996; third SSR started in February 2012 (investigation in progress)
	Stainless steel wire rods: Started in September 1998; next SSR to start in 2015
	Stainless steel sheets: Started in July 1999; next SSR to start in 2016
	Seamless pipes (large diameter): Started in June 2000; next SSR to start in 2016
	Seamless tubes (small diameter): Started in June 2000; next SSR to start in 2016
	Tinplates & tin-free steel: Started in August 2000; next SSR to start in 2017
	Large-diameter welded line pipe: Started in December 2001; next SSR to start in October of this year
China	Stainless steel seamless tubes for boilers: Investigation started in September 2011
Korea	Stainless steel plates: Started in April 2011
Thailand	Stainless steel cold-rolled steel sheets: Started in March 2003; next SSR to start in 2014
	Hot-rolled steel sheets & plates: Started in May 2003; next SSR to start in 2014
Indonesia	Cold-rolled steel sheets: Investigation started in June 2011
Mexico	Seamless steel tubes: Started in November 2000; second SSR started in November 2010 (investigation in progress)
Argentina	Welded steel pipes: Started in December 2001; next SSR to start in 2013

(3) Negotiations on economic partnership agreements

Apr. 2005: The Japan-Mexico economic partnership agreement entered into force.
- Immediate steel tariff lifting ratio of 80% (introduction of the user specific duty free scheme), lifting ratio of 100% in ten years.
- Mar. 2008: The special committee on steel held in Tokyo under the agreement.

Jul. 2006: The Japan-Malaysia economic partnership agreement entered into force.
- Immediate steel tariff lifting ratio of 100% (retention of the existing domestic system for duty exemption by use), lifting of tariffs on steel products, except for hot-rolled steel sheets, within ten years.

Nov. 2007: The Japan-Thailand economic partnership agreement entered into force.
- Immediate steel tariff lifting ratio of 60% (setting of the duty-free import quotas), lifting ratio of 100% in ten years.

Jul. 2008: The Japan-Indonesia economic partnership agreement entered into force.
- Immediate steel tariff lifting ratio of 80% (introduction of the user specific duty free scheme), lifting ratio of 85% in ten years.

Dec. 2008: The Japan-Philippines economic partnership agreement entered into force.
- Immediate steel tariff lifting ratio of 60% (setting of the duty-free import quotas), lifting ratio of 90% in ten years.

Oct. 2009: The Japan-Vietnam economic partnership agreement entered into force.
- Immediate steel tariff lifting ratio of 10%, lifting ratio of 80% in ten years.

Aug. 2011: The Japan-India economic partnership agreement entered into force.
- Lifting of tariffs on flat & long products within five years, on pipes & tubes within ten years.

(4) Steel dialogues

Jun. 2011: The 10th Japan-Europe steel dialogue held in Tokyo.

Jul. 2011: The 11th Japan-Taiwan steel dialogue held in Taipei.

Feb. 2012: The 2nd Japan-Indonesia steel dialogue held in Tokyo.

Mar. 2012: The 9th Japan-Thailand steel dialogue held in Tokyo.

Apr. 2012: The 13th Japan-Korea steel dialogue held in Tokyo.

Jun. 2012: The 19th Japan-China steel dialogue held in Hangzhong.

2. U.S. - Japan Steel Trade Issues

Jan. 1969:	1st Voluntary Export Restraint (ending in Dec. 1971) Japan's ceiling: 5.75 million tons for 1969, with annual increase of 5% for 1970 and1971.
Jan. 1972:	2nd Voluntary Export Restraint (ending in Dec. 1974) Japan's ceiling: 6.5 million tons for 1972, with annual increase of 2.5% for 1973 and1974.
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) (ending in Mar. 1980) The Department of Treasury (the present Department of Commerce-DOC) became able to initiate an AD investigation of imports entering below the applicable trigger prices.
Oct. 1980:	2nd TPM (ending 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, Korea, Brazil and eleven other countries and the EC
Oct. 1989:	2nd VRA Period: Oct. 1, 1989 to Mar. 31, 1992 Subjects: Japan, Korea, Brazil and ten 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 twelve 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 eleven 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: 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, 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 June 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 December 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 July 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.

U.S. AD measures against Japan (Nippon Steel-related measures currently in force as of May 2012, dates in parentheses represent the starting times of assessments):
① Stainless wire rods (Sep. '98), ② Stainless-steel sheets (Jul. '99),
③ Large-diameter seamless pipes (Jun. '00), ④ Small-diameter seamless pipes (Jun. '00),
⑤ Tinplates & tin-free steel (Aug. '00), and ⑥ Large-diameter welded line pipes (Dec. '01)

Titanium

Nippon Steel launched the titanium business in 1984 with the aim of starting titanium rolling as a new business, utilizing production equipment/technologies and know-how gained from steelmaking operations.
Titanium is a commercial metal which is fourth in abundance in the earth's crust. It is lightweight and strong, and extremely corrosion-resistant and formable.Recently its aesthetic property due to its variation of surface finishes, such as color-development performance and its affinity for any fauna and flora on the globe and bio-orgarns have attracted attention and thus titanium is being highlighted as an eco-friendly material in 21st century.

Operation Development

"Since the beginning of Titanium business of our company in 1984, although we experienced transient decrease of demands caused by global recession, production of titanium mill-products has been growing steadily. We pursue further growth of this business by supply of Hi-quality products not only to general industries such as power plants, chemical industries, and electrolytic, but also consumer products such as automotive (motorcycles, vehicles) and, architectural products etc., developing new applications in emerging markets of marine construction, energy, etc."

Shipments of titanium mill-products in Japan

(tons)

Years ended March 31	1985	1991	1995	2000	2009	2010	2011	2012
Amount	5,740	8,700	12,100	11,300	19,100	9,700	15,600	21,700

Major Products

- Commercialy pure/Alloyed Titanium bars and wire rods
- Commercialy pure/Alloyed Titanium plates
- Commercialy pure/Alloyed Hot-rolled titanium sheets and coils
- Commercialy pure/Alloyed Cold-rolled titanium sheets and coils
- Commercialy pure/Alloyed Welded titanium pipe and tubes
- Commercialy pure Titanium foils
- Commercialy pure/Alloyed Fabricated titanium products

Major Applications

・Chemical plants	Reaction vessels, Shell-and tube-type heat exchangers, Plate-type heat exchangers, Piping & tubings, Elbow/joint, etc.
・Power plants・Water desalination	Condenser tubes, tube sheets of Thermal/Nuclear Power Plant and Multi Stage Flash Distillation plant for desalination, etc.
・Electrolysis	Electrodes, Electrobaths, Drams for Electrolyzed cuppor foil, etc.
・Building & Construction	Roofs, Walls, Monuments, Corrosion-protection materials for off-shore structures, etc.
・Consumer products	Golf clubs, Watches, Spectacles, Exteriors of IT apliances & Cameras, Bicycles, Medical equipment, Cutleries & Cookers, etc.
・Automotives	Mufflers, Exhaust pipes, Intake/Eexhaust valves for engines, etc.
・Airplanes	Duct, Hardware for interior, Leading edge, etc.

Power Supply

The electricity wholesale supply system was established in Japan 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, Nippon Steel has started 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 electricity retail supply business.

Business Development in the Wholesale Supply

- Utilization of power-generation technologies fostered in steelworks in-plant power generation
  — Nearly 90% of total electricity supply by in-plant power generation equipment (refer to page 72 for the power supply)
- Utilization of steelworks infrastructure such as land, ports/harbors and raw materials yards
- Low-cost, stable supply of electricity

IPP Power Supply Contracts by Nippon Steel

- Successful bidding for four supply projects (about 500,000 kW in total) in 1997 (ended March 31), the first year of the electricity business, and one project (300,000 kW) in 1998 (ended March 31).
- 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
1997*				
Yawata	Kyushu Electric Power	137,000	Coal	April 1999
Kamaishi	Tohoku Electric Power	136,000	Coal	July 2000
Hirohata	Kansai Electric Power	133,000	Coal	April 1999
Muroran	Hokkaido Electric Power	100,000	By-product gas and coal	October 2001
1998*				
Oita	Kyushu Electric Power	300,000	By-product gas and coal	April 2002

* Ended March 31

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

- Our retail supply of electricity, mainly to office buildings in the Tokyo metropolitan and Kyushu areas
- Our 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	July 2005
Asahi Kasei NS Energy Co.,Ltd. (Miyazaki)	30,000 kW	July 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

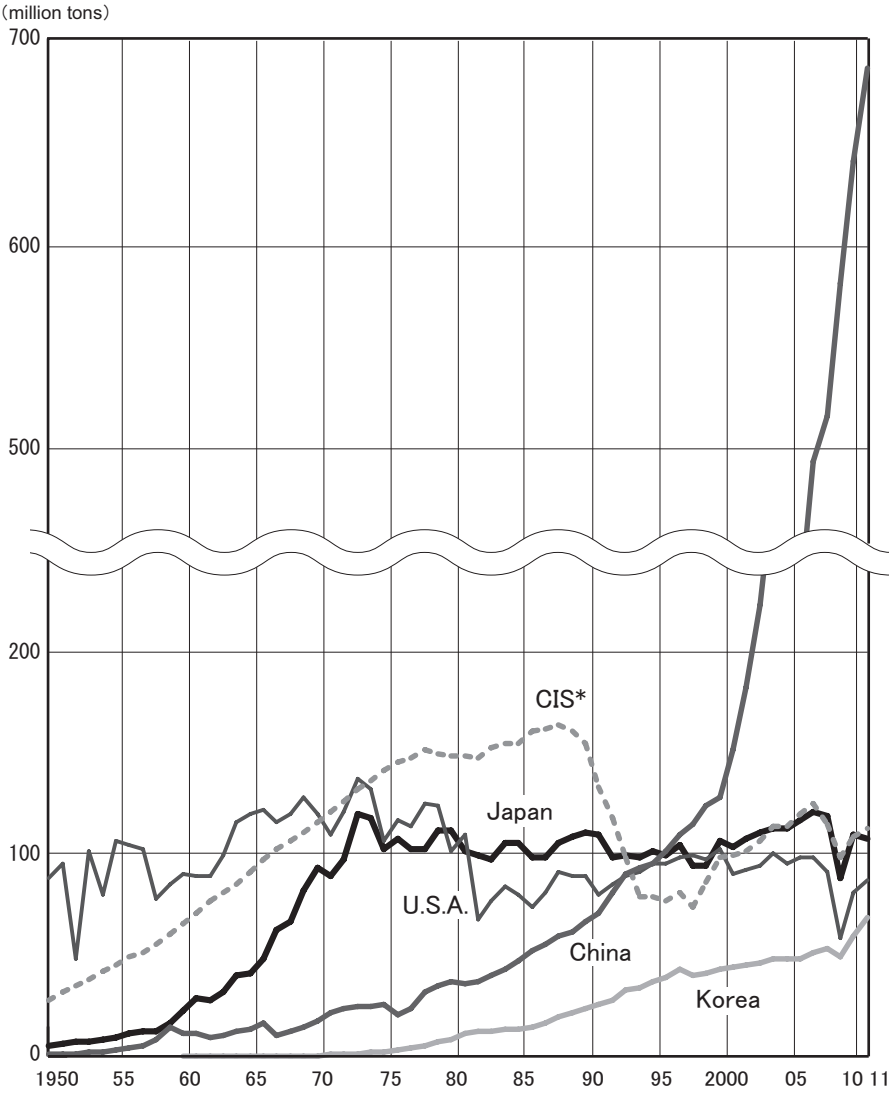
Wind Power Generation (Nippon Steel Engineering Co., Ltd.)

- 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 March 2003

World Steel Industry

Crude Steel Production in Major Steelmaking Nations



∗ Former U.S.S.R. until 1991

Source:The Japan Iron and Steel Federation and worldsteel

(Ref.) World Total Crude Steel Production

(million tons)

CY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Production	851.1	904.2	969.9	1,071.3	1,144.0	1,247.1	1,346.6	1,341.2	1,235.8	1,429.1	1,516.8

Source: worldsteel

Crude Steel Production

(million tons, %)

Regions and nations	CY2008	2009	2010	2011 *	Growth rate (11/10)
Asia	783.0	810.4	914.5	975.9	6.7
Japan	118.7	87.5	109.6	107.6	-1.8
Korea	53.6	48.6	58.4	68.5	17.4
Taiwan	19.9	15.9	19.8	22.9	15.9
China	512.3	577.1	637.4	683.9	7.3
India	57.8	63.5	68.3	71.3	4.4
EU-27	198.2	139.4	172.6	177.2	2.7
Bulgaria	1.3	0.7	0.7	0.8	8.1
Czech	6.4	4.6	5.2	5.6	8.1
Poland	9.7	7.1	8.0	8.8	10.1
Romania	5.0	2.8	3.7	3.8	2.1
Slovak	4.5	3.7	4.6	4.2	-8.3
EU-15	167.9	117.9	147.5	150.6	2.1
Germany	45.8	32.7	43.8	44.3	1.1
France	17.9	12.8	15.4	15.8	2.5
Italy	30.6	19.8	25.7	28.7	11.5
Belgium	10.7	5.6	8.0	8.0	0.3
U.K.	13.5	10.1	9.7	9.5	-2.2
Luxembourg	2.6	2.1	2.5	2.5	-1.9
The Netherlands	6.9	5.2	6.7	6.9	3.7
Spain	18.6	14.4	16.3	15.5	-5.2
Austria	7.6	5.7	7.2	7.5	4.1
Sweden	5.2	2.8	4.8	4.9	1.1
Other Western Europe	29.9	29.1	33.6	38.9	15.8
Turkey	26.8	25.3	29.1	34.1	17.0
C.I.S.	114.3	97.6	108.2	112.7	4.1
Kazakhstan	4.3	4.1	4.2	4.7	11.8
Russia	68.5	60.0	66.9	68.9	2.9
Ukraine	37.3	29.9	33.4	35.4	6.0
N. America	124.5	82.6	111.6	118.9	6.5
U.S.A.	91.4	58.2	80.5	86.4	7.3
Canada	14.8	9.3	13.0	13.0	-0.1
Mexico	17.2	14.1	16.7	18.1	8.3
S. America	47.4	37.8	43.9	48.4	10.3
Argentina	5.5	4.0	5.1	5.6	9.0
Brazil	33.7	26.5	32.9	35.2	7.0
Venezuela	4.2	3.8	2.2	3.1	40.5
Oceania	8.4	6.0	8.1	7.2	-11.6
Australia	7.6	5.2	7.3	6.4	-12.3
Africa	17.0	15.3	16.6	15.2	-8.5
South Africa	8.2	7.5	7.6	7.5	-1.5
Middle East	16.6	17.7	20.0	22.4	12.0
Total	1,341.2	1,235.8	1,429.1	1,516.8	6.1

* Preliminary report

Source: worldsteel March 2012

Apparent Consumption of Finished Steel Products

(million tons, %)

Regions and nations	CY2009	2010	2011	2012 (Estimate)	Growth rate 12/11
Asia and Oceania	768.6	842.2	888.5	921.5	3.7
Japan	52.8	63.5	64.1	63.7	- 0.6
China	551.4	587.6	623.9	648.8	4.0
Korea	45.4	52.4	56.4	57.0	1.1
Taiwan	11.3	17.8	18.1	18.5	2.2
India	57.9	64.9	67.8	72.5	6.9
EU-27	119.8	144.9	152.8	155.8	2.0
Other Western Europe	23.9	29.6	33.0	35.0	6.1
C.I.S.	36.0	48.2	54.0	56.2	4.1
N. America	83.5	111.2	121.2	127.5	5.2
U.S.A.	59.2	79.9	89.1	94.2	5.7
Canada	9.5	14.1	14.2	14.5	2.1
Mexico	14.8	17.2	18.0	18.8	4.4
Central & South America	33.7	45.1	46.0	49.1	6.7
Argentina	3.2	4.6	5.3	5.4	1.9
Brazil	18.6	26.1	25.0	26.4	5.6
Africa	26.9	24.8	22.7	25.1	10.6
Middle East	41.6	46.9	48.1	49.8	3.5
Total	1,140.0	1,300.8	1,373.3	1,422.3	3.6
(Ref. Apparent crude steel consumption)	1,227.2	1,404.4	1,487.3	1,542.2	3.7

Source: worldsteel April 2012

Continuous Casting Ratio

(%)

Nations	CY2005	2006	2007	2008	2009	2010	2011
Japan	97.8	97.7	98.0	97.9	98.4	98.2	98.1
Taiwan	99.6	99.6	92.1	99.6	99.6	100.0	100.0
Korea	98.1	98.0	97.8	97.5	97.7	98.0	98.1
China	95.7	95.7	96.9	97.0	97.4	97.9	98.5
India	65.9	65.9	69.8	70.0	68.7	68.8	69.5
Germany	96.4	96.3	96.2	95.9	96.7	96.7	96.3
Italy	96.4	95.3	95.5	95.6	95.2	95.7	95.2
Russia	54.0	54.0	71.1	71.1	80.6	80.7	80.7
U.S.A.	96.5	96.7	96.7	96.9	97.5	97.4	97.8
Brazil	92.4	92.3	93.3	94.2	97.1	96.6	96.7
World	90.0	90.8	92.4	92.9	94.1	94.7	95.0

Source: worldsteel

Crude Steel Production - top 30 steelmakers

(million tons, %)

ranking	Company	Nations	CY 2011	CY 2010	Growth rate 11/10
1	ArcelorMittal	Luxembourg	97.2	98.2	- 1.0
2	Hebei Group	China	44.4	－	
3	Baosteel Group	China	43.3	37.0	17.0
4	POSCO	South Korea	39.1	35.4	10.5
5	Wuhan Group	China	37.7	16.6	127.1
6	Nippon Steel	Japan	33.4	35.0	- 4.6
7	Shagang Group	China	31.9	23.2	37.5
8	Shougang Group	China	30.0	14.9	101.3
9	JFE Steel	Japan	29.9	31.1	- 3.9
10	Ansteel Group	China	29.8	22.1	34.8
11	Shangdong	China	24.0	－	
12	Tata Steel	India	23.8	23.2	2.6
13	US Steel	USA	22.0	22.3	- 1.3
14	Gerdau	Brazil	20.5	18.7	9.6
15	Nucor	USA	19.9	18.3	8.7
16	ThyssenKrupp	Germany	17.9	16.4	9.1
17	Evraz	Russia	16.8	16.3	3.1
18	Maanshan	China	16.7	－	
19	Benxi	China	16.5	－	
20	Hyundai Steel	South Korea	16.3	12.9	26.4
21	RIVA Group	Italy	16.1	14.0	15.0
22	Valin Group	China	15.9	－	
23	Severstal	Russia	15.3	18.2	- 15.9
24	Metinvest	Ukraine	14.4	8.7	65.5
25	China Steel Corporation	Taiwan	14.0	12.7	10.2
26	SAIL	India	13.5	13.6	- 0.7
27	Sumitomo Metal	Japan	12.7	13.3	- 4.5
28	IMIDRO	Iran	12.6	11.4	10.5
29	Jianlong Group	China	12.4	－	
30	MMK	Russia	12.2	11.4	7.0

※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)

World Steel Association

- Non-profit research organisation
- World forum on various aspects of the international steel industry
- Founded in 1967
- First international association dealing solely with one industry

Organization

■Executive Committee

■Audit Committee

■Nominating Committee

■Key Committees

- Economics
- Technology and Environment
- Environmental Policy
- Safety and Health
- Education and Training
- Sustainability
- Communications
- Raw Materials

Members Represented in worldsteel

- 67 regular members
- 46 associate members
- 47 affiliated members

Headquarters

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

Officials (as of April 2012)

- Chairman
  Xiaogang Zhang (President, Anshan Iron and Steel Corporation) <China>
- Vice Chairmen
  Hajime Bada (President and CEO, JFE Holdings, Inc.) <Japan>
  Alexey Mordashov (General Director, Severstal JSC) <Russia>

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 DC (USA)	〃
22nd (1988)	Seoul (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 (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 (Korea)	29th: G. Dollé (Luxembourg)
40th (2006)	Buenos Aires (Argentina)	30th: J. Surma (USA)
41st (2007)	Berlin (Germany)	31st: K.T. Lee (Korea)
42nd (2008)	Washington DC (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)	
47th (2013)	São Paulo(Brazil)*	

* Scheduled

Engineering and Construction

Nippon Steel Corporation made a split-up of its business of the Engineering Divisions Group and launched Nippon Steel Engineering Co., Ltd. in July 2006. The new company, in this era of drastic changes in both domestic and international markets, aims to give its customers the greatest possible satisfaction with its outstanding technological strengths and well-proven engineering expertise. It is now stepping up efforts toward the smoother, faster and more flexible development of the engineering-business（plant construction, environmental-protection measures, energy development, infrastructure improvement and building construction） so as to grow into an “indispensable presence making a lasting contribution to society".

Outline of Nippon Steel Engineering Co., Ltd.

Head office: 1-5-1, Osaki, Shinagawa-ku, Tokyo
Phone: 81-3-6665-2000
Capital: ¥15 billion
Annual sales: ¥248.9 billion (FY2011; consolidated)
Number of employees: 3,848 (as of March 31, 2012)

Orders Received and Sales in Engineering and Construction

(¥ billion)

Business fields	Orders received		Sales	
	2011	2012	2011	2012
Plant & Machinery	87.3	62.2	58.1	59.4
Environmental Solution	55.0	44.5	43.3	39.8
Energy Facilities	32.1	32.3	40.5	39.2
Marine Engineering & Consutruction	92.8	24.3	51.3	43.5
Bridges & Steel Structures	14.8	10.5	13.4	10.9
Pipeline	18.3	23.8	19.5	18.1
Building Construction & Steel Structures	38.9	40.6	32.2	41.5
Elmination of inter-segment transactions, etc.	- 4.9	- 0.5	- 3.4	- 3.5
Total	334.3	237.7	254.9	248.9
(Overseas in the above)	(130.4)	(58.5)	(52.4)	(59.0)

Notes:
1) Consolidated
2) Years ended March 31

Sales

(¥ billion)

Years ended March 31	2006	2007	2008	2009	2010	2011	2012
Total sales	336.1	367.9	359.8	386.6	331.9	254.9	248.9
(Overseas in the above)	(81.9)	(96.1)	(88.4)	(79.0)	(79.0)	(52.4)	(59.0)

Note: Consolidated

Business Lines and Products / Services

Plant and Machinery

- **Steel Plants**
  Ironmaking and steelmaking plants (blast furnaces, basic-oxygen furnaces, etc.), processing & treatment lines (C.A.P.L., CGL, ETL, etc.), environmental & energy saving system（rotary hearth furnace [RHF], coke dry quenching [CDQ],coal moisture control[CMC]）, electric arc furnaces, continuous casters, reheating furnaces, rolling mills, pipe-making mills and auxiliary facilities, nonferrous metal processing line

Environmental Solution

- **Environmental Plants, Resources Recycling, Environment restoration**
  Waste direct melting/recycling systems, recycling plazas, marine sediment and sludge incineration facilities, PCB waste treatment facilities, waste plastic treatment facilities, waste tyre pyrolysis plant, Bioethanol production plant, freon decomposers, soil/ground water sedimentation, supply of operation & maintenance services

Energy Facilities

- **Receiving/Delivery and Storage**
  LNG/LPG/oil receiving and delivery terminals (LNG/LPG receiving terminals, LNG satellite bases, LNG lorry shipment equipments etc.), storage equipment (low-temperature liquefied gas tanks, city gas holders, etc.)
- **Energy Production**
  Natural gas liquefaction bases, geothermal steam production equipments, industrial gas equipments (PSA, flue-gas desulfurizing equipments, etc.),System for Converting Biosolid into Solid Fuel “J-Combi”
- **Energy Solutions**
  Electricity retail supply, on-site energy supply, power generation engineering, wind power generation

Marine Engineering and Construction

- **Oil and Gas Development projects,Offshore Civil Engineering**
  Oil/natural gas offshore pipelines, offshore platforms(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 and Engineering**
  Construction of industrial, office buildings, condominiums and plant buildings, construction of public facilities by PFI
- **Steel Structures Engineering**
  High-technology steel structures(NS Truss, W-Truss, NS Tension System), high-rise building steel structures, and space steel frames
- **Pre-Engineered Products**
  Base-isolation and vibration-control devices, Standardized Buildings(STAN-Package), Pipe Piling Work(NS ECO-PILE®), Bridge Products（Grating, KAKUTABASHI®, H-Beam Bridge, Panel-Bridge, NS-cover Plate, etc）

Nippon Steel Pipeline Co., Ltd.

- **Energy Pipelines**
  On-land pipelines (natural gas, oil, etc.), city gas piping,Simplified circular pipeline propulsive methods, fully automated welding machines for on-land pipelines (MAG-Ⅰ),"ANHT" type Hot Tapping method, buried pipe coating flaw inspection
- **Waterworks**
  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

Urban Development

Nippon Steel integrated its urban development business into its subsidiary Nippon Steel City Produce, Inc. with the aim of strengthening its business footing in the field of real estate in April 2002.

Distinctive urban development operations are being promoted by solid fusion of know-how and networks nurtured by the two companies.

Furthermore, aiming at a well-balanced integrated real estate company, emphasizing on developing and leasing office and condominium buildings, the company has decided on business integration with Kowa Real Estate Co., Ltd. and has entered into a basic agreement on business integration on March 26 of this year.

Company History

Oct. 1978: The Living Environment Development Dept. was established to tackle comprehensive urban development with the creation of new living environments as the core business.

Jul. 1985: The Dept. was merged into the Standardized Building Construction Division of the Engineering Divisions Group (later renamed Building Construction & Urban Development Division).

Jul. 1989: The Urban Development Division was established, into which the urban development operation of the above Division and the large-scale companyowned land development operation promoted by the Corporate Planning and other departments were integrated.

Apr. 1998: The Division was spun-off from the Engineering Divisions Group.

Apr. 2002: The urban development business was integrated into Nippon Steel City Produce, Inc.

Mar. 2012: Execution of the basic agreement on business integration with Kowa Real Estate

Outline of Nippon Steel City Produce, Inc.

Head office: 1-13-1, Nihonbashi, Chuo-ku, Tokyo

Phone: 81-3-3276-8800

Capital: ¥6.02 billion

Annual sales: ¥80.4 billion (FY2011; consolidated)

Number of employees: 557 (as of March 31, 2012)

Business Development

Nippon Steel City Produce is promoting the condominium business centering on Tokyo and the Osaka-Kobe areas. Further, it is undertaking redevelopment of company-owned land and urban redevelopment with successful results, accurately meeting the market needs for land utilization.

Business Fields and Major Achievements

•Condominiums business	The Midland Avenue
	LIVIO Tower Itabashi
	LIVIO KOKUBUNJI STATION AVENUE
	YOKOHAMA MOMIJIZAKA THE RESIDENCE
•Urban development business	Kasumigaseki R7 Project〈KASUMIGASEKI COMMON GATE〉
	Shibaura 3-chome Urban Redevelopment Project〈SHIBAURA RENASITE〉
	Kanda-Awajicho 2-chome Project
•Large-scale community development business	Yahata-Higashida General Development
	SAKAIHAMA SEASIDE STAGE
	Ohtsu district Development in Himeji
	Shopping mall Development in Muroran〈MORUE NAKAJIMA〉
•Building management business	NITTETU NIHONBASHI BUILDING Lease Business
	NITTETU KOBIKI BUILDING Lease Business
	Nippon Steel head office relocation project
	Nippon Steel Engineering Co. head office relocation project

Chemicals

Nippon Steel Chemical Co., Ltd., which spearheads the chemicals business of the Nippon Steel Group, undertakes coal-chemicals business to promote effective utilization of coal tar, coke-oven gas and other products obtained from the ironmaking process. While coal-chemicals are the mainstay business, the company has added petrochemicals to its business line-up and at the same time is exerting its business development efforts in such fields as Optical&display Materials, Epoxy Resin, packaging materials, PWB materials and organic EL materials.

Outline of Nippon Steel Chemical Co., Ltd.

Head office: 4-14-1, Sotokanda, Chiyoda-Ku, Tokyo
Phone: 81-3-5207-7600
Capital: ¥5 billion
Annual sales: ¥197.6 billion (FY2011; consolidated)
Number of employees: 1,633 (as of March 31, 2012)

Operating Policies

Nippon Steel Chemical is aiming at the chemical corporation that contributes to the society in the corporate vision that hangs by "Grand design" that makes 2020 year a target through the development of the function material business to make the best use of achievement of the best steel chemicals in the world and an original material technology. The steel chemicals business and the functional materials business are made the pillar of management, and the sustained growth is pursued by the development of a new business and the ongoing challenge to the globalization. The achievement of the sales 500 billion yen, the current profit 50 billion yen, and ROA15% or more hangs to the target as a financial index.

Main Products

■ Coal Tar Chemicals

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

■ Chemicals

Styrene monomer, benzene, toluene, xylene, cyclohexane, methanol, ammonium sulfate, divinybenzenes, special solvent, high-performance synthetic lubricant

■ Functional Materials

Optical & display Materials (functional resin and material, styrene resin, UV/thermosetting resin materials「ESDRIMER®」, high surface hardness transparent plastic substrates「Silplus®」, liquid crystal display color filter resist material「ESFINE®」)
Epoxy resin(general purpose epoxy resins, non-halogen flame retardant epoxy resins, specialty epoxy resins), packaging materials「ESAREX®」, bisphenol A, orthocresol
PWB materials「ESPANEX®」(adhesiveless copper-clad laminated sheet for flexible print circuit board)
Organic EL materials「LumiAce®」(light emitting material, electron transport material, hole transport material, hole injection material)

New Materials

In 1984 Nippon Steel launched 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 amassed in steelmaking and introduction of technologies from other companies. In order to expand the new material business, especially in the market of electrical components, we founded Nippon Steel Materials Co., Ltd. on July 2006.

Outline of Nippon Steel Materials Co., Ltd.

Head Office: 4-14-1 Sotokanda, Chiyoda-ku, Tokyo , Japan
Phone: 81-3-6859-6111
Capital: ¥3 billion
Annual Sales: ¥54.2 billion (FY2011, consolidated)
Number of Employee: 438 (as of March 31, 2012)

Business development

Since its inauguration as the New Materials Division, Nippon Steel Materials has promoted improvement and expansion of the business footing, in close collaboration with related departments of the company's R&D sections and steelworks and taking into account the future market development, and supplied not only materials, but also processing services, components and finished products as well, that lead to customer satisfaction.

Targeted operating domains

- 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 semiconductor

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 Materials provides the following products and services, by applying technologies cultivated through steel making, 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 Nittetsu Micrometal Corporation Philippines Hangzhou New Material Chroma Co., Ltd.
・Spherical filler powders (sealing materials)	Micron Company and Harimic Malaysia Sdn. Bhd.
・Micro ball bumping service	Electronics Materials Div.
・SiC Wafer	SiC Wafer Company

○ Materials for electronics device

Stainless steel foil coils and sheets marketed by Nippon Steel 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.

・Stainless steel foil coils and sheets	Electronics Materials Div.

○ Materials and components for semiconductor manufacturing equipment

Further, Nippon Steel Materials supports the semiconductor and electronics sectors with the supply of materials and components for the equipment as well.

We supply dense, homogeneous and no internal defect materials such as metals ceramics, 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 CMP(Chemical Mechanical Polishing) process in the semiconductor and the hard disk drive substrate manufacturing are supplied.

・HIP processed products	Electronics Materials Div.
・CMP pad conditioners	Electronics Materials Div.

■ 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 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 Nippon Steel's material technology and structural design technology.

・Carbon fibers, Prepreg	Nippon Graphite Fiber Corporation
・Carbon-fiber composite materials	Composites Company

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. These 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 temperatures is also provided as material.

・Metal substrates for catalytic converter	Environmental Materials Div.
・Stainless steel foil coils and sheets for metal substrates for catalytic converter	Electronics Materials Div.

Poly-silicon, as a primary source for Solar Power Generation, the growing source of Clean Energy for the preventation of global warming, has been on an increasing demand. Nippon Steel Materials has set up NS Solar Material Co., Ltd. and started its production in 2008.

・Polysilicon for solar cells	NS Solar Material Co., Ltd.

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 aggressively promoted the reinforcement of 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: 20-15, Shinkawa 2-chome, Chuo-ku, Tokyo

Phone: 81-3-5117-4111

Capital: ¥12.95 billion

Net sales: ¥161.5 billion (FY2011; consolidated)

Number of employees: 5,014 (as of March 31, 2012)

Business Summary

NS Solutions proposes solutions that are most appropriate from the users' perspective.
NS Solutions takes full advantage of extensive experience and advanced IT capabilities fostered in a manufacturing industry.
We became involved in cloud computing ahead of many others. In May 2012, we established the 5th Data Center,as our base for providing cloud services. Recently, we have been proactive in proposing the use of Data Science and Smart Devices as Cloud Plus, which aims to create innovations by using cloud computing. In December 2011, we established NS Solutions Asia Pacific Pte. Ltd., our subsidiary in Singapore, and began providing IT support services in the Asia-Pacific region, in addition to the United States and China.

Business Fields

○ Manufacturing and Consumer Products Sectors

As a solution provider that comes from the manufacturing industry and is therefore most familiar with customers' operations, we at NS Solutions help our 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, we support our customers with our 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, and others
- 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, and others

○ Telecommunications Sector

We provide 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)

○ Finance Sector

By integrating our many years of experience in finance-related operations with our IT capabilities, we provide 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, and others
- Business management solutions: ALM, revenue management, BancWare for integrated revenue management, solutions for complying with Basel III and IFRS, etc
- Databases: Large-scale DWH, database, and others
- Retail payments: Processing services using smart devices, etc

○ Social and Public Sectors

We provide our know-how of steel and the latest IT infrastructure technologies to government agencies, educational and research institutions, and public utilities. By doing so, we support the creation of a safe, secure social infrastructure.

- National government offices, local municipalities
- Science and technologies
- Education (university, etc)
- Public utilities (social infrastructure and transportation)

○ IT Infrastructure Solutions

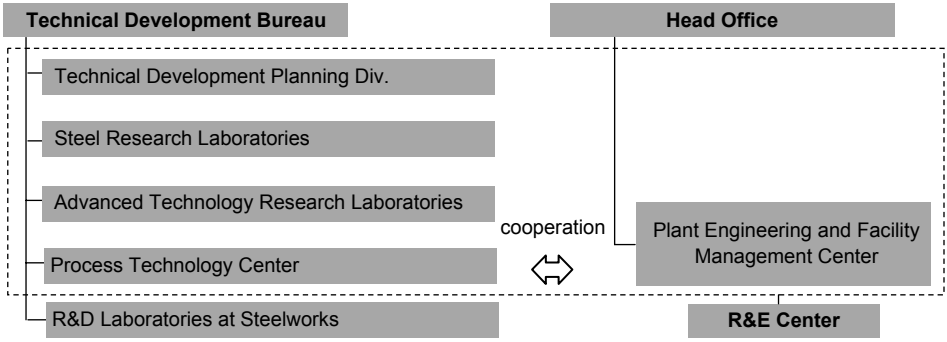
We build and provide standardized, open IT infrastructure based on our know-how of diverse industry sectors and operations. In addition, we offer a wide variety of high value-added operation service menus. We are ready to provide optimal combinations of these services to meet the specific needs of customers. In May 2012, we opened the 5th Data Center as a state-of-the-art infrastructure for cloud services.

- Cloud services: "NSGRANDIR+" private cloud appliance, "absonne" cloud computing IT infrastructure services, and others
- Data center services: Building and operating disaster recovery (DR) sites, etc
- Desktop as a Service (DaaS): Creating a virtual PC on absonne so that users can have access to a desktop environment that is the same as the one in their office, anytime, anywhere
- ASP/BPO services for handling drawings and documents: Document management for financial institutions, management of drawings included in as-built drawings, and others
- Services we provide as a statutory electronic public notice investigation body: Provision of services as an electronic public notice investigation body registered by the Minister of Justice
- "Kotoshirabe", a tool that proofreads Japanese documents: A tool that checks Japanese documents for ambiguity, orthographic variants, words that have different meanings in Chinese, and redundant expressions. It can also check for the use of inconsistent terms with reference to a specified glossary

Research and Development

Research, Development and Engineering

In the true spirit of research and engineering, Nippon Steel promotes an integrated structure, linking basic research to applied development and plant engineering. This approach reinforces coordination of activities between the Research and Engineering Center, at the core of our R&D structure, and the R&D laboratories at steelworks across the country that provide support.



Research and Engineering (R&E) Center

With the aim of integration of research functions scattered nationwide and faster practical operation and commercialization of research results, the R&E Center was established the core research base for the Technical Development Bureau.

- Location：20-1 Shintomi, Futtsu City, Chiba Pref.
- Establishment：September 1991
- Site：700,000㎡ (total building floor area : 100,000㎡)

R&D Expenditures

(¥ billion)

Years ended March 31	2005	2006	2007	2008	2009	2010	2011	2012
non-consolidated	27.3	28.0	29.0	30.0	30.5	32.7	31.8	33.0
consolidated	36.3	37.8	41.2	45.3	45.7	46.8	46.6	48.1

Major R&D Achievements

Year	Achievements
1989	・ NITTETSUHYPER BEAM®, advanced H-beam with constant beam depth ・ BUILTEN®, TMCP steel plate for building construction ・ Blast-furnace operation control system using knowledge engineering
1990	・ C-II pipe and tubing, high-alloy corrosion-resistant double-wall pipe for sour gas application ・ Ultrahigh-strength steel wire (360 kgf/mm2 grade) ・ Twin-drum near-net-shape continuous casting of strip ・ Automotive corrosion-resistant steel sheet (Zn alloy-coated sheet)
1991	・ Hot-rolled high-strength steel sheet of highly residual austenite type ・ Titanium-clad steel plate for corrosion protection of offshore structure ・ NS Robot 21, welding robot for steel-frame fabrication
1992	・ NS-Box, continuous steel subterranean wall members for underground construction ・ NS Stud Welding Method, automatic and continuous multiple-welding system for joining steel and concrete ・ Biomass-carrier sewerage treatment process ・ MPEG real-time TV picture encoder
1993	・ High-speed one-side FCuB welding technology ・ Technology for a large amount usage of limonitic iron ores ・ NSCARM, numerical system for computer analysis of rolling mechanism
1994	・ High-strength steel wire (1,800 MPa) for bridge cables ・ High-strength pitch-based carbon fibers and NOMST®, shield-cuttable tunnel-wall system, for the use of concrete reinforcing materials ・ High-strength steel (590 and 780 MPa grades) with low weld-crack sensitivity ・ Waste-water treatment process by means of sulfur-oxidizing bacteria
1995	・ Dynamic cyclic loading system ・ Twin-drum strip casting process ・ Gold-bonding wire for high-density packaging of LSIs ・ Silicon wafers with superior gate oxide film integrity ・ Self-placing concrete
1996	・ HIAREST®, high crack arrestability endowed steel plates ・ Sour-resistant 13Cr OCTGs with improved corrosion resistance ・ Precision rolling by multi-variable control of no-twist rod finishing mill ・ Eight-inch SIMOX wafer production technology ・ Design technology for all-weather berths by means of forecasting and controlling of waves and rains driving into hatches
1997	・ High-strength steel sheet offering high impact energy-absorbing capability ・ Stand-support sintering process ・ Single crystal SiC substrates ・ Transport system by large-scale automatically guided vehicles
1998	・ 3%Ni weathering steel usable near the coast ・ Electrogalvanized steel sheets having Cr-free treatment layer ・ Continuous finish-rolling technology ・ Micro-ball bump technology for semiconductor chip interconnections ・ VIEWKOTE®, deep-drawable prepainted steel sheet

Year	Achievements
1999	・ Waste plastics recycling process using coke ovens ・ Thinner-gauge non-oriented electrical steel sheets for EV ・ Hypereutectoid steel rails for heavy-haul railways ・ Anti-coarsening steel for automotive carburized parts ・ High-quality A3 (argon annealed advanced) silicon wafers ・ NEXCERA® (ultralow thermal expansion ceramics)
2000	・ Superhigh HAZ toughness steel with fine microstructure imparted by fine particles ・ SuperDyma®, excellent corrosion-resistant hot-dip alloy coated sheet ・ New evaluation method for coal properties ・ Automatic gunning system for repairing closed cylindrical vessel ・ 300 mm-diameter silicon wafer
2001	・ High-performance non-leaded free-cutting steel ・ Lampposts with high fatigue resistance ・ Technology for increasing productivity of software for process control systems
2002	・ Super Hydroforming Technology ・ Lubricated sheet ・ ECOKOTE®, lead-free coated sheet for fuel tanks ・ Ferritic stainless steel with high workability (YUSPDX®)
2003	・ 590MPa,780MPa TRIP type Galvanneled steel sheet ・ NS-BOX, Steel-framed diaphragm walls
2004	・ New S-TEN®1:an Innovative Acid Resistant Low Alloy Steel ・ Innovative antiseismic technology using unbonded brace and advanced steel ・ Hat-type sheet pile 900, next-generation steel sheet pile
2005	・ CLC-μ, advanced continuous on-line control process for steel plate ・ Lead-free low carbon free-machining sheet wire rod（Monozukuri Nippon Grand Award; Excellence Award） ・ Super-TIX®, advanced titanium alloy ・ Super highly active non metal FT synthesis catalyst (The Japan petroleum Institute's Noguchi Memorial Award)
2006	・ YP460MPa Class high-strength and thick steel plate for large-size container ships (2006 Nikkei Superior Products and Services Awards, Monozukuri Nippon Grand Award; Excellence Award） ・ QM-treated ZINKOTE® 21, general-use inorganic-type chromate-free steel sheet ・ Chromate-free precoated metal (PCM) for home electrical products ・ Highly sensitive and on-line laser ionization mass spectrometer for monitoring trace amounts of hazardous compounds. (Japan Society for Analytical Chemistry, Award for Development of Systems and Technology for Advanced Measurement and Analysis) ・ Super-PureFlex®, ultra-deep drawing titanium sheet ・ 3D-VENUS, Visual Evaluation and Numerical analysis System for blast furnace operation

Year	Achievements
2007	・ ECOKOTE®-S; steel sheet, coated 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) ・ 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) ・ 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
2008	・ Innovative structural materials to realize safety and reliable constructions, derived by the national project concerning to nano-technology (NTPT) ・ NSF; To realize safe and comfortable housing by environment friendly method ・ High strength wire-rod by direct in-line patenting process for suspension bridge ・ 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., environment friendly materials made of steel-making slag ・ Silicon carbide epitaxial wafers for power electronics devices (NikkeiBP Technology Award)
2009	・ Hot-dip galvannealed high hole expansion ratio type steel ・ ZINKOTE® BLACK, black painted chromte-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 automotive lightweighting parts ・ 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) ・ RS Plus® Method, low-noise and low-vibration method for construction of high load-bearing foundations for port engineering utilizing steel pipe piles ・ Composite concrete packed steel segment
2010	・ 6%Ni steel for LNG storage tanks ・ High deformable UOE line pipe ・ SBHS, steels for bridge high performance structure ・ TN-X, high-tension steel pipe pile & high bearing capacity foot protection steel pipe pile construction method ・ 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)
2011	・ 1.2GPa high tensile cold rolled steel sheet with high formability ・ Extremely thick HT80 plate of 210mm for rack ・ CORQ®, corrosion resistant castings ・ UIT(Ultrasonic Impact Treatment) method for increasing fatigue strength ・ Straight web-type sheet piling cell construction method ・ 6-inch SiC single-crystal wafers

Award-winning Technologies

・ Okochi Award (sponsored by Okochi Memorial Foundation)

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

Year	Award names	Achievements
1973	Memorial	High-performance grain-oriented electrical steel sheet (ORIENTCORE HI-B®)
1974	Production special	Fully continuous rolling of wide-flange beam (joint development of Nippon Steel, Mitsubishi Electric Mfg. and Sankyu Unyu Kiko)
1975	Memorial	Continuous annealing and processing line for the production of deep-drawing quality cold-rolled steel sheet (C.A.P.L.®)
1976	Production	Dynamic operating technology in BOF steelmaking (joint development of Nippon Steel, Yamazato Electronite and Kawaso Electric)
	Technical	High-performance shape-control rolling mill
1977	Technical	Coke-oven gas desulfurization system
1978	Technical	Emission spectrum analysis by pulse analysis measurement method
1981	Memorial	Commercial production of seamless pipe utilizing press-roll piercing method
1982	Production	Production technology and equipment for large-size square and rectangular steel pipe by roll forming (joint development of Nippon Steel, Nippon Steel Metal Products and Tokyo University)
1984	Memorial	Direct linkage process from steelmaking to hot rolling
1985	Technical	Laser-irradiated ultralow-core loss electrical steel sheet (ORIENTCORE HI-B® LS)
1986	Production	New steelmaking process using hot-metal pretreatment system
1987	Memorial	High-precision, schedule-free rolling technology at large-capacity hot rolling mill
1988	Production	Stainless steel direct hot-extrusion technology without blooming process
1989	Production	Large-capacity, flame-gunning technology for iron- and steelmaking furnaces
1990	Production	Grain segregation control type iron ore sintering method
1991	Production special	High-efficiency universal rolling technology for wide-flange beam (joint development of Nippon Steel and Kawasaki Steel)
1992	Production	High-grade ERW pipe and tube of non-quenched/tempered type for use as OCTGs
1996	Production special	Low-cost, low-environmental burden metallurgical coke production technology
1997	Production	Roll pair cross rolling method for high accuracy and productivity in steel rolling process of flat products (joint development of Nippon Steel, Sumitomo Metals and Mitsubishi Heavy Industries)
1998	Production	High-speed tool steel hot-strip mill roll by continuous pouring process for cladding
1999	Production special	Environment-friendly sintering technology for difficult-to-process iron ore
2000	Production	Automotive high-strength steel sheet (TRIP) with excellent crash energy absorption capacity
2001	Production	World's first endless hot rolling process and new product (joint development of Nippon Steel, Kawasaki Steel, Mitsubishi Heavy Industries and Ishikawajima-Harima Heavy Industries)

2007	Production	YP 47kgf/mm^2 class higher strength steel plate and new hull structure design for large container ships (joint development with Mitsubishi Heavy Industries)
2008	Production	Diagnose and repair technologies used in enormously harsh space for realization of coke-oven restroring (DOC)
2009	Production	Process for recycling dust emitted in steel mills
2011	Production	Municipal waste pastics recycling technology for producing chemical raw materials

- **Ichimura Award**
  (sponsored by The New Technology Development Foundation)

The award is presented every year to executives and technological development staff 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.

Year	Award names	Achievements
1979	Distinguished service	Nonpolluting chemical treatment technology by use of tanning acid for galvanized steel sheet
1981	Distinguished service	Corrosion-resistant steel for use in galvanizing bath
1986	Distinguished service	Low-temperature steel plate permitting high heat-input welding due to new transformation mechanism
1988	Distinguished service	High-strength, high-toughness steel wire rod
1991	Contribution	In-line heat treatment for high-strength DHH (deep head hardened) rail
1992	Contribution	Corrosion diagnosis for steel structures using electrochemical technology
1996	Distinguished service	Ultrahigh-strength steel wire for bridge cables
1997	Contribution	Heat-proof domain refining method for grain-oriented electrical steel sheet
1999	Contribution	Hot-rolled titanium-clad steel coil
2000	Contribution	Weathering steel for use in coastal regions
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
2006	Distinguished service	Sulfuric acid and hydrochloric acid dew-point corrosion resistant steel (New S-TEN®1)
2008	Contribution	Superior corrosion resistant and environment friendly steel sheet for automotive fuel tanks (ECOKOTE®-S)
2010	Contribution	Corrosion resistant steel for cargo oil tank (NSGP®-1)
2012	Main Prize	Multi-coated Cu bonding wire for LSI packaging (EX1)

- **National Invention Award**
  (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. Further, the invention and other awards are 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.

Year	Award names	Achievements
1970	Invention	Improved generation method for insulation films of electrical steel sheet
	Invention	Waste pressure control method in blast-furnace operation
1971	Invention	Wire rod having not only coarse but grading austenitic crystal grains
	Invention	Ignition method in sintering machine operation
1972	Invention	Blast-furnace lining drying method
1973	Imperial invention	Production method for high magnetic density one-direction electrical steel sheet
1974	Invention	Universal rolling of sheet pile
1978	Science & Technology Agency Director	Installation method for prefabricated embankment
1979	Invention	Corrosion-resistant low-alloy steel
1982	International Trade and Industry Minister	Shape inspection method and device for strip coil
1983	Invention	Basic refractory material
1985	Invention	Molten metal bucket
	Invention	Blast-furnace wall hot maintenance device
1987	Science & Technology Agency Director	Carbon refractory material and production method
1988	Invention	Electric resistance-welded pipe with improved resistance to grooving corrosion
1993	KEIDANREN Chairman	Ultralow-core loss grain-oriented electrical steel sheet treated by laser irradiation
1995	Japan Patent Attorneys Association President	Web-height flexible control method for H-beam rolling by skew roll mill
1997	Invention	Ultralow-carbon steel sheet with combined addition of Nb and Ti, having formability and good adherence of galvannealed coating
2000	Invention	High crack-arrestability endowed steel plate having surface layer with ultrafine-grain microstructure
2001	Invention	Rail with high wear resistance and internal fatigue damage resistance for heavy-haul railway use
2003	Invention	Recycling method of chlorine-containing waste plastics in coke ovens
2005	Invention	High formability zinc coated steel sheets for automotive use
2008	Invention	Compact type hydroforming equipment
2010	Education, Culture, Sports, Science and Technology Minister	Measurement and evaluation technology for hot repair of coke-oven chamber walls
2012	Invention	Excellent corrosion-resistant hot-dip alloy coated sheet (SuperDyma®)

Social Contributions

Support of Music Culture through the Nippon Steel Arts Foundation

Ever since its foundation, Nippon Steel Corporation has made a major contribution not only to the development of Japan's economy but also to the progress of art and culture. Specifically, it has extended continuous support to the field of music through the inauguration of its "Nippon Steel Concerts" and the "Nippon Steel Music Awards". The Nippon Steel Arts Foundation, organized by Nippon Steel as a body for the operation of its "Kioi Hall" in November 1994, offers opportunities for promising young artists, organizes concerts, and supports outstanding music performances. In addition, in September 2010, the foundation was authorized as a public service corporation. Thus, Nippon Steel is active in the support of music.

Foundation's Objectives and Activities

1. Fostering talented musicians
2. Sponsoring concerts and other musical performances
3. Supporting distinguished musical activities
4. Administration and Building operations of concert halls (Kioi Hall)
5. Other activities deemed necessary to achieve the purpose of the foundation

Ex. A resident chamber orchestra "Kioi Sinfonietta Tokyo"performs classical music concert. Japanese traditional music, such as Nagauta and Gidayu are also performed.

・Kioi Hall

To commemorate the 20th anniversary of the founding of Nippon Steel in 1990, the Kioi Hall was constructed as part of Nippon Steel's philanthropic activities. As a high quality, carefully designed concert hall, it has garnered a high reputation among domestic and foreign musicians and enthusiasts alike.

Outline

Location	6-5 Kioicho, Chiyoda-ku, Tokyo 102-0094 Tel: 03-5276-4500
Building outline	Site: 3,120m^2 Total floor area: 12,626m^2 7 stories and two basements
Accommodation	Kioi Hall 800 seats Full-scale hall for exclusive use for classical music Kioi Small Hall 250 seats Small-scale hall for Japanese traditional music
Opening	April 2, 1995
Ticket center	Tel: 03-3237-0061
Website	http://www.kioi-hall.or.jp

・Kioi Sinfonietta Tokyo

Kioi Sinfonietta Tokyo was created as the resident chamber orchestra of Kioi Hall on April 2, 1995 to coincide with the opening of Kioi hall. Its 46 members are all world-class soloists and chamber musicians. Characteristically, they often rehearse in the hall to develop the full potential of both hall and orchestra and to refine the resident orchestra's innovative sound.
Kioi Sinfonietta Tokyo has presented concerts in many cities outside of Tokyo. They have also carried out overseas concert tours in Europe and 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.

・Nippon Steel Music Awards

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

Years (Times)		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

Educational Programs in Manufacturing and Environment

Nippon Steel, with the purpose of fostering general understanding of the significance of monodzukuri (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 FY2011)

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

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

Support of Sports

Nippon Steel, 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** – Volley ball
  Incorporated as the Blazers Sports Club in 2000
  Tel: 072-233-2264
- **Kamaishi Seawaves** – Rugby
  Became a club team as Kamaishi Seawaves RFC in 2001
  Tel: 0193-25-2284
- **Kazusa Magic** – Baseball
  Became a club team as the Kazusa Citizens' Baseball Club Magic in 2003
  Tel: 0439-53-0226
- **Tokai REX** – Baseball
  Became a club team as the Citizens' Baseball Club Tokai REX in 2003
  Tel: 052-603-0701
- **Judo club**
  Based in Hirohata Works
  Tel: 079-236-1449

Philanthropic Activities

・Overseas Offices

New York Office of Nippon Steel 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

Chicago Office of Nippon Steel 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 Japanese Chamber of Commerce and Industry in Chicago, and other organizations

European Office of Nippon Steel Corporation (Düsseldorf)

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

Nippon Steel Australia Pty. Limited (Sydney)

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

Nippon Steel 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 (Thailand) Co., Ltd.

- Participation in social contribution activities via Bangkok Japanese Chambern of Commerce and Japanese Association Thailand

Nippon Steel 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 done by Brazilian groups and companies in JAPAN WEEK and so on

Beijing Office of Nippon Steel Consulting (Beijing) Company 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 student's 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 Consulting (Beijing) Company 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 Consulting (Beijing) Company 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 Japanese studying students)

Nippon Steel India Pvt. Ltd. (New Delhi)

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

·Head Office and Steelworks

Executor	Contribution to local communities	
Head Office	・Open use of education and training facilities ・Aid to disaster stricken areas	
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 in the implementation committee on and support of Yawata Festival	・Heartfelt Steel Meeting of Nippon Steel's Yawata Works — Nippon Steel Cup for boys' soccer events and others ・Cleaning of roads in steelworks vicinity
Muroran Works	・Support of Muroran Port Festival and others ・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	・Cleaning of roads in steelworks vicinity ・Participation in traffic accident-prevention campaigns ・Participation in environment preservation activities ・Promotion of blood donation
Hirohata Works	・Manpower and financial support of Green Town Building Club ・Lending of a plaza to Hirohata Tenmangu Shrine Autumn Festival ・Manpower and financial cooperation to Hirohata Economic Organization ・Open use of welfare facilities	・Participation in cleaning campaigns for Himeji City streets ・Hirohata Works' own "Town Beautification Activities" ・Blood donation ・Fund-raising for orphaned 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
Sakai Works	・Cooperation for Sakai Festival and Citizen's Olympics ・Cooperation for youth activities at Sakai City	・Joint holding of local cleaning activities with local authorities ・Helpers for handicapped-person sports events held by Sakai City ・Volunteer activities at schools for handi-capped children ・Promotion of blood donation ・Support of fund-raising activities
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)	・Cleaning of roads in steelworks vicinity ・Blood donation ・Charity bazaars ・Science experiment classroom/stand for schoolchildren
Oita Works	・Support of Joto Spring Festival ・Support of Oita prefecture and City Events ・Support of local primary and junior-high school events ・Open use of welfare facilities ・Visiting schools to give lectures ・Cooperation for Hikari Festival and others	・Cleaning of roads in steelworks vicinity (12 times/y) ・Traffic safety campaigns — Fund-raising for orphaned children — Participation in traffic safety campaigns ・Blood donation ・Participation in fund-raising, afforestation, cleaning, traffic safety campaigns and others
Tokyo Works		・Participation in fund-raising, cleaning, afforestation and traffic safety campaigns
All steelworks	・Acceptance of group steelworks visits	

Support of cultural and sports activities	
・Establishment and management of Nippon Steel Arts Foundation ・Construction and management of Kioi Hall ・Nippon Steel Music Awards ・Educational Programs in Monodzukuri (an art of manufacturing) and environment	・Contribution to universities, research institutes, and cultural/ welfare organizations at home and abroad ・Acceptance of schoolteachers for training at private enterprises (Keizai Koho Center) ・Acceptance of trainees from government agencies, organizations/institutions, and universities at home and abroad
・Local Community Contribution Prize	・Children's sketch meeting for steelworks and ports
・Dispatch of employee to Muroran Music Culture Society ・Support of Muroran Techno-Center	・Support of "Muroran Sharks"baseball team ・Open use of sports facilities
・Lending of materials and documents to Iron Historical 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
	・Hirohata City boys' sports lecture-room — provision of facilities and guidance ・Manpower and financial support of Yumesakikawa River Festival ・Green town sports events
・Holding of Famous Work Concert for Tokai Citizens with Tokai City ・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
	・Implementation of the following activities through a regional volleyball team Blazers Sports Club — Dispatch of technical instructors for lovers of volleyball — Holding of Blazers Cup sports events — Holding of volleyball events in Sakai City (V-League home games, international friendship games and others) — Promotion of younger generations (Sakai Jr. Blazers K49 and Blazers Judo Club)
・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
・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

Investor Relations

IR Group was initiated in April, 2003 to facilitate communicating to the shareholders and investors our corporate philosophy, management principles, business strategies and performance.
IR activities include timely disclosure, more useful information and interactive communication with shareholders and investors.

IR Team Coverage

	Head Office
For institutional shareholders & Investors, analysts	**Investor Relations Dept. of Accounting & Finance Div.**
For Individual shareholders	**Investor Relations Dept. of Accounting & Finance Div. General Administration Dept. of General Administration Div.**

IR Activities

■ IR for domestic and overseas institutional investors

- Holding IR presentation meetings for domestic analysts and investors (regular basis: 4 times a year)
- Visits to main institutional investors overseas (regular basis: 2 times a year)
- Response to visits by domestic and overseas institutional investors (on demand)
- Holding scheduled tours of steelworks, laboratories and other facilities

■ IR for individual shareholders

- Holding management presentation meetings and general tours of steelworks

<Actual events in FY2011>

Areas of events : Hokkaido area (Muroran), Kanto area (Tokyo/Kimitsu), Chubu area (Nagoya), Hokuriku area (Kanazawa), Kansai area (Osaka, Hirohata), Kyusyu area(Oita)

Number of times : 12 in total

Number of visiting shareholders : approx. 2,300

<Actual event since the start of this program in April 2005>

	Number of times	Number of visiting shareholders	Number of places
The aggregate since the start of this program in April 2005	78 times	approx. 17,000	15 places in 7 areas

■ Booklets to shareholders

- Sending the booklets “To-Our-shareholders”

■ Website-Japanese and English Versions

http://www.nsc.co.jp/

Investor Relations

■ Individual shareholder benefits

- Shareholders owning 50,000 or more stocks : Invitation to concerts at Company’s Kioi Hall in Tokyo(selected) : twice a year
- Shareholders owning 7,000 or more stocks : Sending Company calendar

Public Relations

Systems by Division

	Head office	Steelworks and research laboratories	Domestic and overseas offices
Corporate PR activities	**Public Relations Center, General Administration Div.** ・Public relations activities directed to mass communications ・CSR ・Corporate advertisement ・PR publications ・Website	**General administration or coordination groups** ・Publication of house magazines ・Plant four arrangement ・Public relations activities directed to local mass communications	**Coordination groups** ・Public relations activities directed to local mass communications
Sales promotion PR activities	**Administration Dept., Sales Administration & Planning Div.** ・Sales promotion of iron and steel products	—	—

Activities

・Website http://www.nsc.co.jp

・Press releases
・Company outline
・Investor and shareholder information
・Products and technology information
・Environment Information
・Monthly Newsletter in English “Nippon Steel News”
for subscribing : https://nsm.info.nsc.co.jp/en/mail/index.html
・Publications in PDF

・Publication of Picture Books

Intended mainly for primary school students, the picture books introduces Nippon Steel'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). for subscribing : http://www.nsc.co.jp

Vol.1 “A New Story About Earth Friendliness” published in July 2001, by P.R.Center
Vol.2 “A New Story About Earth” published in July 2002 by P.R.Center
Vol.3 “A New Story About Iron & Steel” published in October 2003 by P.R.Center
Vol.4 “A New Story About the Future of Iron” published in November 2004 by P.R.Center
Vol.5 “A New Story About a Town of Dreams” published in October 2005 by P.R.Center
Vol.6 “A New Story About a Town of Excitement” published in September 2006 by P.R.Center
Vol.7 “A New Story About Oni (Ogres)” published in April 2007 by P.R.Center & POSCO
Vol.8 “A New Story About Blue Planet” published in December 2008 by P.R.Center
Vol.9 “A New Story About Steel and Life” published in September 2009 by P.R.Center
Vol.10 “A New Story About Steel and Civilization” published in October 2009 by P.R.Center

・Publications

Japanese-language publications				
Annual Report	Business reports	Annual	10,000 copies	Public Relations Center, General Admin. Div.
Nippon Steel Sustainability Report	Report concerning environment and social responsibility	Annual	23,000	Environmental Div.
Nippon Steel Monthly	Nippon Steel Group news magazine providing the latest information about the wide-ranging operations of Nippon Steel and the companies of the Nippon Steel Group	10 times/y	26,000	Public Relations Center, General Admin. Div.
Nippon Steel Guide	Data book about Nippon Steel	Annual	4,000	Public Relations Center, General Admin. Div.
Nippon Steel Technical Report	Collection of technical papers introducing latest R&D achievements	Annual	3,000	Technical Planning Dept., Technical Development Bureau
English-language publications				
Annual Report	Business reports	Annual	5,000 copies	Public Relations Center, General Admin. Div.
Nippon Steel Sustainability Report	Report on environment protection and CSR	Annual	2,000	Environmental Div.
Nippon Steel News	Newsletter providing the latest information about Nippon Steel Group activities	Monthly (Website version)	1,000	Public Relations Center, General Admin. Div.
Basic Facts About Nippon Steel	Data book about Nippon Steel	Annual	3,000	Public Relations Center, General Admin. Div.
Nippon Steel Technical Report	Collection of technical papers introducing latest R&D achievements	Annual (Website version)		Technical Planning Dept., Technical Development Bureau
Special-feature publications				
Easy to understand Guide to Current and Future Advances in Iron & Steel Making	This reedited version of the multipart article "The Genesis of Product Making," published in NIPPON STEEL MONTHLY, introduces Nippon Steel's advanced technological capabilities, the wellspring of the company's competitiveness. (Japanese version, full-color print, soft cover) Ⅰ Published in November 2004 Ⅱ Published in January 2007 Ⅲ Published in September 2009		¥1,890	Edited by Nippon Steel Corporation and published by Nippon Jitsugyo Publishing Co., Ltd.
Picture Books "A New Story"	10 all volumes (Refer to page 110) (Japanese version)		Free distribution	Edited by Public Relations Center, General Admin. Div.
NIPPON −The land and Its People	Introduction to Japan ・Printed in Japanese and English, Japanese and Chinese 1st edition in July 1982		¥2,100	Edited by Japan Technical Information Service and published by Gakuseisha
Contemporary Japan-Self Portraits	Japanese-English version of a series of articles on Japanese economy and society published in Nippon Steel News 1st edition in January 1989		¥1,260	Edited by Public Relations Center, General Admin. Div., and published by Gakuseisha

・House Magazines

Distribution	Magazine	Outline			
Company-wide	*Shin-Nittetsu*	A4 magazine-type average 36 pages	10 times/y	36,800 copies	Public Relations Center, General Administration Div.
Yawata Works	*Kurogane*	Tabloid 6 pages	6 times/y	7,000	General Administration Dept., General Administration Div.
Muroran Works	*Shirakaba*	Tabloid 4 ～ 12 pages	4 times/y	4,000	General Administration Dept., General Administration Div.
Kamaishi Works	*Kamaishi*	Tabloid 6 pages	4 times/y	3,300	General Administration Dept., General Administration Div.
Hirohata Works	*Tetsu-no-Hibiki*	B5 magazine-type 16 pages	4 times/y	5,000	General Administration Dept., General Administration Div.
Nagoya Works	*Tokai*	A4 magazine-type 12～16 pages	6 times/y	7,700	General Administration Dept., General Administration Div.
Sakai Works	*Sakai*	Tabloid 4 ～ 6 pages	4 times/y	2,700	General Administration Dept., General Administration Div.
Kimitsu Works	*Kimitsu*	Tabloid 8 pages	10 times/y	10,000	General Administration Dept., General Administration Div.
Oita Works	*OITA*	A4 magazine-type 20 ～ 24 pages	4 times/y	5,000	General Administration Dept., General Administration Div.
Technical Development Bureau	*RE*	B4 magazine-type 6 pages	4 times/y	2,700	General Administration Dept., Technical Development Planning Div.

・Videograms

Title	Contents	Outline			
Evolution ～Forging the Future～	Production processes and products (Yawata Works)	October 2005	15 min.	Japanese/ English/ Chinese/ Korean	Yawata Works
Developing the future with special steel	Iron-and steelmaking (Muroran Works)	May 2010	8 22	Japanese/ English/ Japanese	Muroran Works
For Tomorrow, For the Future ～Hirohata Works～	Production processes and products	July 2007	86	Japanese/ English/ Chinese	Hirohata Works
Onward with our customers, with our community	History of Nagoya Works Iron-and steelmaking (Nagoya Works)	January 2008	10	Japanese/ English/ Chinese	Nagoya Works
Continuous Challenging with New Spirit	Iron-and steelmaking (Kimitsu Works)	May 2005	11	Japanese/ English/ Chinese/ Korean/ Portuguese	Kimitsu Works
Steelworks of Water, Green, and Sunlight	Iron-and steelmaking (Oita Works)	April 2011	15	Japanese/ English/ Chinese/ Korean	Oita Works
Eco-friendly Steelworks ～In Concert with the Community～	Environmental Measurements (Oita Works)	September 2007	14	Japanese/ English/ Chinese/ Korean	Oita Works
Steel in the New Millennium	Technical Development Bureau (R&E Center)	December 2000 September 2002	19 9	Japanese/ English/ Japanese/ Chinese	General Administration Dept., Technical Development Planning Div.

Subsidiaries and Affiliates

Outlines by Business Sector—FY2011

Number of Companies, Consolidated Sales, Number of Employees: Nippon Steel, Consolidated Subsidiaries and Affiliates

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	216	62	3,431,456	47,838
Engineering and construction	27	1	210,259	3,848
Urban development	7	4	75,914	557
Chemicals	12	7	190,929	1,633
New Materials	8	0	54,245	438
System solutions	16	2	128,132	5,014
(Group employees)				1,180
(Semi-Total)	286	76		
Total	362		4,090,936	60,508

Notes:

* Not including Nippon Steel Corporation

1) For the year ended March 31, 2012

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

3) When the employees who retired on March 31, 2012 are excluded, the number of employees is 59,704.

Outlines of Subsidiaries and Affiliates

Principal subsidiaries and affiliates

Company	Address
●Steelmaking/Subsidiaries	
Nippon Steel & Sumikin Coated Sheet Corporation	Nihonbashihoncyou 1-5-6, Cyuo-ku,Tokyo 103-0023, Japan
Osaka Steel Co., Ltd.	9-3, Minami-okajima 1-chome, Taisho-ku, Osaka City, Osaka 551-0021, Japan
Nippon Steel & Sumikin Metal Products Co., Ltd.	SA Bldg., 17-12, Kiba 2-chome, Koto-ku, Tokyo 135-0042, Japan
Taihei Kogyo Co., Ltd.	12th Floor, Mitsubishi Bldg., 5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-0005, Japan
Nittetsu Steel Pipe Co., Ltd.	10th Floor, Osaki Center Bldg., 5-1, Osaki 1-chome, Shinagawa-ku, Tokyo 141-8604, Japan
Nippon Steel & Sumikin Stainless Steel Corporation	6-1, Otemachi 2-chome, Chiyoda-ku, Tokyo 100-0004, Japan
Nippon Steel Logistics Co., Ltd.	I. S. Riverside Bldg., 23-4, Shinkawa 1-chome, Chuo-ku, Tokyo 104-0033, Japan
Suzuki Metal Industry Co., Ltd.	9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan
Geostr Corporation	4th Floor, KS Bldg., 17-8, Nishikata 1-chome, Bunkyo-ku, Tokyo 113-0024, Japan
Nippon Steel & Sumikin Welding Co., Ltd.	2nd Floor, Shingu Bldg., 4-2, Toyo 2-chome, Koto-ku, Tokyo 135-0016, Japan
Nippon Steel Drum Co., Ltd.	7th Floor, Nittetsu ND Tower, 5-7, Kameido 1-chome, Koto-ku, Tokyo 136-0071, Japan
Nippon Steel Blast Furnace Slag Cement Co., Ltd.	16, Nishi Minatomachi, Kokura Kita-ku, Kitakyushu City, Fukuoka Pref. 803-0801, Japan
Nittetsu Cement Co., Ltd.	64, Nakamachi, Muroran City, Hokkaido 050-0087, Japan
Nittetsu Elex Co., Ltd.	6th Floor, Across Shinkawa Bldg, 8-8, Shinkawa-1chome, Chuo-ku, Tokyo 104-0033, Japan
Nittetsu Finance Co., Ltd.	6-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8071, Japan
Nittetsu Tokai Steel Wire Co., Ltd.	7 Nozomigaoka Seki City Gifu Pref. 501-3219, Japan
NS Preferred Capital Limited	P.O.Box309GT,Ugland House,South Church Street,George Town, Grand Cayman, Cayman Islands
The Siam United Steel (1995) Co., Ltd.	9,Soi G5, Eastern Industrial Estate, Pakorn Songkrohraj Road, Muang, Rayong 21150, Thailand
PT. PELAT TIMAH NUSANTARA TBK.	Krakatau Steel Bldg. 3rd Floor, Jl. Jendral Gatot Subroto Kav. 54, Jakarta 12950, Indonesia
Siam Nippon Steel Pipe Co., Ltd.	60/5 Moo3, Mabyangporn Pluakdaeng , Rayong 21140, Thailand
Nippon Steel U.S.A., Inc.	780 Third Avenue, 34th Floor, New York, NY 10017, U.S.A.
Nippon Steel Australia Pty. Limited	Level 24, No. 1 York Street, Sydney, NSW 2000, Australia

(¥ million)

Phone	Established	Paid-in capital	Voting ratio	Sales
81-3-6848-3900	February 1950	11,019	76.7%	82,513
81-6-6552-1441	May 1978	8,769	64.6%	71,436
81-3-3630-3200	April 1973	5,912	85.0%	89,232
81-3-6860-6600	October 1946	5,468	46.7%	144,873
81-3-5719-9760	February 1933	5,116	100.0%	37,319
81-3-3276-4800	October 2003	5,000	80.0%	228,630
81-3-3553-1331	April 2006	4,000	100.0%	151,173
81-3-3214-4111	May 1938	3,634	66.6%	54,550
81-3-5844-1200	March 1970	3,352	42.5%	20,736
81-3-6388-9000	July 1958	2,100	80.0%	26,124
81-3-5627-2311	October 1974	1,654	100.0%	22,131
81-93-563-5100	February 1999	1,500	100.0%	9,248
81-143-44-1693	June 1954	1,500	85.0%	13,586
81-3-6688-5800	October 1956	1,032	100.0%	65,881
81-3-6867-2911	August 1989	1,000	100.0%	967
81-575-25-6511	June 2006	897	51.0%	12,614
81-3-3275-5229	October 2006	300,000	100.0%	6,581
66-38-685-155	July 1995	THB9,000million	55.3%	THB18,505million
62-21-520-9883	October 1982	IDR252.3billion	35.0%	IDR1,264.4billion
66-38-891-313	May 1995	THB783million	60.5%	THB5,354million
1-212-486-7150	November 1972	US$22million	100.0%	US$158million
61-2-9252-2077	June 1977	A$21million	100.0%	A$1,109million

Company	Address
●Steelmaking/Affiliates	
Godo Steel, Ltd.	8th Floor, Toyobo Bldg., 2-8, Dohjimahama 2-chome, Kita-ku, Osaka 530-0004, Japan
Topy Industries, Limited	1-2-2, Oosaki, Shinagawa-ku, Tokyo 141-8634, Japan
Sanyo Special Steel Co., Ltd.	3007, Ichimonji, Aza, Nakashima, Shikama-ku, Himeji City, Hyogo Pref. 672-8035, Japan
NIPPON DENKO CO., LTD	13-14,1-chome, Tsukiji, Chuo-ku, Tokyo 104-8112, Japan
Nichia Steel Works, Ltd.	19, Nakahama-cho, Amagasaki City, Hyogo Pref. 660-0091, Japan
NS UNITED KAIUN KAISHA, LTD.	21, 22nd Floor, OTEMACHI WEST TOWER Bldg., 5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8108,Japan
Nippon Steel Trading Co., Ltd.	2-1, Otemachi 2-chome, Chiyoda-ku, Tokyo 100-8071, Japan
Nippon Coke&Engineering Co.,Ltd	3-3-3, Toyosu, Koto-ku, Tokyo 135-6007, Japan
Japan Casting & Forging Corporation	46-59, Sakinohana, Nakabaru, Tobata-ku, Kitakyushu City, Fukuoka Pref. 804-8555, Japan
Krosaki Harima Corporation	1-1, Higashi Hamamachi, Yahata Nishi-ku, Kitakyushu City, Fukuoka Pref. 806-0002, Japan
Daiwa Can Company	1-10, Nihonbashi 2-chome, Chuo-ku, Tokyo 103-0027, Japan
Sanko Metal Industrial Co., Ltd.	13-23, Shibaura 4-chome, Minato-ku, Tokyo 108-0023, Japan
Sanyu Co., Ltd.	1-1, Kasuga Kitamachi 3-chome, Hirakata City, Osaka 573-0137, Japan
Usinas Siderurgicas De Minas Gerais S.A.	Rua Prof. Jose Vieira de Mendonca, 3.011-Engenho Nogueira, 31310-260-Belo Horizonte, 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 Bairro Usiminas, Caixa Postal 310, CEP35160-900, Ipatinga Estado de Minas Gerais, 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
●Engineering & Construction/Subsidiaries	
Nippon Steel Engineering Co., Ltd.	5-1, Osaki 1-chome, Shinagawa-ku, Tokyo 141-8604, Japan
●Urban Development/Subsidiaries	
Nippon Steel City Produce, Inc.	13-1, Nihonbashi 1-chome, Chuo-ku, Tokyo 103-0027, Japan
●Chemical/Subsidiaries	
Nippon Steel Chemical Co., Ltd.	14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo 101-0021, Japan
●New Materials/Subsidiaries	
Nippon Steel Materials Co., Ltd.	14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo 101-0021, Japan
●System Solutions/Subsidiaries	
NS Solutions Corporation	20-15, Shinkawa 2-chome, Chuo-ku, Tokyo 104-0033, Japan

(¥ million)

Phone	Established	Paid-in capital	Voting ratio	Sales
81-6-6343-7600	December 1937	34,896	16.0%	135,809
81-3-3493-0777	October 1921	20,983	20.5%	240,534
81-79-235-6003	January 1935	20,182	15.3%	171,800
81-3-3546-9319	January 1935	11,026	15.4%	71,212
81-6-6416-1021	June 1952	10,720	24.1%	27,536
81-3-6895-6400	April 1950	10,300	34.1%	135,044
81-3-6225-3500	August 1977	8,750	34.3%	1,087,512
81-3-5560-1311	January 1889	7,000	21.8%	125,971
81-93-884-0011	June 1979	6,000	42.0%	23,347
81-93-622-7224	October 1918	5,537	47.2%	103,035
81-3-3272-0561	May 1939	2,400	33.4%	190,787
81-3-5446-5600	June 1949	1,980	16.0%	29,507
81-72-858-1251	January 1957	1,513	35.3%	14,839
55-31-3499-8000	January 1958	R12,150million	29.2%	R11,902million
86-21-2664-3800	July 2004	RMB3billion	50.0%	RMB13.8billion
55-31-3829-4578	October 1998	R584million	30.0%	R280million
55-27-335-5179	March 1974	R432million	25.4%	R252million
86-20-8221-3620	December 1994	US$36million	27.3%	US$205million
81-3-6665-2000	February 2006	15,000	100.0%	248,934
81-3-3276-8800	April 1961	6,020	100.0%	80,419
81-3-5207-7600	October 1956	5,000	100.0%	197,669
81-3-6859-6111	May 2006	3,000	100.0%	54,245
81-3-5117-4111	October 1980	12,952	67.0%	161,582

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