

September 5, 2012

Nippon Steel Corporation  
Sumitomo Metal Industries, Ltd.  
Nippon Steel Logistics Co., Ltd.  
Sumitomo Metal Logistics Service Co., Ltd.

Nippon Steel Logistics Co., Ltd. and Sumitomo Metal Logistics Service Co., Ltd.  
Will Integrate and Reorganize Their Businesses

Nippon Steel Logistics Co., Ltd. ("Nippon Steel Logistics"), a wholly-owned subsidiary of Nippon Steel Corporation ("Nippon Steel") and Sumitomo Metal Logistics Service Co., Ltd. ("Sumitomo Metal Logistics"), a wholly-owned subsidiary of Sumitomo Metal Industries, Ltd. ("Sumitomo Metals"), have agreed to integrate and reorganize their business operations on the scheduled date of April 1, 2013.

Resolutions regarding the integration and reorganization were adopted at board of directors meetings of Nippon Steel, Sumitomo Metals, Nippon Steel Logistics, and Sumitomo Metal Logistics.

The planned name of the integrated company is NIPPON STEEL & SUMIKIN LOGISTICS CO., LTD. ("Nippon Steel & Sumikin Logistics"), and it will be wholly owned by Nippon Steel & Sumitomo Metal Corporation.

1. Objectives of the Business Integration and Reorganization

The logistical functions of Nippon Steel Logistics and Sumitomo Metal Logistics have contributed to the corporate value of respective groups by satisfying customer needs, including those of Nippon Steel and Sumitomo Metals. The new company aims to realize integration synergies quickly and become an efficient, profitable and competitive logistics company.

2. Outline of the Business Integration and Reorganization

(1) Method of business integration and reorganization

The Kashima Division and the Kyushu Division of Sumitomo Metal Logistics will be turned into regional subsidiaries and the head office functions of Sumitomo Metal Logistics will be integrated with Nippon Steel Logistics. The organization of Nippon Steel & Sumikin Logistics will be: the operating holding company will own regional companies located at steelworks of Nippon Steel & Sumitomo Metal Corporation. This structure resembles the organization of Nippon Steel Logistics.

(2) Schedule for business integration and reorganization

September 5, 2012	Signing of basic agreement regarding the integration and reorganization of Nippon Steel Logistics and Sumitomo Metal Logistics
April 1, 2013	Effective date of company split and share exchange (business integration and reorganization date) (scheduled)

(3) Specific details of business integration and reorganization

The Integration and Reorganization Preparation Committee, established by both Nippon Steel Logistics and Sumitomo Metal Logistics will make a plan of specific matters.

Attachment 1: Outline of Nippon Steel Logistics Co., Ltd. and Sumitomo Metal  
Logistics Service Co., Ltd.

Attachment 2: Outline of Integration and Reorganization

【Attachment1】

Outline of the Companies (Consolidated Financial Results of FY 2011) (Figures rounded down)

\* Sumitomo Metal Logistics has not issued consolidated financial results.

Corporate Name	Nippon Steel Logistics Co., Ltd. (Consolidated)	Sumitomo Metal Logistics Service Co., Ltd. (Non-consolidated)
Main Business Activities	Domestic marine transportation Harbor transportation Cargo and automobile transportation Work contracting Customs clearance Packing, etc.	Domestic marine transportation Harbor transportation Cargo and automobile transportation Work contracting Customs clearance, etc.
Date of Establishment	April 3, 2006	August 1, 1957
Head Office	23-4 Shinkawa 1-chome, Chuo-ku, Tokyo	1-17 Tsukiji 4-chome, Chuo-ku, Tokyo
Representatives	Representative Director and President Itsuo Takahashi	Representative Director and President Ichiro Miyasaka
Net Sales	151.1 billion yen	77.5 billion yen
Capital	4 billion yen	1.51 billion yen
Number of Outstanding Shares	1,870,000 shares	3,031,000 shares
Total Assets	77.3 billion yen	44.1 billion yen
Fiscal Year End	March, 31	March, 31
Number of Employees	5,012	1,448
Main Customers	Nippon Steel Corporation Nippon Steel & Sumikin Stainless Steel Corporation Nippon Steel Engineering Co., Ltd.	Sumitomo Metal Industries, Ltd.
Main Banks	Sumitomo Mitsui Banking Corporation Mizuho Corporate Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation	Sumikin Financial Service Co., Ltd.
Major Shareholders and Ownership Percentage	Nippon Steel Corporation 100%	Sumitomo Metal Industries, Ltd. 100%
Relationships of the Companies	Nippon Steel is the sole parent company of Nippon Steel Logistics. One employee of Nippon Steel concurrently serves as a director of Nippon Steel Logistics. Nippon Steel is consigning transportation and unloading, etc. of steelmaking raw materials and steel to Nippon Steel Logistics.	Sumitomo Metals is the sole parent of Sumitomo Metal Logistics. One director and two employees of Sumitomo Metals concurrently serve as directors of Sumitomo Metal Logistics. Sumitomo Metals is consigning transportation and unloading, etc of steelmaking raw materials and steel to Sumitomo Metal Logistics.

Operating Results and Financial Position for Past 3 Years

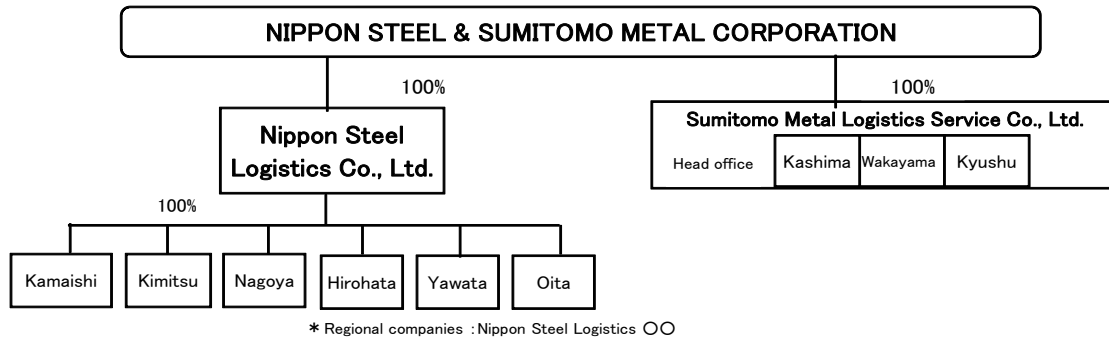
(Millions of Yen)

Trade Name	Nippon Steel Logistics Co., Ltd. (Consolidated)			Sumitomo metal Industries, Ltd. (Non-consolidated)		
Fiscal Year Ended	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2010	March 31, 2011	March 31, 2012
Net Sales	110,850	122,621	151,173	74,722	79,722	77,575
Operating Income	2,176	4,168	3,195	1,433	3,382	2,551
Ordinary Income	1,668	4,001	3,078	1,489	3,369	2,568
Net Income	882	1,903	1,388	963	875	1,097
Net Income per Share (Yen)	471	1,017	742	317	288	362
Annual Dividend per Share (Yen)	94	204	148	0	0	0

【Attachment 2】

**Outline of Integration and Reorganization**

**I . October 1, 2012**



**II . April 1, 2013 Integration and Reorganization**

- 1) Kashima Division and Kyushu Division of Sumitomo Metal Logistics will be turned into regional subsidiaries, and the head office functions of Sumitomo Metal Logistics will be integrated with Nippon Steel Logistics.
- 2) Nippon Steel Logistics will change its name to "NIPPON STEEL & SUMIKIN LOGISTICS CO., LTD."
- 3) In tandem with the integration and reorganization, the names of eight regional companies will change to NIPPON STEEL & SUMIKIN LOGISTICS ○○ CO., LTD. (○○ will be the name of the steelworks.)

