

September 24, 2012

Nippon Steel Corporation  
Sumitomo Metal Industries, Ltd.

## **Announcement Regarding Establishment of Sponsored ADR Program**

Nippon Steel & Sumitomo Metal Corporation ("NSSMC") will be established on October 1, 2012 through a merger between Nippon Steel Corporation and Sumitomo Metal Industries, Ltd.

NSSMC plans to establish a sponsored American Depositary Receipt (ADR) program in the United States with JPMorgan Chase Bank, N.A. acting as the depositary bank on October 1, 2012. NSSMC's sponsored ADR program will not be accompanied by raising new capital such as in the form of a public listing in the U.S. or an issuance of new shares. Consequently, the total number of outstanding shares of the company will not increase and there will be no dilution of share value.

### **1. Purpose of establishing a sponsored ADR program**

The purpose of establishing a sponsored ADR program is to develop new investors, thus expanding the overall investor base, by enhancing convenience to investors and broadening the choices of available investment instruments in the U.S. capital markets. While both Nippon Steel and Sumitomo Metals have thus far engaged in their respective overseas investor relations activities, NSSMC expects that the establishment of a sponsored ADR program will lead to greater name recognition for NSSMC and broaden the investor base for the new integrated company.

### **2. Details of the sponsored ADR program**

(1) Type of ADR program	Sponsored Level 1 ADR program
(2) Trading market	OTC (Over-the-counter)
(3) Trading effective date	October 1, 2012, U.S. Eastern Standard Time (planned)
(4) ADR ratio	1 ADR: 10 shares of common stock
(5) Ticker symbol	NSSMY (planned)
(6) CUSIP number	65461T101
(7) Depositary Bank	JPMorgan Chase Bank, N.A.

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(Reference)

1. ADRs (American Depositary Receipts) are receipts which represent an ownership interest in the underlying securities of a non-U.S. company. Registered with the U.S. Securities and Exchange Commission (SEC), an ADR is a negotiable security in the U.S. and is traded in the same manner as other U.S. securities for clearance, settlement, transfer and ownership purposes.

2. Sponsored ADRs are issued by a specified depositary bank under a depositary agreement that defines the rights and obligations of the issuer, ADR holders and the depositary bank. Sponsored ADR programs are classified into three types: Level 1, Level 2, and Level 3, depending on whether the program is unlisted, listed, or involves an initial or secondary public offering, and on the level of disclosure required by the SEC. Level 1 ADR programs are unlisted programs, Level 2 ADR programs are listed programs (e.g., on the New York Stock Exchange), and Level 3 ADR programs are listed programs accompanied by raising new capital in the form of an issuance of new shares.

3. Nippon Steel's ADRs have so far been traded in the U.S. securities markets as unsponsored ADRs without the involvement of Nippon Steel. Such ADRs will be transferred to the newly-established sponsored ADR program.

4. Sumitomo Metals' sponsored ADR program, through revision of its depositary agreement, will in principle be assumed by NSSMC's sponsored ADR program.

5. Contact for inquiries regarding NSSMC's ADR program

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