

**Flash Report**  
**Consolidated Basis**  
**Results for the First Half of Fiscal 2012**  
**(April 1, 2012—September 30, 2012)**

November 9, 2012

<b>Company name:</b>	Nippon Steel & Sumitomo Metal Corporation (Previous : Nippon Steel Corporation)
<b>Stock listing:</b>	Tokyo, Osaka, Nagoya, Sapporo, Fukuoka stock exchanges
<b>Code number:</b>	5401
<b>URL:</b>	<a href="http://www.nssmc.com/en/index.html">http://www.nssmc.com/en/index.html</a>
<b>Representative:</b>	Shoji Muneoka, Chairman and CEO
<b>Contact:</b>	Nozomu Takahashi, General Manager, Public Relations Center
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<b>Scheduled date to submit Securities Report:</b>	November 14, 2012
<b>Scheduled date to pay dividends</b>	—
<b>Preparation of supplemental explanatory materials:</b>	Yes
<b>Holding of quarterly financial results meeting:</b>	Yes (for investment analysts)

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

**1. Consolidated Financial and Operating Results through the First Half of Fiscal 2012**

(April 1, 2012—September 30, 2012)

**(1) Consolidated Operating Results (Accumulated)**

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

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>First half of Fiscal 2012</b>	<b>1,918,288</b>	<b>(5.4)</b>	<b>(2,631)</b>	<b>—</b>	<b>19,545</b>	<b>(79.3)</b>	<b>(176,659)</b>	<b>—</b>
First half of Fiscal 2011	2,027,801	0.3	64,406	(45.5)	94,211	(30.1)	48,775	(31.3)

(For reference) Comprehensive income: First half of Fiscal 2012 ¥ (186,532) million ( \_ % )

First half of Fiscal 2011 ¥ (24,593) million ( \_ % )

	Net income per share	Net income per share after full dilution
	Yen	Yen
<b>First half of Fiscal 2012</b>	<b>(28.09)</b>	<b>—</b>
First half of Fiscal 2011	7.75	7.58

**(2) Consolidated Financial Results**

	Total assets	Net assets	Ratio of shareholders' equity to total assets
	Millions of yen	Millions of yen	%
<b>First half of Fiscal 2012</b>	<b>4,676,456</b>	<b>2,139,149</b>	<b>34.9</b>
Fiscal 2011	4,924,711	2,347,343	37.1

(For reference) Shareholders' equity: First half of Fiscal 2012 ¥ 1,631,856 million

Fiscal 2011 ¥ 1,828,902 million

**2. Dividends**

Base date	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full fiscal year
	Yen	Yen	Yen	Yen	Yen
Fiscal 2011	—	1.5	—	1.0	2.5
<b>Fiscal 2012</b>	—	0.0			
Fiscal 2012 (Forecast)			—	—	—

Note: Whether the dividend forecast under review has been revised: No

Note: The Company will decide and announce its decision regarding the year-end dividend payment when announcing the third quarter performance results.

### 3. Consolidated Financial Forecasts for Fiscal 2012(April 1, 2012—March 31, 2013)

The Company believes it is impossible at this time to estimate the extent of the impact or when conditions will improve regarding the slowing economic conditions overseas and the decline in production activities for China-related businesses. In this operating environment, which is rapidly growing more uncertain, the Company is tentatively seeking to secure combined consolidated ordinary profit in the second half of fiscal 2012 at the same level as in the first half (¥30 billion).

### 4. Others

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

(2) Adoption of special accounting methods for the preparation of quarterly consolidated financial statements: Yes

Note: For further details, please refer to page 7, “3. (2) Adoption of special accounting methods for the preparation of quarterly consolidated financial statements.”

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

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

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

(c) Changes in accounting estimates: Yes

(d) Retrospective restatements: None

Note: For further details, please refer to page 7, “3. (3) Changes in accounting principles, changes in accounting estimates, and retrospective restatements for the preparation of the quarterly consolidated financial statements.”

(4) Number of shares issued (common shares)

(a) Number of shares issued at the end of the period (including treasury stock)

First half of Fiscal 2012	6,806,980,977 shares
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Fiscal 2011	6,806,980,977 shares
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(b) Number of treasury stock at the end of the period

First half of Fiscal 2012	517,336,395 shares
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Fiscal 2011	517,325,579 shares
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(c) Average number of shares issued during the term

First half of Fiscal 2012	6,289,638,377 shares
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First half of Fiscal 2011	6,289,748,284 shares
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#### \* Status of Performance of Quarterly Review Procedures

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

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

(Explanation of the appropriate use of performance forecasts)

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

(Note concerning the presentation of the quarterly securities report)

The Nippon Steel & Sumitomo Metal Corporation quarterly securities report scheduled to be submitted on November 14, 2012, will represent the Nippon Steel Corporation portion of Nippon Steel & Sumitomo Metal Corporation for the first half of the fiscal year ending in March 2013. The report will not represent the Sumitomo Metal Industries, Ltd., portion.

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## 1. Qualitative Information and Financial Review

### Global and Domestic Economic Conditions in the First Half of Fiscal 2012

The sense of a slowing trend for global economic growth became more pronounced in the term under review amid recessive economic conditions in Europe and slowing growth in China and other emerging economies, although the United States' economy showed ongoing gradual recovery.

The Japanese economy continued to gradually recover as government stimulus policies and emerging reconstruction-related demand associated with the Great East Japan Earthquake supported brisk consumer spending and private capital investment, despite persisting record-high yen rates, slowing economic growth overseas, and the reduced production activities associated with China-related business.

### Performance Review by Business Segment in the First Half of Fiscal 2012

The Nippon Steel Group companies continued efforts to improve revenue responding to the changing operating environments in each of their business segments.

An overview of operating performance by business segment is as follows.

(Billions of yen)

	Net Sales		Ordinary Profit	
	1H FY12	1H FY11	1H FY12	1H FY11
Steelmaking and steel fabrication	<b>1,625.6</b>	1,751.6	<b>5.4</b>	74.2
Engineering and construction	<b>139.4</b>	96.7	<b>7.8</b>	0.1
Urban development	<b>33.9</b>	27.9	<b>4.9</b>	4.0
Chemicals	<b>93.3</b>	101.0	<b>3.5</b>	7.3
New materials	<b>22.0</b>	28.6	<b>0.4</b>	0.5
System solutions	<b>81.7</b>	76.2	<b>5.7</b>	5.3
Total	<b>1,996.2</b>	2,082.1	<b>28.0</b>	91.7
Adjustment	<b>(77.9)</b>	(54.3)	<b>(8.4)</b>	2.4
Consolidated Total	<b>1,918.2</b>	2,027.8	<b>19.5</b>	94.2

\* The first half is the six-month period from April 1 to September 30.

### Steelmaking and Steel Fabrication

Domestic steel demand ultimately remained steady in the first half of the fiscal year as solid demand in the construction and automobile industries balanced out the ongoing shift of domestic customers to overseas sources due to the persisting historically high yen and the continued sharp decline in the shipbuilding industry's demand. Steel exports increased to emerging countries in Asia supported in part by the recovery in production levels after the flood damage in Thailand. In the first half of fiscal 2012, total crude steel production volume in Japan amounted to 54.76 million tons, representing an increase of 1.61 million tons compared with the second half of fiscal 2011.

In these conditions, the Company continued to face a severe operating environment as the strong supply pressure from steel mills in South Korea and China weakened the steel supply and demand balance and international market conditions deteriorated and stagnated.

In this severe operating environment, the Company continued its efforts to maximize cost improvements. The steelmaking and steel fabrication segment recorded net sales of ¥1,625.6 billion and an ordinary profit of ¥5.4 billion.

### **Engineering and Construction**

In the engineering and construction business, Nippon Steel & Sumikin Engineering Co., Ltd. (formerly Nippon Steel Engineering Co., Ltd.), continues to face a severe order environment in Japan and overseas. The company focused on conducting meticulous risk management of projects currently under way and improving its cost structure. The engineering and construction segment recorded first-half net sales of ¥139.4 billion and an ordinary profit of ¥7.8 billion.

### **Urban Development**

Nippon Steel Kowa Real Estate Co., Ltd. (formerly Nippon Steel City Produce, Inc.), recorded solid condominium market sales centered on the Tokyo metropolitan area. In the rental building market, vacancy rates in urban centers bottomed out during the term and moved into an improving trend. The urban development segment posted net sales of ¥33.9 billion and an ordinary profit of ¥4.9 billion in the first half of fiscal 2012.

The former Nippon Steel City Produce, Inc., merged with Kowa Real Estate Co., Ltd., on October 1, 2012, becoming Nippon Steel Kowa Real Estate Co., Ltd. This newly merged company is an affiliate accounted for under the equity method.

### **Chemicals**

Nippon Steel & Sumikin Chemical Co., Ltd. (formerly Nippon Steel Chemical Co., Ltd.), recorded slowing sales growth of needle coke used in electrodes and declining sales of circuit board materials for smartphones. The chemicals segment posted first half net sales of ¥93.3 billion and an ordinary profit of ¥3.5 billion.

### **New Materials**

Nippon Steel & Sumikin Materials Co., Ltd. (formerly Nippon Steel Materials Co., Ltd.), sustained its strong shipments of surface-treated copper wire in its core electronic materials business but otherwise faced declining demand in all businesses. The new materials segment recorded net sales of ¥22.0 billion and an ordinary profit of ¥0.4 billion in the first half of fiscal 2012.

## **System Solutions**

NS Solutions Corporation brought its number 5 data center on-line in May of this year as it fortified and expanded its cloud computing services business and progressed with the expansion of business operations in the Asian and North American regions to fulfill the global development needs of its corporate customers. The system solutions segment recorded first half net sales of ¥81.7 billion and an ordinary profit of ¥5.7 billion.

## **Sales and Income in the First Half of Fiscal 2012**

The Company posted consolidated net sales of ¥1,918.2 billion, operating loss of ¥2.6 billion, and ordinary profit of ¥19.5 billion. The Company reported a net loss of ¥176.6 billion for the first half of the fiscal year as an unavoidable result of the booking of a ¥257.9 billion special loss from impairment losses, including for the Hirohata Works and Sakai Works, and the impact of the sluggish stock markets, which led to a loss on valuation of investments in securities and a loss on sales of investments in securities, including from the sale of shares of the former Sumitomo Metal Industries.

The ¥9.5 billion increase in consolidated ordinary profit (compared to the previously announced ¥10.0 billion, an increase of ¥9.5 billion, and increase ratio of 95.5%) from the previous quarter earnings announcement on August 30, 2012, was largely the result of contributions from Group companies in the steelmaking and steel fabrication segment and improving revenues in the engineering and construction segment and other non-steel segments, which overcame a decline in shipment volume caused by a typhoon at the end of September and falling steel prices as the steel market conditions weakened.

## **2. Consolidated Forecast Qualitative Information**

The sense of overall stagnation in the global economy is growing stronger. While the U.S. economy continues to gradually recover, Europe remains mired in recessive economic conditions and the pace of economic growth in China and other emerging countries is slowing.

The outlook for the Japanese economy is becoming increasingly uncertain owing to numerous factors, including slowing economic growth overseas, persisting record-high yen rates, and the inability to anticipate the extent of the impact or when conditions will improve regarding the decline in production activities for China-related businesses.

Domestic steel demand is firm from the civil engineering and construction industries, primarily due to reconstruction and disaster-related construction activity, but demand is weakening from the domestic automobile, shipbuilding, and industrial machinery industries.

Steel demand overseas is beginning to weaken after having been driven largely by strong demand in Asia. In addition, the ongoing high operating rates and growing export volumes of steel mills in China and South Korea are

further exacerbating the excessive supply conditions in East Asia, which are causing the deterioration of the steel market throughout Asia.

Although these circumstances preclude establishing a reasonably accurate outlook for the operating environment, in the second half of fiscal 2012, the Company is seeking to secure consolidated ordinary profit of approximately ¥30.0 billion, the same level as the combined first half total for the two companies (the former Nippon Steel Corporation and former Sumitomo Metal Industries).

### **Basic Profit Distribution Policy and First-Half (Interim) Dividend Distribution**

Nippon Steel's basic profit distribution policy is to pay dividends from distributable funds at the end of the first half (interim) and second half (year-end) of the fiscal year in consideration of the consolidated operating results and such factors as capital requirements for investment and other activities aimed at raising corporate value and performance prospects while also considering the financial structure of the Company on a consolidated and nonconsolidated bases. The Company has set a consolidated payout ratio target of approximately 20% for use as an indicator for the distribution of profits based on due consideration of consolidated operating results. The level of the first-half (interim) dividend is set based on consideration of the interim performance figures and the forecast for the full fiscal year performance.

In accordance with the basic profit distribution policy described above, the Company sincerely regrets to announce that it will forego the first-half (interim) dividend at this time.

The Company plans to announce its plan for the year-end dividend when announcing its earnings results for the third quarter of the fiscal year.

### **Review Status of the Medium-Term Plan and Financial Condition Improvement of the Integrated Company**

Nippon Steel Corporation merged with Sumitomo Metal Industries, Ltd., becoming Nippon Steel & Sumitomo Metal Corporation on October 1 this year. Regarding the effects of the integration, Nippon Steel stated in September last year "the integrated company aim to realize synergies resulting from the integration of around ¥150 billion per year approximately three years after the Business Integration."

In consideration of the present risk of a deteriorating business environment, the Company has determined to realize the maximum potential of future investments and other synergies and is now aiming to achieve a synergy effect of ¥200 billion per year. Nippon Steel & Sumitomo Metal Corporation are actively considering this matter and plans to prepare and issue a medium-term plan for the merged company within fiscal 2012.

Nippon Steel & Sumitomo Metal Corporation's interest-bearing debt in consolidated basis, when adding in raw material settlement conditions, amounts to ¥2,700 billion, placing the debt/equity ratio at approximately 1.3. The

Company is seeking to rapidly improve its financial position by reducing inventory assets; enhancing the efficiency of Group finances; selling asset holdings, including overlapping assets of the former companies; and other measures to reduce assets by approximately ¥300 billion.



### 3. Others

(1) Changes in the state of material subsidiaries during the first half of fiscal 2012:

None

(2) Adoption of special accounting methods for the preparation of quarterly consolidated financial statements:

Income taxes were computed by multiplying consolidated quarterly income before income taxes and minority interests by a rational estimate of the effective tax rate on consolidated income before income taxes and minority interests for the fiscal year including the quarterly period under review after adjustments for the application of tax-effect accounting.

(3) Changes in accounting principles, changes in accounting estimates, and retrospective restatements for the preparation of the quarterly consolidated financial statements:

(Changes in accounting principles that are difficult to classify from the changes in accounting estimates)

Beginning in the first quarter of fiscal 2012, accompanying revisions in the corporate tax law, the Company and its domestic consolidated subsidiaries have changed their method of depreciation for tangible fixed assets acquired on or after April 1, 2012, based on the corporate tax law after revisions.

Compared with the previous accounting method, the effect of these changes on the consolidated results for the first half of fiscal 2012 was to increase operating profit by ¥1,721 million and ordinary profit by ¥1,952 million.

## 4. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)		
<b>ASSETS</b>	March 31, 2012	September 30, 2012
<b>Current assets :</b>		
Cash and bank deposits	53,878	81,025
Notes and accounts receivable	442,621	434,454
Inventories	947,534	882,670
Other	260,076	226,212
Less: Allowance for doubtful accounts	(594)	(429)
<b>Total current assets</b>	1,703,515	1,623,934
<b>Fixed assets :</b>		
Tangible fixed assets :		
Buildings and structures	498,057	464,741
Machinery and equipment	808,559	782,213
Other	509,249	463,091
	1,815,866	1,710,046
Intangible fixed assets	70,020	73,479
Investments and others :		
Investments in securities	1,112,084	953,442
Other	227,332	319,568
Less: Allowance for doubtful accounts	(4,109)	(4,014)
	1,335,307	1,268,996
<b>Total fixed assets</b>	3,221,195	3,052,522
<b>Total assets</b>	4,924,711	4,676,456

(Millions of yen)

<b>LIABILITIES</b>	March 31, 2012	September 30, 2012
<b>Current liabilities :</b>		
Notes and accounts payable	471,663	449,791
Short-term loans and portion of long-term loans due within one year	277,424	303,436
Bonds due within one year	55,000	75,000
Accrued income taxes and enterprise taxes	22,514	16,721
Reserve	6,812	4,393
Other	502,796	459,351
<b>Total current liabilities</b>	1,336,211	1,308,694
<b>Long-term liabilities :</b>		
Bonds and notes	380,073	390,076
Long-term loans	615,255	608,276
Accrued pension and severance costs	153,293	150,335
Reserve	22,934	17,006
Other	69,598	62,916
<b>Total long-term liabilities</b>	1,241,155	1,228,612
<b>Total liabilities</b>	2,577,367	2,537,306
<b>NET ASSETS</b>		
<b>Shareholders' equity :</b>		
Common stock	419,524	419,524
Capital surplus	114,546	114,544
Retained earnings	1,552,826	1,370,061
Less: Treasury stock, at cost	(262,573)	(262,578)
	1,824,324	1,641,552
<b>Accumulated other comprehensive income:</b>		
Unrealized gains on available-for-sale securities	70,834	65,898
Deferred hedge income (loss)	(1,698)	(4,478)
Unrealized gains on revaluation of land	12,770	12,734
Foreign currency translation adjustments	(77,327)	(83,851)
	4,578	(9,696)
<b>Minority interest in consolidated subsidiaries</b>	518,440	507,293
<b>Total net assets</b>	2,347,343	2,139,149
<b>Total liabilities and net assets</b>	4,924,711	4,676,456

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

Consolidated Statements of Operations		(Millions of yen)
	First half of fiscal 2011	First half of fiscal 2012
<b>Operating revenues :</b>		
Net sales	2,027,801	1,918,288
Cost of sales	1,799,067	1,755,185
<b>Gross margin</b>	228,733	163,102
Selling, general and administrative expenses	164,326	165,733
<b>Operating profit (loss)</b>	64,406	(2,631)
<b>Non-operating profit and loss :</b>		
Non-operating profit :		
Interest	1,636	1,647
Dividend income	6,313	6,794
Equity in net income of unconsolidated subsidiaries and affiliates	32,382	30,430
Other	27,473	17,757
	67,806	56,631
Non-operating loss :		
Interest expense	8,948	9,179
Other	29,054	25,275
	38,002	34,454
<b>Ordinary profit</b>	94,211	19,545
<b>Special loss :</b>		
Impairment loss	-	139,262
Loss on sales of investment securities	7,440	94,058
Loss on valuation of investment securities	-	24,615
	7,440	257,936
<b>Income (loss) before income taxes and minority interest</b>	86,770	(238,391)
Income taxes - current and deferred	30,728	(66,631)
<b>Income (loss) before minority interest</b>	56,041	(171,759)
Minority interest in net income of consolidated subsidiaries	7,266	4,899
<b>Net income (loss)</b>	48,775	(176,659)

Consolidated Statements of Comprehensive Income		(Millions of yen)
	First half of fiscal 2011	First half of fiscal 2012
Income (loss) before minority interest	56,041	(171,759)
Other comprehensive income		
Unrealized losses on available-for-sale securities	(83,345)	(3,609)
Deferred hedge income loss	(1,184)	(2,675)
Foreign currency translation adjustments	(3,566)	(1,190)
Share of other comprehensive income of associates accounted for using equity method	7,461	(7,296)
Total other comprehensive income (loss)	(80,635)	(14,772)
Comprehensive income (loss)	(24,593)	(186,532)
attribute to		
Comprehensive income attribute to owners of the parent	(30,977)	(190,895)
Comprehensive income attribute to minority interests	6,383	4,363

**(3) Matters or Circumstances Causing Material Doubt about Continuing Companies as Going Concerns**

None

**(4) Information on Depreciation and amortization**

Depreciation and amortization for the first half of the fiscal year (including intangible fixed assets amortization other than goodwill) is as follows:

(Millions of yen)		
	For the first half of fiscal 2011	For the first half of fiscal 2012
Depreciation and amortization	135,166	119,075

**(5) Consolidated Segment Information**

(Information about segment sales, profit (loss))

**First half of fiscal 2011 (April 1, 2011 to September 30, 2011)**

(Millions of yen)

	Reportable segment							Total	Adjustment	Consolidated
	Steelmaking and steel fabrication	Engineering and construction	Urban development	Chemicals	New materials	System solutions				
Net sales	1,751,610	96,769	27,947	101,054	28,603	76,213	2,082,198	(54,396)	2,027,801	
Segment profit (loss) <Ordinary Profit>	74,255	170	4,043	7,337	594	5,325	91,727	2,483	94,211	

(Information about segment sales, profit (loss))

**First half of fiscal 2012 (April 1, 2012 to September 30, 2012)**

(Millions of yen)

	Reportable segment							Total	Adjustment	Consolidated
	Steelmaking and steel fabrication	Engineering and construction	Urban development	Chemicals	New materials	System solutions				
Net sales	1,625,658	139,463	33,935	93,390	22,088	81,706	1,996,242	(77,953)	1,918,288	
Segment profit (loss) <Ordinary Profit>	5,474	7,890	4,914	3,598	446	5,703	28,029	(8,483)	19,545	

**(6) Notes in case of significant changes to shareholders' equity**

None

Nippon Steel & Sumitomo Metal Corporation

Code Number: 5401

Listings: Tokyo, Osaka, Nagoya, Sapporo and Fukuoka Stock Exchanges

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## Supplementary Information on the Financial Result for the First Half of Fiscal 2012

### Japanese Steel Industry

#### 1. Crude Steel Production

(million tons)

	1st half		2nd half		total
	1st quarter	2nd quarter	3rd quarter	4th quarter	
2011FY	26.37	26.95	53.32	53.15	106.46
2012FY	27.50	27.26	54.76	*26.54	

\* METI forecast

#### 2. Inventory Volume

At the end of:	Inventory at manufacturers and distributors (million tons)	Inventory /shipment ratio (%)	Rolled sheets * <sup>1</sup> (million tons)	H-flange beams * <sup>2</sup> (million tons)
Oct. 2010	5.23	(134.0)	3.92	0.160
Nov. 2010	5.00	(124.0)	3.75	0.149
Dec. 2010	5.16	(138.2)	3.82	0.149
Jan. 2011	5.18	(130.7)	3.88	0.160
Feb. 2011	5.19	(136.1)	3.80	0.175
Mar. 2011	5.17	(128.5)	3.89	0.183
Apr. 2011	5.38	(152.1)	4.04	0.188
May 2011	5.66	(155.7)	4.20	0.206
June 2011	5.60	(141.9)	4.21	0.215
July 2011	5.43	(139.6)	4.18	0.206
Aug. 2011	5.62	(152.1)	4.35	0.193
Sep. 2011	5.64	(141.7)	4.38	0.181
Oct. 2011	5.57	(132.4)	4.35	0.179
Nov. 2011	5.55	(137.3)	4.25	0.173
Dec. 2011	5.58	(146.7)	4.32	0.174
Jan. 2012	5.62	(147.4)	4.28	0.175
Feb. 2012	5.55	(139.1)	4.15	0.188
Mar. 2012	5.51	(126.1)	4.11	0.203
Apr. 2012	5.52	(149.7)	4.04	0.203
May 2012	5.53	(141.6)	4.07	0.195
June 2012	5.46	(138.4)	3.96	0.196
July 2012	5.41	(135.7)	3.92	0.189
Aug. 2012	5.57	(151.9)	4.09	0.180
Sep* <sup>3</sup> 2012	5.68	(147.0)	4.16	0.179

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

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

\*3 Preliminary report

### 3. Pig Iron Production

(Non-consolidated basis)

2011FY (million tons)							
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
Nippon Steel	7.76	8.03	15.79	7.57	7.41	14.98	30.77
Sumitomo Metal	2.73	3.27	6.01	3.27	3.29	6.56	12.56

2012FY (million tons)							
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
Nippon Steel	7.78	8.01	15.79				
Sumitomo Metal	3.02	3.32	6.34				

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

### 4. Crude Steel Production

(Consolidated basis)

2011FY (million tons)							
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
Nippon Steel	8.30	8.31	16.61	7.85	7.98	15.83	32.44
Sumitomo Metal	2.81	3.39	6.20	3.31	3.42	6.73	12.93

2012FY (million tons)							
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
Nippon Steel	8.29	8.51	16.81				
Sumitomo Metal	3.10	3.43	6.53				

(Non-consolidated basis)

2011FY (million tons)							
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
Nippon Steel	7.75	7.78	15.53	7.29	7.39	14.67	30.20
Sumitomo Metal	2.77	3.34	6.11	3.25	3.36	6.61	12.72

2012FY (million tons)							
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
Nippon Steel	7.70	7.95	15.66				
Sumitomo Metal	3.07	3.38	6.44				

\* Sumitomo Metal Industries includes Nippon Steel & Sumikin Koutetsu Wakayama Corporation (formerly Sumikin Iron & Steel Corporation).

## 5. Steel Products Shipment

2011FY (million tons)

	1st half		1st half	2nd half		total
	1st quarter	2nd quarter		3rd quarter	4th quarter	
Nippon Steel	7.40	7.28	14.68	7.20	7.21	29.09
Sumitomo Metal	2.24	2.88	5.12	2.99	3.14	11.24

2012FY (million tons)

	1st half		1st half	2nd half		total
	1st quarter	2nd quarter		3rd quarter	4th quarter	
Nippon Steel	7.46	7.50	14.97			
Sumitomo Metal	2.78	2.86	5.64			

\* Sumitomo Metal Industries includes Nippon Steel & Sumikin Koutetsu Wakayama Corporation (formerly Sumikin Iron & Steel Corporation).

## 6. Average Price of Steel Products

2011FY (thousands of yen / ton)

	1st half		1st half	2nd half		total
	1st quarter	2nd quarter		3rd quarter	4th quarter	
Nippon Steel	85.8	89.8	87.8	87.6	81.5	86.2
Sumitomo Metal	104.5	107.3	106.0	103.1	99.8	103.5

2012FY (thousands of yen / ton)

	1st half		1st half	2nd half		total
	1st quarter	2nd quarter		3rd quarter	4th quarter	
Nippon Steel	80.0	75.6	77.8			
Sumitomo Metal	94.7	94.4	94.5			

## 7. Export Ratio of Steel Products (Value basis)

2011FY (%)

	1st half		1st half	2nd half		total
	1st quarter	2nd quarter		3rd quarter	4th quarter	
Nippon Steel	42	40	41	37	38	39
Sumitomo Metal	49	42	45	40	43	43

2012FY (%)

	1st half		1st half	2nd half		total
	1st quarter	2nd quarter		3rd quarter	4th quarter	
Nippon Steel	42	42	42			
Sumitomo Metal	46	45	46			

## 8. Foreign Exchange Rate

(¥ / \$)

	1st half		1st half	2nd half		total
	1st quarter	2nd quarter		3rd quarter	4th quarter	
2011FY	82	78	80	78	78	79
2012FY	81	79	80			



9. Amount of Capital Expenditure and Depreciation

(billion yen)

		2011FY		2012FY (estimated)	
		Capital Expenditure	Depreciation	Capital Expenditure	Depreciation
Nippon Steel	Consolidated	265.0	280.9		
Sumitomo Metal	Consolidated	115.7	122.9		
NSSMC Consolidated				460.0	350.0