Message from Top Management

Nippon Steel & Sumitomo Metal Corporation (NSSMC) believes it has made an excellent start toward an aim of becoming the world’s leading steelmaker with comprehensive strengths, in just less than two years since the merger of the former Nippon Steel Corporation and the former Sumitomo Metal Industries on October 1, 2012.

We assign maximum emphases to “technology”, “cost” and “global”, the three keywords of our business strategy. Further, we aim to strengthen the operating base and expand earnings in our domestic businesses and overseas businesses, respectively. These domestic businesses and overseas businesses are like the two wheels of a cart in that they are indispensable to becoming a truly global company. By expanding earnings and bolstering our financial structure, based on respective strategies, and also investing in further growth sectors, I am convinced we will be able to establish a competitive edge and presence that is unsurpassed even on a global basis.

Our task ahead is the materialization of our Corporate Philosophy, which was adopted when Nippon Steel & Sumitomo Metal was integrated. I believe that a truly global company must strive for development of countries where it operates and to be trusted and respected in the world. The NSSMC Group will tenaciously strive to continue to be a group that contributes to the development of society and the world through the pursuit of world-leading technologies and manufacturing capabilities and the provision of excellent products and services.

Kosei Shindo
Representative Director and President
Established in October 2012 by the merger of Nippon Steel Corporation and Sumitomo Metal Industries, Ltd., Nippon Steel & Sumitomo Metal Corporation (NSSMC) is the world-leading integrated steel producer. NSSMC’s management team is led by Shoji Muneoka, Representative Director and Chairman, Hiroshi Tomono, Representative Director and Vice Chairman, and Kosei Shindo, Representative Director and President.

NSSMC makes a wide range of value-added steel products, in more than 15 countries as well as at 16 steelworks in Japan. It emphasizes three business fields as key strategic areas: high-grade steel products for automobiles, resources and energy, and civil engineering, construction, and railways. It conducts research and development at three major research centers, and six laboratories at steelworks, all in Japan.

NSSMC is a holding company for five businesses: steelmaking, engineering, chemicals, new materials, and system solutions. The NSSMC group employs approximately 83,000 persons. NSSMC posted ¥5,516,180 million in net sales and ¥361,097 million in ordinary profit with its crude steel production of 48.16 million tons on a consolidated basis for the fiscal year ended March 31, 2014.

In line with its corporate philosophy, NSSMC is working at building up a dynamic NSSMC Group. We seek to ensure management efficiency, soundness, and transparency, and enhance our corporate governance with the ultimate aim of achieving sustainable improvement in corporate value and being trusted by society.

**NSSMC Group’s Corporate Philosophy**

<table>
<thead>
<tr>
<th>Our Values</th>
<th>Nippon Steel &amp; Sumitomo Metal Corporation Group will pursue world-leading technologies and manufacturing capabilities, and contribute to society by providing excellent products and services.</th>
</tr>
</thead>
</table>

**Management Principles**

1. We continue to emphasize the importance of integrity and reliability in our actions.
2. We provide products and services that benefit society, and grow in partnership with our customers.
3. We pursue world-leading technologies and manufacturing capabilities.
4. We continually anticipate and address future changes, innovate from within, and pursue unending progress.
5. We develop and bring out the best in our people to make our Group rich with energy and enthusiasm.
NSSMC’s steelmaking business has product-based units. It will strengthen the operation through these units, including its group companies, to swiftly formulate and implement strategies for each product unit, where cooperation among manufacturing, sales, and technology forces is essential.

NSSMC contributes to enhancing the safety of structures and the development of society by delivering high-performance steel plates for large industrial / social structures such as ships, bridges, and high-rise buildings; marine structures for oil and gas extraction; and high performance steel plates used for tanks and other energy-related products.

NSSMC supports various industries and people’s lives by delivering sheet steel used to make automobiles, electrical appliances, housing, beverage cans, transformers, and other goods. Having production and processing bases worldwide, this unit provides high quality, high-performance products and services in Japan and overseas.

NSSMC delivers high-quality high-performance bars and rods to a wide range of industries including the automotive, construction, and industrial machinery industries. In the automotive business, this unit focuses on high end products used in important automotive components such as engines, drive trains, and suspensions.

NSSMC delivers H-beams, steel sheet piles, steel pipe piles, rails, and other steel materials used in the civil engineering and construction sectors in Japan and overseas. By responding to diverse needs, this unit contributes to the development of infrastructure that supports people’s lives.

NSSMC delivers high-quality high-performance bars and rods to a wide range of industries including the automotive, construction, and industrial machinery industries. In the automotive business, this unit focuses on high end products used in important automotive components such as engines, drive trains, and suspensions.

NSSMC is a world-leader in high-end seamless pipes used in oil and gas development and other energy areas. Large-diameter tubes for pipelines and steel tubes for automobiles and construction / industrial machinery are also areas of strength.

NSSMC is the only manufacturer of railway steel wheels and axles in Japan. Our major products in this unit are railway rolling stock components and forged crankshafts for automobiles. The unit has two manufacturing bases for railway wheels and axles, and four bases for crankshafts in the world.

NSSMC delivers stainless steel sheet used to make automobiles, electrical appliances, housing, beverage cans, transformers, and other products. Having production and processing bases worldwide, this unit provides high quality, high-performance products in Japan and overseas.

NSSMC contributes to enhancing the safety of structures and the development of society by delivering high-performance steel plates for large industrial / social structures such as ships, bridges, and high-rise buildings; marine structures for oil and gas extraction; and high performance steel plates used for tanks and other energy-related products.
Realizing world-leading competitiveness by 2015

Targeting ROS (Return on Sales) of approximately 5% at minimum with upward potential of 10%

Five Key Initiatives

01 Utilize advanced technologies

02 Overcome global competition and realize world-leading competitiveness
   Establish an optimal production system by shutting down some ironmaking and rolling facilities

04 Promote global strategy

05 Bolster the corporate structures of steelmaking and steel fabrication group companies
### Global Network (As of April 2014)

<table>
<thead>
<tr>
<th>Region</th>
<th>Flat Products</th>
<th>Pipe &amp; Tube</th>
<th>Bar &amp; Wire Rod</th>
<th>Railway, Automotive &amp; Machinery Parts</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASEAN, USA</td>
<td>NS BlueScope Coated Products (NSBS)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>Works</td>
<td>Usinas Siderurgicas de Minas Gerais S.A. (USIMINAS)</td>
<td>UNIGAL Ltda.</td>
<td>Vallourec &amp; Sumitomo Tubos do Brasil Ltda. (VSB)</td>
</tr>
<tr>
<td>India</td>
<td>Flat Products</td>
<td>Janshepaur Continuous Annealing &amp; Processing Company Private Limited (JACPCPL)</td>
<td>Nippon Steel Pipe India Private Limited (NPI)</td>
<td>Automotive Steel Pipe India Private Limited (ASPI)</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Pipe &amp; Tube</td>
<td>PT. Indonesia Nippon Steel Pipe (INP)</td>
<td>PT. Pelat Timah Nusantara Tbk (LATINUSA)</td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>Flat Products</td>
<td>Nippon EGAlv Steel Sdn. Bhd. (N-EGALV)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mexico</td>
<td>Flat Products</td>
<td>TENIGAL, S. de R.L. de C.V.</td>
<td>Nippon Steel Pipe Mexico, S.A. de C.V. (NPM)</td>
<td></td>
</tr>
<tr>
<td>Nigeria</td>
<td>Flat Products</td>
<td>Midland Rolling Mills Limited (MRM)</td>
<td></td>
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</tr>
<tr>
<td>Saudi Arabia</td>
<td>Pipe &amp; Tube</td>
<td>National Pipe Company Limited (NPC)</td>
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<td></td>
</tr>
<tr>
<td>South Africa</td>
<td>Flat Products</td>
<td>Safal Steel (Proprietary) Limited</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>Bar &amp; Wire Rod</td>
<td>Suzuki Garphyttan AB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UAE</td>
<td>Flat Products</td>
<td>Al Ghurair Iron &amp; Steel L.L.C. (AGIS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>Flat Products</td>
<td>I/N Tek L.P.</td>
<td>I/N Kote L.P.</td>
<td>AM/NS Calvert LLC</td>
</tr>
</tbody>
</table>
Bases in Japan

- Amagasaki R&D Center
- Yawata Works
- Hino Area
- Tobata Area
- Kokura Area
- Wakayama Works
- Nagaoka Area
- Kao Area
- Kamaishi Works
- Towada Works
- Iwate Works
- Oita Works
- Oita Area
- Hirono Works
- Osaka Steel Works
- Osaka Works
- Osaka Area
- Nuoro Works
- Naoshima Works
- Kamaishi Works
- Kashima Works
- Hasaki R&D Center
- Kamaishi Works
- Kimitsu Works
- Tokyo Area
- Head Office
- Research & Engineering Center (Futtsu)

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