

November 12, 2018

To Whom It May Concern,

Listed Company's Name:	Nippon Steel & Sumitomo Metal Corporation
Representative:	Kosei Shindo, Representative Director and President
(Code Number:	5401, First Section of the TSE, First Section of the NSE, FSE, and SSE)
Contact:	Fumiaki Onishi, General Manager, Public Relations Center
(Telephone:	+81-3-6867-2135, 2146, 2977, 3419)
Listed Company's Name:	Nisshin Steel Co., Ltd.
Representative:	Kinya Yanagawa, President & CEO, and Representative Director
(Code Number:	5413, First Section of the TSE)
Contact:	Hirokazu Kuwasako, Executive Officer, General Manager, General Administration Dept.
(Telephone:	+81-3-3216-5566)

**Notice Regarding the Declaration of Effectiveness of the Registration Statement Filed on Form F-4 with the U.S. Securities and Exchange Commission**

Nippon Steel & Sumitomo Metal Corporation (“NSSMC”) and Nisshin Steel Co., Ltd. (“Nisshin Steel”) resolved on May 16, 2018 to conduct a share exchange effective as of January 1, 2019 wherein NSSMC will become a wholly owning parent company and Nisshin Steel will become a wholly owned subsidiary (the “Share Exchange”). NSSMC and Nisshin Steel entered into a share exchange agreement regarding the Share Exchange as of the same day.

NSSMC hereby announces that NSSMC has filed a registration statement on Form F-4 (the “Form F-4”) with the U.S. Securities and Exchange Commission (the “SEC”) on November 2, 2018 (U.S. Eastern Daylight Time, “EDT”), pursuant to the U.S. Securities Act of 1933, prior to Nisshin Steel’s extraordinary shareholders meeting to approve the Share Exchange, and that the Form F-4 has been declared effective as of November 9, 2018 (EDT).

1. Contents of the Filed Form F-4

The filed Form F-4 includes NSSMC’s consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), as well as qualitative information such as the structure of the Share Exchange, business overview of NSSMC, and analysis of the financial condition and results of NSSMC. The consolidated financial statements under IFRS were prepared for the purpose of being included in the Form F-4 filed with the SEC in connection with the Share Exchange. In addition, as previously announced in the press release dated March 2, 2018, “Notice of Voluntary Adoption of International Financial Reporting Standards (IFRS),” NSSMC plans to voluntarily adopt IFRS for the consolidated financial statements for the fiscal year ending March 31, 2019. While an annual report of NSSMC on Form 20-F, which will include consolidated financial statements under IFRS as of and for the fiscal year ended March 31, 2019, is planned to be filed with the SEC, NSSMC will subsequently terminate its registration to the SEC and has no plan at present to prepare and file any annual reports for subsequent periods.

2. Where to View the Filed Form F-4

The filed Form F-4 can be viewed and obtained on EDGAR, the SEC’s Electronic Data Gathering, Analysis and Retrieval system.  
 (https://www.sec.gov/Archives/edgar/data/1140471/000119312518316702/0001193125-18-316702-index.htm)

(Reference)

Major financial information of NSSMC under IFRS included in the Form F-4

- Summary of the reconciliation between Japanese Generally Accepted Accounting Principles and IFRS
- Consolidated statements of financial position as of March 31, 2017 and 2018
- Consolidated statements of profit or loss/Consolidated statements of comprehensive income for the years ended March 31, 2017 and 2018

The attached reference materials are excerpts of the financial statements and other information in the Form F-4 and do not purport to represent the entire contents included in the Form F-4.

End

Prior to the Share Exchange with Nisshin Steel, NSSMC filed a registration statement on Form F-4 with the SEC. The Form F-4 includes a prospectus and other documents. With the Form F-4 coming into effect, the prospectus filed as part of the Form F-4 will be sent to the U.S. shareholders of Nisshin Steel before the date of Nisshin Steel’s shareholders meeting wherein voting rights are scheduled to be exercised to approve the Share Exchange. The Form F-4 and the prospectus contain important information, such as information on NSSMC and Nisshin Steel, information on the Share Exchange, and other related information. The U.S. shareholders of Nisshin Steel are kindly requested to carefully read the Form F-4, the prospectus and other documents that have been filed with the SEC in relation to the Share Exchange, before exercising their voting rights relating to the Share Exchange at the shareholders meeting. All documents filed with the SEC in relation to the Share Exchange are publicized free of charge on the SEC website at www.sec.gov. Furthermore, such documents will be mailed free of charge upon request. To make a request, please refer to the contact below.

Contact for inquiries about the Share Exchange:

Company name: Nippon Steel & Sumitomo Metal Corporation Address: 6-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo Contact person: Fumiaki Onishi, General Manager, Public Relations Center TEL: 03-6867-2130 E-mail: ohnishi.x97.fumiaki@jp.nssmc.com	Company name: Nisshin Steel Co., Ltd. Address: 4-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo Contact person: Mitsuhiro Murashita, PR Team and Secretary of General Administration Dept. TEL: 03-3216-5566 E-mail: murashita.m977@nisshin-steel.co.jp
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Summary of the reconciliation between Japanese GAAP and IFRS

	(Billion of Yen)			(Billion of Yen)	
	Consolidated Statement of Profit or Loss			Consolidated Statement of Financial Position	
	Revenue	Ordinary Profit Business Profit (*1)	Profit Attributable to Owners of the parent	Interest-bearing debt	Shareholders' equity
FY2017 (Japanese GAAP)	5,668.6	297.5	195.0	2,069.0	3,145.5
FY2017 (IFRS)	5,712.9	288.7	180.8	2,157.8	3,137.0
<b>Impact of transition to IFRS</b>	<b>44.3</b>	<b>(8.8)</b>	<b>(14.2)</b>	<b>88.8</b>	<b>(8.5)</b>
Differences in the scope of consolidation and others (*2)	44.6	0.6	(3.7)	33.8	(5.1)
Reclassification		(14.2)			
Include extraordinary profit/loss in Business Profit (such as impairment loss and loss on inactive facilities)		(33.4)			
Exclude finance income/cost from Business Profit		19.2			
Differences in recognition and measurement	(0.3)	4.8	(10.6)	54.9	(3.3)
Adjustment to goodwill (*3)		10.5	10.3		18.3
Adjustment to equity instruments (*4)			(17.6)		
Adjustment to employee benefits (*5)		(1.5)	(0.8)		(22.7)
Adjustment for lease accounting (*6)				33.8	
Others	(0.3)	(4.1)	(2.4)	21.2	1.1

\*1 Business Profit on Consolidated Statements of Profit or Loss indicates the results of sustainable business activities, and is an important measure to compare and evaluate the Company's consolidated performance continuously. It is defined as being deducted Cost of sales, Selling general and administrative expenses and Other operating expenses from Revenue, and added Equity in profit of unconsolidated subsidiaries and affiliates and Other operating income. Other operating income and expenses is composed mainly of Dividend income, Foreign exchange gains or losses, Loss on disposal of fixed assets.

\*2 Under IFRS, the companies over which the Group has control are consolidated as subsidiaries. As a result of the application of the definition of control under IFRS, certain associates accounted for using the equity method under Japanese GAAP are consolidated as subsidiaries or joint operations.

\*3 In applying IFRS, goodwill is not amortized. As a result, amortized cost after the transition date (April 1, 2016) under Japanese GAAP is cancelled.

\*4 In applying IFRS, equity investments are designated as the financial assets measured at fair value through other comprehensive income. As a result, gains or losses on sales of equity investments are recognized directly in other comprehensive income, not through net profit.

\*5 In applying IFRS, actuarial gains or losses are recognized in other comprehensive income as incurred and are not amortized over the average remaining years of service in subsequent periods.

Furthermore, the Group recognizes liabilities for leave and award granted to employees who rendered certain years of service.

\*6 The Group applied lease accounting to transactions which substantially meet the definition of a lease considering the commercial substance of the contracts.

\*7 Mainly, as a result of translating interest-bearing debt denominated in foreign currency that is a hedged item in a cash flow hedge at the exchange rate at the end of reporting period.

**Consolidated Statements of Financial Position**

(Millions of Yen)

	As of March 31, 2018	As of March 31, 2017	As of the transition date to IFRS(April 1, 2016)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	142,869	123,929	121,183
Trade and other receivables	832,040	823,297	685,707
Inventories	1,399,821	1,233,162	1,124,692
Other financial assets	19,178	11,760	14,311
Other current assets	139,066	135,511	123,392
<b>Total current assets</b>	<b>2,532,977</b>	<b>2,327,661</b>	<b>2,069,288</b>
<b>Non-current assets</b>			
Property, plant and equipment	3,123,857	3,092,202	2,843,347
Goodwill	42,263	44,563	39,774
Intangible assets	97,131	97,674	95,039
Investments accounted for using the equity method	799,239	764,999	685,407
Other financial assets	1,007,627	968,874	750,253
Defined benefit assets	109,010	86,881	49,611
Deferred tax assets	34,944	63,250	59,905
Other non-current assets	9,082	9,046	7,622
<b>Total non-current assets</b>	<b>5,223,157</b>	<b>5,127,492</b>	<b>4,530,961</b>
<b>Total assets</b>	<b>7,756,134</b>	<b>7,455,153</b>	<b>6,600,250</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	1,580,597	1,452,694	1,141,493
Bonds, borrowings and lease liabilities	505,384	526,493	490,084
Other financial liabilities	674	2,998	8,461
Income taxes payable	45,350	33,621	26,973
Other current liabilities	28,189	25,070	27,108
<b>Total current liabilities</b>	<b>2,160,194</b>	<b>2,040,878</b>	<b>1,694,121</b>
<b>Non-current liabilities</b>			
Bonds, borrowings and lease liabilities	1,652,371	1,688,435	1,616,253
Other financial liabilities	6,572	7,932	9,954
Defined benefit liabilities	173,619	192,558	135,189
Deferred tax liabilities	95,351	102,244	49,896
Other non-current liabilities	143,127	135,797	105,639
<b>Total non-current liabilities</b>	<b>2,071,043</b>	<b>2,126,967</b>	<b>1,916,933</b>
<b>Total liabilities</b>	<b>4,231,238</b>	<b>4,167,846</b>	<b>3,611,055</b>

(Millions of Yen)

	As of March 31, 2018	As of March 31, 2017	As of the transition date to IFRS(April 1, 2016)
Equity			
Common stock	419,524	419,524	419,524
Capital surplus	386,867	386,869	383,010
Retained earnings	2,141,658	2,000,336	1,838,449
Treasury stock	(132,162)	(132,063)	(87,942)
Other components of equity	321,101	256,568	188,886
Total equity attributable to owners of the parent	3,136,991	2,931,234	2,741,929
Non-controlling interests	387,905	356,072	247,266
Total equity	3,524,896	3,287,307	2,989,195
Total liabilities and equity	7,756,134	7,455,153	6,600,250

**Consolidated Statements of Profit or Loss**

(Millions of Yen)

	Year ended March 31, 2018	Year ended March 31, 2017
Revenue	5,712,965	4,696,828
Cost of sales	(4,948,883)	(4,085,651)
Gross profit	764,082	611,176
Selling, general and administrative expenses	(533,787)	(466,351)
Share of profit in investments accounted for using the equity method	65,657	44,118
Other operating income	91,521	62,108
Other operating expenses	(98,773)	(81,171)
Business profit	288,700	169,878
Gain from share divestiture	-	40,165
Profit before finance income and costs and income taxes	288,700	210,044
Finance income	7,644	6,322
Finance costs	(24,584)	(21,586)
Profit before income taxes	271,760	194,780
Income tax expense	(59,549)	(40,297)
Profit for the year	212,210	154,483
Profit for the year attributable to:		
Owners of the parent	180,832	137,246
Non-controlling interests	31,377	17,237
Earnings per share		
Basic earnings per share (Yen)	204.87	155.08

**Consolidated Statements of Comprehensive Income or Loss**

(Millions of Yen)

	Year ended March 31, 2018	Year ended March 31, 2017
Profit for the year	212,210	154,483
Other comprehensive income		
Items that cannot be reclassified to profit or loss		
Changes in fair value of financial assets measured at fair value through other comprehensive income	65,222	86,269
Remeasurements of defined benefit plans	19,422	24,063
Share of other comprehensive income of investments accounted for using the equity method	5,125	406
Subtotal	89,770	110,740
Items that might be reclassified to profit or loss		
Changes in fair value of cash flow hedges	1,788	9,452
Foreign exchange differences on translation of foreign operations	10,592	(25,079)
Share of other comprehensive income of investments accounted for using the equity method	(2,602)	9,863
Subtotal	9,778	(5,763)
Total other comprehensive income, net of tax	99,548	104,977
Total comprehensive income for the year	311,759	259,460
Comprehensive income for the year attributable to:		
Owners of the parent	272,150	243,122
Non-controlling interests	39,609	16,338