

Flash Report
Consolidated Basis
Results for Fiscal 2009
(April 1, 2009—March 31, 2010)

April 28, 2010

Company name: Nippon Steel Corporation
Stock listing: Tokyo, Osaka, Nagoya, Sapporo, Fukuoka stock exchanges
Code number: 5401
URL: <http://www.nsc.co.jp/en/index.html>
Representative: Shoji Muneoka, Representative Director and President
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Scheduled date to Ordinary General Meeting of Shareholders: June 24, 2010
Scheduled date to payment of dividends: June 25, 2010
Scheduled date to submit Securities Report: June 24, 2010

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

1. Consolidated Financial and Operating Results through Fiscal 2009
(April 1, 2009—March 31, 2010)

(1) Consolidated Operating Results

(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	%
Fiscal 2009	3,487,714	(26.9)	32,005	(90.7)	11,833	(96.5)	(11,529)	—
Fiscal 2008	4,769,821	(1.2)	342,930	(37.1)	336,140	(40.4)	155,077	(56.3)

	Net income per share	Net income per share after full dilution	Return on Equity	Return on Assets	Return on Sales
	Yen	Yen	%	%	%
Fiscal 2009	(1.83)	—	(0.7)	0.2	0.9
Fiscal 2008	24.61	23.71	8.7	6.7	7.2

(For reference) Equity in net income of unconsolidated subsidiaries and affiliates: Fiscal 2009 ¥34,756 million
Fiscal 2008 ¥58,876 million

(2) Consolidated Financial Results

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2009	5,002,378	2,335,676	36.9	293.19
Fiscal 2008	4,870,680	2,174,809	34.3	265.24

(For reference) Shareholders' equity: Fiscal 2009 ¥1,844,382million
Fiscal 2008 ¥1,668,682 million

(3) Consolidated Statements of Cash-Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2009	437,668	(412,827)	(79,985)	80,470
Fiscal 2008	127,540	(306,603)	170,209	128,390

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 2008	—	5.00	—	1.00	6.00
Fiscal 2009	—	0.00	—	1.50	1.50
Fiscal 2010 (Forecast)	—	—	—	—	—

	Cash dividends	Ratio of cash dividends to net income	Ratio of cash dividends to net assets
	Millions of yen	%	%
Fiscal 2008	37,818	24.4	2.1
Fiscal 2009	9,454	—	0.5
Fiscal 2010 (Forecast)		—	

Note: The dividend forecast of end of second quarter and fiscal year is not decided. The Company will announce a dividend distribution plan as soon as it is formulated.

3. Consolidated Financial Forecasts for Fiscal 2010 (April 1, 2010—March 31, 2011)

The Company is unable to formulate reasonably accurate estimates or forecasts at this time. The performance forecast for fiscal 2010, therefore, has not been determined and has not been disclosed. For further details, please refer to the item “1.Consolidated Operating Results (1) Operating Results Analysis Fiscal 2010 Forecast” on page 7.

4. Others

- (1) Changes in the state of material subsidiaries during the period (Changes regarding specific companies accompanying changes in the scope of consolidation): None

Newly included: —

Excluded: —

- (2) Changes in principles, procedures, methods of presentation, etc., related to the consolidated financial statements (Changes in material items that form the basis for the preparation and presentation of the consolidated financial statements)

(a) Changes accompanying revisions in accounting principles: Yes

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

Note: For further details, please refer to the item “(7) Change in the Basic Material Items for the Preparation of the Consolidated Financial Statements” on page 19.

- (3) Number of shares issued (common shares)

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

Fiscal 2009 6,806,980,977 shares

Fiscal 2008 6,806,980,977 shares

(b) Number of treasury stock at the end of the period

Fiscal 2009 516,191,673 shares

Fiscal 2008 516,602,427 shares

(For Reference) A Summary of Non-Consolidated Financial and Operating Results

1. Non-Consolidated Financial and Operating Results through Fiscal 2009

(April 1, 2009—March 31, 2010)

(1) Non-Consolidated Operating Results

(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	%
Fiscal 2009	2,152,171	(31.2)	(62,810)	—	(94,998)	—	(57,638)	—
Fiscal 2008	3,128,694	12.4	252,965	(32.7)	203,661	(42.3)	108,986	(53.8)

	Net income per share	Net income per share after full dilution
	Yen	Yen
Fiscal 2009	(9.14)	—
Fiscal 2008	17.29	16.84

(2) Non-Consolidated Financial Results

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2009	3,586,291	1,271,147	35.4	201.67
Fiscal 2008	3,374,010	1,208,835	35.8	191.78

(For reference) Shareholders' equity: Fiscal 2009 ¥1,271,147 million
Fiscal 2008 ¥1,208,835 million

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

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.

1. Consolidated Operating Results

(1) Operating Results Analysis

Operating Highlights for Fiscal 2009

Overview of Conditions in Fiscal 2009

Overall conditions continued recovering for the global economy in fiscal 2009. Conditions remained severe in the United States, Europe, and other developed countries amid persistently high unemployment rates and other lingering negative elements. Governmental economic stimulus measures helped positive elements gained traction elsewhere, and China, India, and other Asian countries regained sustaining economic growth.

Economic conditions in Japan improved moderately during the year. Industrial production and exports moved into recovery on support from economic growth in Asia and Japanese government economic stimulus measures. Domestic consumption also showed signs of reviving. Meanwhile, domestic construction investment remained sluggish, and employment and personal income conditions continued to be harsh.

The Nippon Steel Group companies implemented measures to respond to the changing environment in their respective fields and overcome the steep declines in sales and income that commenced in the fourth quarter of fiscal 2008. The Company successfully regained profitability in the third quarter of fiscal 2009. For the full year, however, consolidated net sales and operating profit remained sharply down, and the Company recorded a consolidated net loss of ¥11.5 billion, marking the Company's first loss since fiscal 2002.

Performance Review by Business Area Fiscal 2009

Overview of operating performance by business segment

	(Billions of yen)			
	Net Sales		Operating Profit (Loss)	
	FY09	FY08	FY09	FY08
Steelmaking and steel fabrication	2,823.1	4,038.6	(20.5)	307.0
Engineering and construction	331.9	386.6	31.6	24.6
Urban development	80.0	70.1	2.9	3.9
Chemicals	179.4	212.1	10.4	0.8
New materials	58.7	59.9	0.4	(2.3)
System solutions	152.2	161.5	10.7	11.4
Total	3,625.6	4,929.1	35.6	345.6
Elimination of intersegment transactions	(137.9)	(159.2)	(3.6)	(2.6)
Consolidated total	3,487.7	4,769.8	32.0	342.9

Steelmaking and Steel Fabrication

Steel demand in Japan remained sluggish in the construction and civil engineering fields but began gradually recovering in the automotive, electric machinery, and other manufacturing industries where production activity is picking up largely in response to recovering demand overseas. Steel demand overseas gained momentum in the second quarter led by the rapidly improving business conditions in Asia.

The Company had sharply reduced steel production output in the first quarter for the period of sluggish demand. As steel demand in Japan and overseas began recovering in the second quarter, the Company correspondingly ramped up output and shipment volumes through the reactivation in August last year of the renovated No. 1 blast furnace at the Oita Works and in October of the No. 2 blast furnace at the Kimitsu Works, which had been shut down for banking*. Nevertheless, the impact from the low production level in the first quarter resulted in overall steel shipments declining by 1.11 million tons from the previous year, to 27.09 million tons in fiscal 2009.

Net sales and operating profit declined sharply in fiscal 2009. The previously soaring iron ore and coking coal prices edged downward during the year, and the Company implemented extensive measures to minimize costs, including increasing usage of lower-priced materials and sharply cutting fixed costs. However, these efforts were unable to overcome the strong impact from the severe conditions in the steel market, particularly for market-driven products, that took hold in the second half of fiscal 2008 through the first half of fiscal 2009.

*Banking is the process of stopping the air blast flow to temporarily halt production while maintaining furnace conditions to restart production in the future.

Engineering and Construction

In the engineering and construction business, Nippon Steel Engineering Co., Ltd., is focusing on developing operations in the areas of steel production plants, environmental solutions, offshore and energy-related projects (including pipelines), and construction and steel structures where it can fully apply its distinct capabilities. However, the markedly sluggish economic conditions and the accompanying low level of capital investment continued to produce a severe operating environment for attracting project orders both in Japan and overseas during the year. In these adverse conditions, despite a decrease in net sales, the company's meticulous risk management and efforts to improve earnings on the projects currently under way resulted in a year-on-year increase in operating profit of the engineering and construction business.

Urban Development

Business conditions continued to be severe in the urban development business. The Group's real estate development company, Nippon Steel City Produce Inc., continued to record a low contract rate level in

the condominium market, except for a few properties in city centers, reflecting consumer unwillingness to purchase during deteriorating economic and employment conditions. Demand remained sluggish in the rental building market for corporate office space, and vacancy rates continued rising while rental rates trended downward. The steady sales flow from large condominium units in urban centers helped the urban development business post a year-on-year increase in net sales, but the overall severe business conditions resulted in a decline in operating profit for the year.

Chemicals

The coal-based chemical business of Nippon Steel Chemical Co., Ltd., which includes pitch coke used for the production of electrode carbon, struggled amid stagnant demand in the first half but posted improving results in the second half, particularly overseas. The chemical business recorded improving results in specific product markets and shipment volumes amid rising raw material prices. Demand recovered for electronic circuit board materials following the completion of inventory adjustments in the mobile phone industry and for display materials supported by ongoing brisk demand for flat-screen TVs. The chemicals business ultimately recorded a year-on-year increase in operating profit, despite a decline in net sales.

New Materials

Demand recovered faster than anticipated for Nippon Steel Materials Co., Ltd., and business conditions began improving in the second half of fiscal 2009. Demand recovered in the company's core semiconductors and electronic materials business segments for its existing metallic foil products and increased for the new coated copper wire and strand sheet products. While many of its core customers continued to restrain capital investment, the new materials business carried out aggressive cost-cutting, expanded sales of new products, and implemented other initiatives. Through these efforts, the business held sales roughly flat year on year and attained an operating profit for the year.

System Solutions

In the system solutions business, NS Solutions Corporation provides comprehensive solutions in planning, configuration, operation, and maintenance of IT systems for a wide range of customers. The company provides leading-edge solutions services incorporating cloud computing* to further enhance customer investment efficiency and responsiveness to changing business conditions. During the year, the system solutions business fortified its sales capabilities, improved its sales and administrative cost efficiency, and implemented other measures to enhance business competitiveness. Despite these efforts, net sales and operating profit declined year on year, which was primarily due to the constrained systems investment of its corporate clients reflecting the deteriorating business environments.

* Cloud computing is a new Internet-based computer usage configuration enabling services that allow users to access dynamically scalable resources via the Internet.

Sales and Income

The Company posted consolidated declines in both sales and income in fiscal 2009. Consolidated net sales declined ¥1,282.1 billion year on year, to ¥3,487.7 billion; operating profit decreased ¥310.9 billion, to ¥32.0 billion; ordinary profit fell ¥324.3 billion, to ¥11.8 billion; and net income decreased ¥166.6 billion, to a net loss of ¥11.5 billion.

On a non-consolidated basis, net sales declined ¥976.5 billion year on year, to ¥2,152.1 billion; operating profit fell ¥315.7 billion, to an operating loss of ¥62.8 billion; ordinary profit decreased ¥298.6 billion, to an ordinary loss of ¥94.9 billion; and net income declined ¥166.6 billion, to a net loss of ¥57.6 billion.

Fund Procurement

The Company conducted two issues of unsecured corporate bonds during fiscal 2009: issues No. 62 and No. 63 each valued at ¥20.0 billion on June 9, 2009.

Fiscal 2010 Forecast

Nippon Steel is currently negotiating with its corporate customers to adjust steel product prices to better reflect the current market conditions and the substantial price rises of core materials. The Company is also negotiating with suppliers of core raw materials to set prices for key materials and to establish pricing methods from fiscal 2010 onward. Due to the ongoing status of these negotiations, the Company is unable to formulate reasonably accurate estimates or forecasts at this time.

The performance forecast for fiscal 2010, therefore, has not been determined. The Company plans to announce a forecast as soon as it is able to formulate reasonably accurate assumptions and will provide a status update at the scheduled announcement of results for the first quarter of fiscal 2010.

2. Financial Analysis (Consolidated)

Assets, Liabilities, Net Assets, and Cash Flow

Total consolidated assets at the end of the fourth quarter of fiscal 2009 were ¥5,002.3 billion, representing an increase of ¥131.6 billion, from ¥4,870.6 billion at the end of fiscal 2008. Inventories decreased ¥166.7 billion due to declining raw material prices, while investments and others increased ¥284.7 billion, which includes a rise in the unrealized gain on investment securities.

Total liabilities at the end of the fourth quarter of fiscal 2009 amounted to ¥2,666.7 billion, a decrease of ¥29.1 billion, from the ¥2,695.8 billion at the end of fiscal 2008. While the increased unrealized gain on investment securities raised deferred tax liabilities by ¥48.5 billion, interest-bearing debt declined by ¥70.4 billion, from ¥1,454.2 billion at the end of the previous fiscal year to ¥1,383.7 billion at the end of fiscal 2009.

Net assets were ¥2,335.6 billion at the end of fiscal 2009, representing an increase of ¥160.8 billion from the ¥2,174.8 billion at the end of fiscal 2008. Although the Company reported a net loss of ¥11.5 billion for the period under review and distributed a cash dividend of ¥1 per share (totaling ¥6.3 billion), net assets increased on rises of ¥135.6 billion in unrealized gains on available-for-sale securities and ¥58.3 billion in foreign currency translation adjustments. Shareholders' equity at the end of the fiscal year under review amounted to ¥1,844.3 billion, and the ratio of interest-bearing debt to shareholders' equity (the debt/equity ratio) was 0.75.

Cash flows from operating activities for the fiscal year under review amounted to an inflow of ¥437.6 billion. The principal factors influencing operating cash flows were inflows from income before income taxes and minority interests of ¥11.2 billion, depreciation and amortization of ¥284.0 billion, and a ¥178.6 billion decline in inventories. The inflows were partially offset by outflows that included payment of ¥67.1 billion in income taxes. Cash flows from investing activities amounted to an outflow of ¥412.8 billion, which was due primarily to ¥339.7 billion in capital investments. These cash flows resulted in a free cash inflow of ¥24.8 billion in the term under review.

Cash flows from financing activities amounted to payments of ¥79.9 billion, largely due to a ¥70.0 billion outlay for redemption of commercial paper.

As a result of the above movements in cash flows, the Company's cash and cash equivalents at the end of the fiscal year under review amounted to ¥80.4 billion.

Trend in Cash Flow Indicators

Fiscal year	2005	2006	2007	2008	2009
Ratio of net worth (%)	36.9	35.4	36.8	34.3	36.9
Ratio of net worth at market price (%)	66.7	99.1	61.2	34.0	46.2
Debt redemption term (years)	3.1	2.5	2.3	11.4	3.2
Interest coverage ratio (times)	23.7	31.1	30.2	6.5	22.0

Notes:

Ratio of net worth: (Net assets-Minority interests) / Total assets

Ratio of net worth at market price: Current aggregate value of shares / Total assets

Debt redemption term: Interest-bearing debt / Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities / Interest expenses

* Each indicator is calculated from the figures in the consolidated financial statements.

* The current aggregate value of shares is calculated by multiplying the common stock price at term-end by the number of shares outstanding at term-end.

- * Interest-bearing debt covers all debt-bearing interest (short-term loans, commercial paper, corporate bonds scheduled to come due within one year, convertible bonds scheduled to come due within one year, corporate bonds, other convertible bonds, long-term loans, and lease obligations).
- * Cash flow figures from operating activities in the consolidated statements of cash flows are used, and interest expense figures from the consolidated statements of cash flows are used.

3. Basic Profit Distribution Policy and Dividends in Fiscal 2009 and Fiscal 2010

Nippon Steel has partially revised the basic profit distribution policy and will apply the revised policy beginning in fiscal 2010. The revised policy is as follows.

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 non-consolidated 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.

The Company declared at the announcement of third-quarter results (January 28, 2010) that it plans to propose at the annual general meeting of shareholders a year-end dividend payment of ¥1.5 per share for fiscal 2009 (which will represent a reduction of ¥4.5 per share compared with the cash dividend of the previous fiscal year).

The Company at this time has not determined a dividend distribution plan for fiscal 2010 due to the inability to establish a reasonable performance forecast. The Company will announce a dividend distribution plan as soon as it is formulated.

3.Management Policy

Nippon Steel Corporation (“NSC”) announced on Jan. 28, 2010. Management Plan of NSC Group for the fiscal year 2011.

The Mid-Term Management Plan 2011 Outline

1. Steel Operations Key Policies

As our first step through FY2011, we will focus on “reinforcing our corporate strengths and establishing a secure revenue base”. At the same time, we will step forward to “building a stronger global production and supply base” as a basis for longer term sustainable growth.

1) Reinforcing Our Corporate Strengths and Securing Revenue Base, Aiming to Be “The World’s No. 1 Company in Total Capabilities”

- i) We will further strive to develop our world leading “State-of-the-Art Technology Edge”, through strengthening our R&D capabilities, including development of innovative products and new processes in addition to our conventional product areas, in order to meet and provide solutions for the changing needs of our customers and society, including in energy and environment related fields.
- ii) We will thoroughly pursue our No. 1 competitiveness, especially in costs, through enhancing our basic manufacturing capabilities as well as capabilities in facilities and on an operational basis, with a particular focus on our steel operation sites.
- iii) We will secure the stable sourcing of raw materials through investing in stakes in high-efficiency mines, as well as diversifying and enlarging our sources of materials. We will also strengthen our procurement capabilities, extending our sources globally to seek the best equipment and materials.
- iv) Under these policies, we aim to reinforce our united corporate foundation and revenue base, and secure the leading position in the world steel industry.

2) Taking a Firm Step Forward for the Global Growth Strategy

- i) We will take another step forward to capture the growing demand in emerging markets, building upon and further expanding our global alliance network in the areas of high-quality steel for automobiles and other uses, as well as enhancing our overseas sales network, including downstream production and distribution capabilities.
- ii) We will further strengthen our global operational base, through laying grounds for future production sites in fast growing emerging economies.

3) Realizing the Benefits of our Alliances with Partners

We will further enhance our alliances with domestic and overseas steel manufacturers and will seek to maximize the benefits of our joint collaboration. For instance, in Japan, we maintain alliances with Sumitomo Metal Industries, Ltd., Kobe Steel, Ltd., Nisshin Steel Co., Ltd., and Group electric furnace steel manufacturers, and overseas with POSCO.

4)Balancing Growth Investments and Improving Financial Strengths

By building a stable revenue base as described above, we will continue our investments for our future growth (capital expenditures in facilities, investments in companies, research and development, and the like) and at the same time improve our financial strength (maintaining our current “A” international rating status).

5)Promoting Organization Management Change and Personnel Development

We will further proceed to renew our organizational and management styles and develop our personnel, adapting to rapidly changing issues, through building a self-evolving corporate culture. This will involve continuous review of organization and management procedures, as well as the speeding up of the development of human resources with global business development capabilities.

6) Strengthening Steel Operation Group Companies

Sharing the same business policies, the steel operation Group companies plan to strengthen their respective management bases, including improvements in cost, product, and quality competitiveness, and also overseas development capacities as part of our offshore downstream operation enhancement strategy.

We will manage to maximize the Group’s overall steel operational efficiency and effectiveness, through focusing on and reviewing investments in accordance with our strategy.

2. Policies for Other Operations and Uniting the Strengths Together

Policies for Other Operations

In addition to enhancing our competitiveness in existing businesses, we will strengthen our business in new growth areas, including energy and environment related fields, to achieve a leading and profitable position in each of the respective industries.

Maximizing the Synergy of NSC Group

Efforts will be made to maximize the synergy of the NSC Group by further enhancing the world’s leading products and know-how of our six business operations, including the steel making business, and offering our customers solutions achieved through the combination of the total resources of the entire Group.

1) Engineering Operations

- i) We will proceed to maintain and increase our customer orders through enhanced responses to overseas projects including the development of off-shore energy resources, and the expansion of customer bases through improved solution-proposing capabilities.

- ii) We will strengthen our operational base through promotion of our “Top 3 Strategy”, further enhancement of technology and cost competitiveness, as well as promotion of new businesses and products, including the development of carbon dioxide capture processes, based on a long-range view.

2) Urban Development Operations

- i) We will strengthen our scrap-and-build urban revitalization and infrastructure business, focusing on redevelopment and area-value-creation of urban areas. This includes urban redevelopment, rebuilding of old apartment buildings, and real estate exchanges.
- ii) We will also move forward to recover business size, profitability and improvement of our financial strength.

3) Chemical Operations

- i) We will strive to be the world’s leading steel chemical producer, through the development of high-end products (for example, coke for graphite electrodes and material for special carbon), based on steel related chemical materials and the development of overseas businesses.
- ii) In the three fields we focus on, we will strive to capture customer needs and enhance our market competitiveness and brand recognition by improving our design capabilities and manufacturing technologies. Our three focus fields are circuit implementation material (Espanex), optical display materials (such as epoxy resin and Silplus), and organic device materials (organic EL).

4) New Materials Operation

- i) In the area of electronic materials, we plan growth through improved cost competitiveness in new overseas business bases, expansion of new products in surface-covered wire (EX wire) business, and development of silicon carbide wafers.
- ii) In industrial and environment/energy areas, we will focus on long-range growth potential businesses, including carbon fiber, metal carriers used in emission gas purification, and polycrystalline silicon for solar power generation.

5) System Solution Operations

- i) We aim to form a sustainable business base capable of overcoming a severe market environment by enhancing development and implementation capabilities and expanding our customer base.
- ii) We will promote the development of leading-edge technologies, including cloud-computing, enhance our responses to the growing fields of telecommunications and to Chinese markets, and form and reinforce our alliances with major vendors.

3. Policies relating to Global Warming

- 1) We will diligently implement the voluntary action plan during the Kyoto Protocol period.
- 2) For the post-Kyoto period, we will continue our utmost efforts to implement our “three ecological policies” (eco-processes, eco-products, and eco-solutions):
 - i) Energy conservation and CO₂ reduction through further enhancement of eco-processes (further improvement of our leading energy efficiency);

- ii) Development and supply of environmentally friendly products or eco-products; and
 - iii) Development of eco-solutions, including overseas technology transfer.
- 3) We will also continue our development of long-range policies, including the development of environmentally friendly steel production processes and technology (COURSE 50) collaborating with other Japanese steel makers.

4. Policies to Be a Trusted and Reliable Company

- 1) We will act according to our corporate philosophies to further contribute to society.
- 2) We will continually strive to be a trusted company for society, by fully complying with laws, regulations and rules, including those related to safety, environment and disaster prevention.

* NSC Group's Corporate Philosophies:

“The NSC Group, focused on steel manufacturing, will contribute to industrial development and the enhancement of people's lives through creating and supplying valuable and attractive products and ideas”.

5. Laying Grounds for a New Growth Path

- 1) As we have outlined, we plan to turn the current severe environment into opportunities, and we will strive to further strengthen our competitive edge.
- 2) We will further enhance our “Global Player Strategy” and seek to establish a foothold in the three main areas of the world, as our “Global Tri-polar Production and Processing Bases”, in order to capture growing overseas market demands and address the needs of such overseas markets. This will involve:
 - i) Further expansion of our global processing and distribution system, fully utilizing the Group's domestic 40 million ton (crude steel) production base.
 - ii) Expansion of the company's presence in the American and Pan-Atlantic emerging market, through making the most of the enhanced production and quality management capabilities of USIMINAS.
 - iii) Expansion of processing sites and development of new production bases in the Asian markets.
- 3) By making a firm step forward towards these directions, we seek to become the “World's Genuine Leading Corporation Group”, with strong corporate foundation, growth potential, and revenue capabilities necessary to be the “World's No. 1 Company in Total Capabilities”.

Note: This document includes forecasts and projections that are based on the assumptions and beliefs of Nippon Steel's management in light of the information available to it as of the date on which the information is first distributed, and actual results may differ from such forecasts and projections.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of yen		
ASSETS	March 31, 2009	March 31, 2010
Current assets :		
Cash and bank deposits	124,007	78,197
Notes and accounts receivable	471,745	457,804
Marketable securities	13,038	12,723
Inventories	1,021,543	854,763
Deferred tax assets	91,532	108,971
Other	164,131	133,867
Less: Allowance for doubtful accounts	(5,442)	(4,161)
Total current assets	1,880,556	1,642,168
Fixed assets :		
Tangible fixed assets :		
Buildings and structures	463,986	489,884
Machinery and equipment	922,357	957,530
Land	330,784	321,670
Lease assets	9,436	9,842
Construction in progress	93,265	99,423
	1,819,830	1,878,351
Intangible fixed assets		
Patents and utility rights	12,133	14,257
Software	1,504	6,631
Goodwill	5,946	25,161
Lease assets	464	819
	20,050	46,870
Investments and others :		
Investments in securities	957,392	1,272,033
Deferred tax assets	52,731	30,210
Other	145,668	137,098
Less: Allowance for doubtful accounts	(5,549)	(4,353)
	1,150,243	1,434,988
Total fixed assets	2,990,124	3,360,210
Total assets	4,870,680	5,002,378

Millions of yen

LIABILITIES	March 31, 2009	March 31, 2010
Current liabilities :		
Notes and accounts payable	476,571	449,877
Short-term loans and portion of long-term loans due within one year	342,545	304,743
Commercial paper	148,000	78,000
Bonds due within one year	43,250	-
Current portion of lease liability	3,019	3,019
Accrued expenses	236,604	239,583
Allowance for losses on construction contracts	4,666	3,522
Other	271,698	291,341
Total current liabilities	1,526,354	1,370,087
Long-term liabilities :		
Bonds and notes	324,967	364,958
Long-term loans	585,446	626,910
Lease liability(excluding current portion)	6,966	6,132
Deferred tax liabilities	35,450	83,904
Accrued pension and severance costs	136,380	141,995
Allowance for retirement benefits of directors and corporate auditors	4,400	4,603
Reserve for repairs to blast furnaces	37,013	28,772
Other	38,891	39,336
Total long-term liabilities	1,169,517	1,296,614
Total liabilities	2,695,871	2,666,701
NET ASSETS		
Shareholders' equity :		
Common stock	419,524	419,524
Capital surplus	114,333	114,345
Retained earnings	1,458,622	1,441,248
Less: Treasury stock, at cost	(262,152)	(262,004)
	1,730,328	1,713,114
Valuation and transaction adjustments:		
Unrealized gains on available-for-sale securities	22,665	158,364
Deferred hedge income (loss)	(1,149)	(1,846)
Unrealized gains on revaluation of land	11,187	10,759
Foreign currency translation adjustments	(94,348)	(36,010)
	(61,645)	131,267
Minority interest in consolidated subsidiaries	506,126	491,294
Total net assets	2,174,809	2,335,676
Total liabilities and net assets	4,870,680	5,002,378

(2) Consolidated Statements of Income

Millions of yen

	Fiscal 2008	Fiscal 2009
Operating revenues :		
Net sales	4,769,821	3,487,714
Cost of sales	4,105,778	3,156,497
Gross margin	664,042	331,216
Selling, general and administrative expenses	321,112	299,211
Operating profit	342,930	32,005
Non-operating profit and loss :		
Non-operating profit :		
Interest and dividend income	25,085	16,656
Equity in net income of unconsolidated subsidiaries and affiliates	58,876	34,756
Other	24,090	26,170
	108,051	77,583
Non-operating loss :		
Interest expenses	19,813	19,803
Other	95,029	77,952
	114,842	97,755
Ordinary profit	336,140	11,833
Special profit :		
Gain on sales of tangible fixed assets	13,342	5,809
	13,342	5,809
Special loss :		
Loss on valuation of investments in securities	68,402	-
Penalty		6,400
	68,402	6,400
Income before income taxes and minority interest	281,079	11,242
Income taxes - current	145,113	52,440
Income taxes - deferred	(31,753)	(36,396)
Minority interest in net income of consolidated subsidiaries	12,641	6,728
Net income (loss)	155,077	(11,529)

(3) Consolidated Statements of Changes in Net Assets

	Millions of yen									
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Unrealized gains on available- for-sale securities	Deferred hedge income (loss)	Unrealized gains on revaluation of land	Foreign currency translation adjustments	Minority interest in consolidated subsidiaries	
Balance at March 31, 2008	419,524	114,364	1,377,823	(261,272)	234,673	(1,508)	11,247	13,923	505,176	
Cash dividends			(69,335)							
Net income for fiscal year 2008			155,077							
Acquisition of treasury stock				(1,269)						
Disposal of treasury stock		(30)		211						
Decrease due to the change in the number of consolidated companies			(5,003)	177						
Reversal of unrealized gains on revaluation of land			59							
Other change for fiscal year 2008(net)					(212,008)	358	(59)	(108,272)	949	
Total change for this fiscal year 2008	-	(30)	80,798	(880)	(212,008)	358	(59)	(108,272)	949	
Balance at March 31, 2009	419,524	114,333	1,458,622	(262,152)	22,665	(1,149)	11,187	(94,348)	506,126	

	Millions of yen									
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Unrealized gains on available- for-sale securities	Deferred hedge income (loss)	Unrealized gains on revaluation of land	Foreign currency translation adjustments	Minority interest in consolidated subsidiaries	
Balance at March 31, 2009	419,524	114,333	1,458,622	(262,152)	22,665	(1,149)	11,187	(94,348)	506,126	
Cash dividends			(6,303)							
Net income (loss) for fiscal year 2009			(11,529)							
Acquisition of treasury stock				(56)						
Disposal of treasury stock		12		51						
Increase due to the change in the number of consolidated companies			116	153						
Reversal of unrealized gains on revaluation of land			341							
Other change for fiscal year 2009(net)					135,699	(696)	(428)	58,338	(14,832)	
Total change for this fiscal year 2009	-	12	(17,373)	147	135,699	(696)	(428)	58,338	(14,832)	
Balance at March 31, 2010	419,524	114,345	1,441,248	(262,004)	158,364	(1,846)	10,759	(36,010)	491,294	

(4) Consolidated Statements of Cash-Flows

	Millions of yen	
	Fiscal 2008	Fiscal 2009
Cash flows from operating activities :		
Income before income taxes and minority interests	281,079	11,242
Adjustments to reconcile net income to net cash provided by operating activities :		
Depreciation and amortization	273,744	284,092
Interest and dividend income (accrual basis)	(25,085)	(16,656)
Interest expense (accrual basis)	19,813	19,803
Exchange loss(gain) on foreign currency transactions	3,487	8,348
Amortization of goodwill	1,103	3,631
Equity in net (income) loss of unconsolidated subsidiaries and affiliates	(58,876)	(34,756)
Loss (gain) on sales of investments in securities	(3,368)	(1,046)
Loss on valuation of investments in securities	68,402	-
Loss on disposal of tangible and intangible fixed assets	11,781	9,013
Gain on sales of tangible and intangible fixed assets	(13,342)	(5,809)
Changes in allowance for doubtful accounts	(1,850)	(2,275)
Changes in notes and accounts receivable	37,598	27,319
Changes in inventories	(171,535)	178,618
Changes in notes and accounts payable	(127,389)	(10,414)
Other	17,818	35,541
Interest and dividend income (cash basis)	39,330	18,101
Interest expense (cash basis)	(19,511)	(19,911)
Income taxes (cash basis)	(205,660)	(67,176)
Net cash provided by operating activities	127,540	437,668
Cash flows from investing activities :		
Acquisition of investments in securities	(73,520)	(88,634)
Proceeds from sales of investments in securities	39,664	17,662
Acquisition of tangible and intangible fixed assets	(295,584)	(339,773)
Proceeds from sales of tangible and intangible fixed assets	16,761	11,877
Other	6,074	(13,958)
Net cash used in investing activities	(306,603)	(412,827)
Cash flows from financing activities :		
Net increase (decrease) in short-term loans	95,229	(67,063)
Net increase (decrease) in commercial paper	13,000	(70,000)
Proceeds from long-term loans	185,119	125,087
Payments of long-term loans	(85,159)	(67,367)
Proceeds from issuance of bonds and notes	144,448	39,861
Redemption of bonds and notes	(95,324)	(43,266)
Payments for purchase of treasury stock	(178)	(179)
Cash dividends	(69,335)	(6,303)
Other	(17,590)	9,245
Net cash provided by (used in) financing activities	170,209	(79,985)
Effect of exchange rate changes on cash and cash equivalents	(23,069)	7,246
Net increase (decrease) in cash and cash equivalents	(31,923)	(47,897)
Cash and cash equivalents at beginning of the year	160,313	128,390
Increase (decrease) from the change in the number of companies consolidated	-	(22)
Cash and cash equivalents at end of year	128,390	80,470

(5) Notes to the Presumption of Going Concerns

None

(6) Basic Material Items for the Preparation of the Consolidated Financial Statements

The Company has omitted information other than those in (7) below, since there was no material change compared with the latest Securities Report submitted in June 24, 2009.

(7) Change in the Basic Material Items for the Preparation of the Consolidated Financial Statements

1. Changes accompanying revisions in accounting principles:

- 1) The Company has changed its method for recognizing revenues on construction contracts. Previously, the Company applied the percentage-of-completion method for construction contracts of ¥1 billion or more and a construction term of over 12 months. For other construction contracts, the Company applied the completed-contract method. However, beginning with contracts for which construction commenced in the first quarter of the fiscal year ending March 31, 2010, accompanying the application of the Accounting Standard for Construction Contracts (ASBJ Statement No. 15) and the Implementation Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18), the percentage-of-completion method has been applied if the completion of a portion of the construction work is deemed to be certain by the end of the fiscal year ending March 31, 2010. (The percentage of completion is estimated based on the percentage of cost incurred compared with the estimated total cost.) For other construction, the completed-contract method has been applied.

As a result of this change, net sales were ¥ 12,592 million higher, the gross margin and operating profit were ¥ 1,740 million higher, and ordinary profit and income before income taxes and minority interests were ¥ 1,818 million higher than they would have been prior to the change.

Please note that the effect of this change on segment information is as stated in the notes to the segment information.

- 2) Beginning with the fiscal year ended March 31, 2010, the Company has applied “Partial Amendments to Accounting Standard for Retirement Benefit (Part3)” (ASBJ Statement No. 19).

As a result, this change had no effect on the consolidated financial statements for the fiscal year ended March 31, 2010.

Amortization of the actuarial gain/loss will begin in the next fiscal year, but this change in accounting standard will have no effect on gross profit, operating profit, ordinary profit, or income before income taxes and minority interests. Also, the remaining difference in retirement benefit obligations due to the application of the previously mentioned standard is not material.

2. Changes other than those in “1.” Above:

None

(8) Notes of Consolidated Financial Statements

(a) Consolidated Segment Information

1) Information of business segments

Fiscal 2008 (April 1, 2008 to March 31, 2009)

Millions of yen

	Steelmaking and steel fabrication	Engineering and construction	Urban development	Chemicals	New materials	System solutions	Total	Elimination of intersegment transactions	Consolidated total
Sales	4,038,685	386,643	70,152	212,172	59,907	161,541	4,929,103	(159,281)	4,769,821
Operating profit	307,047	24,674	3,929	894	△ 2,397	11,479	345,627	(2,696)	342,930
Total assets	4,183,826	298,053	224,247	136,185	30,441	128,082	5,000,836	(130,155)	4,870,680
Depreciation	256,085	3,235	2,279	9,192	2,848	1,833	275,475	(1,730)	273,744
Capital expenditure	283,653	6,011	8,512	8,470	1,649	1,645	309,942	(4,204)	305,738

Fiscal 2009 (April 1, 2009 to March 31, 2010)

Millions of yen

	Steelmaking and steel fabrication	Engineering and construction	Urban development	Chemicals	New materials	System solutions	Total	Elimination of intersegment transactions	Consolidated total
Sales	2,823,193	331,905	80,073	179,412	58,799	152,234	3,625,619	(137,904)	3,487,714
Operating profit	△ 20,589	31,655	2,937	10,431	444	10,732	35,613	(3,607)	32,005
Total assets	4,379,862	256,916	191,985	147,021	36,668	133,218	5,145,673	(143,294)	5,002,378
Depreciation	270,394	2,964	1,779	7,948	2,480	2,166	287,733	(3,640)	284,092
Capital expenditure	319,470	7,690	1,048	5,508	3,886	3,797	341,401	(12,044)	329,356

Note: 1. Method for business segment classification

The Company's business segments are steelmaking and steel fabrication, engineering and construction, urban development, chemicals, new materials, and system solutions. When determining the business segment classification and method of presentation, the Company applies the basic policy that the classification and method of presentation should express accurately and succinctly the distinctive features of each business domain.

Notes: 2. Segment Main Products and Incidental Businesses

Business Segment	Main Products		
Steelmaking and Steel Fabrication	Steel Materials	Steel sections	Rails, sheet piles, H beams, other shapes; Bars, bars-in-coils, wire rods, special wire rods
		Flat-rolled products	Heavy plates, medium plates, hot-rolled sheets, cold-rolled sheets; Tinplate, tin-free steel, hot-dipped galvanized sheets, other metallic coated sheets, precoated sheets; Cold-rolled electrical steel sheet
		Pipe and tubes	Tubulars: seamless, butt-welded, electric-resistance welded, electric-arc welded, cold-drawn, and coated pipes and tubes
		Specialty steel	Stainless steel, machine structural carbon steel, structural alloy steel, spring steel, bearing steel, heat-resistant steel, free-cutting steel, piano wire rods, high-strength steel
		Secondary steel products	steel segments, Steel Diaphragm Wall Method, METRODECK, H-beam bridges, gratings, Steel Deck Slab Bridge Using Square Tube, PANZERMAST, vibration-damping sheets and plates, NS Louver, structural steel sheet members, columns, welding materials, drums, bolts/nuts/washers, wire products, OCTG accessories, building and civil engineering materials
	Pig iron, steel ingots, others		Steelmaking pig iron, foundry pig iron, steel ingots; Iron and steel slag products, cement, foundry coke
	Businesses incidental to Steelmaking and Steel Fabrication		Design/maintenance/installation of machines/electrical equipment/measurement apparatuses; Marine transport, port/harbor transport, land transport, loading/unloading, warehousing, packaging; Material testing/analysis, measurement of working environments, surveys on technical information, operation and management of various facilities, security services, services related to documentation of raw materials import, iron- and steelmaking plant construction engineering, operating assistance, steelmaking know-how provision, rolls
	Other		Rolled titanium products, aluminum products, power supply, services and others
Engineering and Construction	Iron- and steelmaking plants, industrial machinery and equipment, industrial furnaces Resources recycling and environment restoration solutions, environmental plants, waterworks Energy facilities and plants, chemical plants, storage tanks, on-land and offshore pipelines laying works Various energy-related solutions Offshore structure fabrication/construction, civil engineering work, bridge fabrication/erection, pipe piling work Building construction, steel-structure construction, trusses, standardized buildings products, base-isolation and vibration-control devices		
Urban Development	Urban development, condominiums/other real estate		
Chemicals	Pitch coke, pitch, naphthalene, phthalic anhydride, carbon black, styrene monomer, bisphenol A, styrene resin, epoxy resin, chemical products; Adhesive-free copper-clad laminated sheet for flexible printed circuit boards, liquid crystal display (LCD) materials, organic EL materials		
New Materials	Rolled metallic foils, semiconductor bonding wire and microballs, carbon-fiber composite products, polysilicon for solar cells, fine ceramics products, metal catalyst carriers for cleaning automotive emissions, Silplus		
System Solutions	Computer systems engineering and consulting services		

Notes: 3. Changes in accounting principles

- (1) The Company has changed its method for recognizing revenues on construction contracts. Previously, the Company applied the percentage-of-completion method for construction contracts of ¥1 billion or more and a construction term of over 12 months. For other construction contracts, the Company applied the completed-contract method. However, beginning with contracts for which construction commenced in the first quarter of the fiscal year ending March 31, 2010, accompanying the application of the Accounting Standard for Construction Contracts (ASBJ Statement No. 15) and the Implementation Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18), the percentage-of-completion method has been applied if the completion of a portion of the construction work is deemed to be certain by the end of the fiscal year ending March 31, 2010. (The percentage of completion is estimated based on the percentage of cost incurred compared with the estimated total cost.) For other construction, the completed-contract method has been applied.

As a result of this change, net sales in the Engineering and Construction segment were ¥6,824 million higher, and in the System Solutions segment were ¥864 million higher. In addition, operating profit in the Engineering and Construction segment were ¥864 million higher, and in the System Solutions segment were ¥120 million higher than they would have been prior to the change. The effect of these changes for other segments was not material.

2) Geographical Segments

For the consolidated fiscal year under review and the previous consolidated fiscal year, since the percentage of total net sales and total assets in Japan accounted for more than 90% of the net sales and total assets of all segments in total, the Company has omitted information by geographical segment.

3) Overseas Sales

FY2008 (April 1, 2008—March 31, 2009)

(Millions of yen, %)

	Asia	North America and other areas	Total
Overseas sales	1,023,924	353,336	1,377,260
Net sales			4,769,821
% of net sales	21.5	7.4	28.9

Notes: 1. Division by country or region is based on geographical proximity.

2. Main country and regional divisions other than Japan:

Asia: China, South Korea, Taiwan, and Thailand

North America and other areas: U.S.A.

3. Overseas sales are defined as sales made by the Company and its consolidated subsidiaries in countries or regions outside Japan.

FY2009 (April 1, 2009—March 31, 2010)

(Millions of yen, %)

	Asia	North America and other areas	Total
Overseas sales	813,606	290,904	1,104,510
Net sales			3,487,714
% of net sales	23.3	8.3	31.7

Notes: 1. Division by country or region is based on geographical proximity.

2. Main country and regional divisions other than Japan:

Asia: China, South Korea, Taiwan, and Thailand

North America and other areas: U.S.A.

3. Overseas sales are defined as sales made by the Company and its consolidated subsidiaries in countries or regions outside Japan.

(b) Per Share Information

(Yen)

	Fiscal 2008 (April 1, 2008—March 31, 2009)	Fiscal 2009 (April 1, 2009—March 31, 2010)
Net assets per share	265.24	293.19
Net income (loss) per share	24.61	(1.83)
Net income per share after full dilution	23.71	—

Regarding consolidated net income per share for the fiscal year under review after full dilution, although there are some latent shares, since the Company reported a net loss per share, no figures for net income per share after have been disclosed.

Notes: Basis for calculations

1. Net income (loss) per share and net income per share after full dilution

(Yen)

	Fiscal 2008 (April 1, 2008—March 31, 2009)	Fiscal 2009 (April 1, 2009—March 31, 2010)
Net income per share		
Net income (loss)	155,077 million	(11,529) million
Value not attributed to common shares	245 million	— million
Net income (loss) attributed to common shares	154,832 million	(11,529) million
Average number of outstanding common shares during the period	6,291,897,716 million	6,290,728,166 million
Net income per share after full dilution		
Net income adjustment value	3,985 million	— million
Portion of minority interest	3,987 million	— million
Portion of interest on investments accounted for by equity method	(2) million	(—) million
Increase in number of outstanding common shares	405,405,405 shares	— Shares
Portion of euroyen preferred securities with exchange rights	405,405,405 shares	— Shares
Summary of latent shares not included in the computation of net income per share after full dilution, since these securities are not dilutive	—	—

2. Net assets per share

(Yen)

	End of fiscal 2008 (March 31, 2009)	End of fiscal 2009 (March 31, 2010)
Total net assets	2,174,809 million	2,335,676 million
Amounts deducted from total net assets	506,371 million	491,294 million
Portion of minority interest	506,126 million	491,294 million
Net assets at fiscal year-end applicable to common shares	1,668,437 million	1,844,382 million
Number of common shares at fiscal year-end used in calculating net assets per share	6,290,378,550 shares	6,290,789,304 Shares

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

	Millions of yen	
ASSETS	March 31, 2009	March 31, 2010
Current assets :		
Cash and bank deposits	31,356	23,996
Notes and accounts receivable	122,807	113,606
Inventories	669,220	551,907
Deferred tax assets	42,000	71,500
Other	91,100	92,213
Less: Allowance for doubtful accounts	(7,269)	(4,637)
Total current assets	949,215	848,587
Fixed assets :		
Tangible fixed assets :		
Buildings and structures	299,829	327,683
Machinery and equipment	700,007	743,927
Land	183,785	181,813
Lease assets	1,915	2,519
Construction in progress	76,388	59,339
	1,261,927	1,315,283
Intangible fixed assets :		
Patents and utility rights	558	514
Software	178	4,823
Lease assets	46	48
	783	5,387
Investments and others :		
Investments in securities	508,282	720,611
Investments in subsidiaries and affiliates	552,387	615,293
Other	104,153	85,039
Less: Allowance for doubtful accounts	(2,740)	(3,910)
	1,162,083	1,417,033
Total fixed assets	2,424,794	2,737,704
Total assets	3,374,010	3,586,291

Millions of yen

LIABILITIES	March 31, 2009	March 31, 2010
Current liabilities :		
Notes and accounts payable	162,402	179,823
Short-term loans and portion of long-term loans due within one year	249,593	356,098
Commercial paper	146,000	78,000
Bonds due within one year	40,000	-
Current portion of lease liability	761	738
Accrued expenses	217,714	220,840
Other	124,283	127,171
Total current liabilities	940,754	962,671
Long-term liabilities :		
Bonds and notes	324,951	364,958
Convertible bonds	300,000	300,000
Long-term loans	481,246	493,701
Lease liability(excluding current portion)	1,301	1,963
Deferred tax liabilities	-	80,100
Accrued pension and severance costs	66,297	69,479
Reserve for repairs to blast furnaces	36,572	28,080
Other	14,051	14,187
Total long-term liabilities	1,224,420	1,352,471
Total liabilities	2,165,175	2,315,143
NET ASSETS		
Shareholders' equity :		
Common stock	419,524	419,524
Capital surplus	114,104	114,099
Retained earnings :		
Special tax purpose reserve	91,569	89,050
Accumulated earnings carried forward	826,096	764,674
	917,665	853,724
Treasury stock, at cost	(257,934)	(257,971)
	1,193,360	1,129,377
Valuation and translation adjustments :		
Unrealized gains on available-for-sale securities	15,053	140,250
Deferred hedge income (loss)	420	1,520
	15,474	141,770
Total net assets	1,208,835	1,271,147
Total liabilities and net assets	3,374,010	3,586,291

(2) Non-Consolidated Statements of Income

	Millions of yen	
	Fiscal 2008	Fiscal 2009
Operating revenues :		
Net sales	3,128,694	2,152,171
Cost of sales	2,713,934	2,072,511
Gross margin	414,759	79,660
Selling, general and administrative expenses	161,794	142,470
Operating profit	252,965	(62,810)
Non-operating profit and loss :		
Non-operating profit :		
Interest and dividend income	31,826	21,901
Other	11,212	15,874
	43,039	37,776
Non-operating loss :		
Interest expenses	21,738	22,082
Other	70,603	47,882
	92,342	69,964
Ordinary profit	203,661	(94,998)
Special profit and loss :		
Special profit :		
Gain on sales of tangible fixed assets	11,877	5,560
Gain on sales of investments in securities and investments in subsidiaries and affiliates	17,709	-
	29,586	5,560
Special loss :		
Loss on valuation of investments in securities	66,462	-
	66,462	-
Income before income taxes	166,786	(89,438)
Income taxes - current	80,400	3,100
Income taxes - deferred	(22,600)	(34,900)
Net income	108,986	(57,638)

(3) Non-Consolidated Statements of Changes in Net Assets

	Millions of yen						
	Common stock	Capital surplus	Special tax purpose reserve	Accumulated earnings carried forward	Treasury stock, at cost	Unrealized gains on available-for-sale securities	Deferred hedge income (loss)
Balance at March 31, 2008	419,524	114,145	90,435	794,060	(257,888)	210,275	(1,345)
Withdrawal of special tax purpose reserve			(9,986)	9,986			
Reserve of special tax purpose reserve			11,120	(11,120)			
Cash dividends				(69,335)			
Net income for fiscal year 2008				108,986			
Acquisition of treasury stock					(178)		
Disposal of treasury stock		(40)			133		
Net change due to demerger				(6,480)			
Other change for fiscal year 2008(net)						(195,221)	1,766
Total change for fiscal year 2008	-	(40)	1,134	32,035	(45)	(195,221)	1,766
Balance at March 31, 2009	419,524	114,104	91,569	826,096	(257,934)	15,053	420

	Millions of yen						
	Common stock	Capital surplus	Special tax purpose reserve	Accumulated earnings carried forward	Treasury stock, at cost	Unrealized gains on available-for-sale securities	Deferred hedge income
Balance at March 31, 2009	419,524	114,104	91,569	826,096	(257,934)	15,053	420
Withdrawal of special tax purpose reserve			(12,055)	12,055			
Reserve of special tax purpose reserve			9,536	(9,536)			
Cash dividends				(6,303)			
Net income for fiscal year 2009				(57,638)			
Acquisition of treasury stock					(53)		
Disposal of treasury stock		(5)			16		
Net change due to demerger				-			
Other change for fiscal year 2009(net)						125,196	1,099
Total change for fiscal year 2009	-	(5)	(2,519)	(61,422)	(37)	125,196	1,099
Balance at March 31, 2010	419,524	114,099	89,050	764,674	(257,971)	140,250	1,520

(4) Notes to the Presumption of Going Concerns

None

6. Other

Management Appointments and Resignations

(1) Change in Representatives

None applicable

(2) Other Appointments and Resignations

- 1) The appointments of candidates elected at the 86th General Meeting of Shareholders scheduled for June 24, 2010, for the positions of directors with specific titles and representative directors and the assignment of responsibilities and positions for executive vice presidents and managing directors will be formalized at the Board of Directors meeting to be held after the General Meeting of Shareholders concludes.

Candidate	Title (Planned)	Responsibilities and positions (Planned)
Akio Mimura	Representative Director and Chairman	
Shoji Muneoka	Representative Director and President	
Kohzoh Uchida	Representative Director and Executive Vice President	Sales Administration & Planning; Global Marketing; Project Development; Each Steel Products Division; Machinery & Materials; Shanghai-Baoshan Cold-Rolled & Coated Sheet Products Projects; Domestic Sales Offices; Cooperating with Executive Vice President S. Taniguchi on Overseas Offices
Shinichi Taniguchi	Representative Director and Executive Vice President	Corporate Planning; Accounting & Finance; Overseas Business Development; Raw Materials; Overseas Offices
Keisuke Kuroki	Representative Director and Executive Vice President	Intellectual Property; Safety Enhancement; Technical Administration & Planning; Ironmaking Technology; Steelmaking Technology; Slag & Cement; Technical Cooperation; Cooperating with Executive Vice President K. Shindo on Environmental

Yasuo Takeda	Representative Director and Executive Vice President	Management Technical Development Bureau
Kosei Shindo	Representative Director and Executive Vice President	General Administration; Business Process Innovation; Personnel & Labor Relations; Environmental Management; Cooperating with Executive Vice President K. Kuroki on Safety Enhancement
Junji Uchida	Managing Director	Flat Products Division; Sales Administration & Planning
Shigeru Oshita	Managing Director	Intellectual Property; Technical Administration & Planning; Iron Making Technology; Steelmaking Technology; Slag & Cement; Technical Cooperation; Rendering Assistance to Executive Vice President K. Uchida on Steel Products
Tooru Obata	Managing Director	General Manager, Shanghai-Baoshan Cold-Rolled & Coated Sheet Products Projects; Overseas Business Development; Raw Materials; Machinery & Materials; Overseas Offices

2) Candidate for corporate auditor to be presented at the 86th General Meeting of Shareholders scheduled for June 24, 2010

Candidate	Current Position
Shigeo Kifuji	External Auditor

Note: Mr. Shigeo Kifuji fulfills the qualifications for outside corporate auditors pursuant to Article 2-16 of the Companies Act.

Results of Fiscal 2009 (Year ended March 31, 2010)

Overview of Profitability, Etc. (Consolidated)

(Billions of yen)

	FY2009		FY2008	Y-O-Y change	Previous Forecasts (Released on Jan. 28, 2009)
		4Q			
Net sales	3,487.7	1,002.4	4,769.8	-1,282.1	3,500.0
Operating profit	32.0	63.6	342.9	-310.9	30.0
Ordinary profit	11.8	55.4	* 336.1	-324.3	10.0
Non-consolidated profit (loss)	(94.9)	21.8	203.6	-298.5	(90.0)
Special profit (loss)	(0.5)	5.8	(55.0)	+54.5	—
Net income (loss)	(11.5)	34.3	155.0	-166.5	(15.0)
Net income (loss) per share (¥)	(1.8)	5.5	24.6	-26.4	(2.4)

Interest-bearing debt	1,383.7	1,454.2	-70.5
D/E ratio	0.75	0.87	-0.12pp

* Analysis of Y-O-Y change in consolidated ordinary profit (-¥324.3 billion)

(Billions of yen)

	Y-O-Y change	Change from the previous forecasts
Change in Consolidated Ordinary Profit (Loss)	-324.3	+1.8
1. Ferrous materials business	-338.0	-1.0
(1) Non-consolidated	-300.0	-5.0
a. Manufacturing shipment volume down 1.11 million tons (28.2 million tons to 27.09 million tons)	-50.0	—
b. Selling prices and composition of sales	-530.0	—
c. Raw materials prices	+475.0	—
d. Cost improvement	+140.0	—
e. Inventory valuation change, etc.	-330.0	—
f. Previous fiscal year, lower-of-cost-or-market return	+21.0	—
g. Other (Impact of blast furnace problem at Oita Works, depreciation expense, etc.)	-26.0	-5.0
(2) Group companies	-38.0	+4.0
a. Group company profitability change	-70.0	+4.0
b. Previous fiscal year, lower-of-cost-or-market return	+32.0	—
2. Non-ferrous materials business	+16.0	+4.0
3. Eliminations	-2.0	-1.0

Factors Influencing Performance

(1) Nippon Steel Corporation

	FY2009		FY2008	Y-O-Y Change
		4Q		
Consolidated crude steel output volume (1,000 tons) (Non-consolidated)	29,920 (27,500)	8,450 (7,850)	31,240 (28,610)	-1,320 -1,110
Steel materials shipment volume (1,000 tons)	27,090	8,020	28,200	-1,110
Steel materials price (¥1,000/ton)	75.4	72.7	104.7	-29.3
Exchange rate (¥/\$)	92	90	102	Appreciation 10

(2) All Japan

Crude steel output volume (1,000 tons)	96,450	26,510	105,500	-9,050
Steel consumption (1,000 tons) * ¹ (In manufacturing industries) (% of manufacturing)	59,150 (38,540) 65%	14,630 (9,980) 68%	68,880 (42,240) 61%	-9,730 -3,700 +4%
Plain carbon steel consumption (1,000 tons)	47,390	11,720	57,640	-10,250
In construction	19,330	4,360	25,250	-5,920
In manufacturing	28,060	7,360	32,390	-4,330
Specialty steel consumption (1,000 tons)	11,760	2,910	11,240	+520
Steel inventories of domestic manufacturer wholesalers (1,000 tons)	* ² { 4,850		5,160	-310
Inventories of the three types of steel sheets (1,000 tons)			4,260	-750

*1: Nippon Steel estimates

*2: As of the end of February (confirmed)

(Reference) Segment Information

(Billions of yen)

	FY2009		FY2008	Y-O-Y Change	Previous Forecasts
		4Q			
Net sales	3,487.7	1,002.4	4,769.8	-1,282.1	3,500.0
Steelmaking and steel fabrication	2,823.1	810.6	4,038.6	-1,215.1	2,850.0
Engineering and construction	331.9	100.1	386.6	-54.7	340.0
Urban development	80.0	22.8	70.1	+9.9	80.0
Chemicals	179.4	47.3	212.1	-32.7	170.0
New materials	58.7	14.6	59.9	-1.2	60.0
System solutions	152.2	49.7	161.5	-9.3	150.0
Elimination	(137.9)	(42.8)	(159.2)	+21.3	-150.0
Operating profit (loss)	32.0	63.8	342.9	-310.9	30.0
Steelmaking and steel fabrication	(20.5)	45.4	307.0	-327.5	(14.0)
Engineering and construction	31.6	12.0	24.6	+7.0	27.0
Urban development	2.9	(1.6)	3.9	-1.0	3.0
Chemicals	10.4	2.8	0.8	+9.6	9.0
New materials	0.4	0.7	(2.3)	+2.7	0.0
System solutions	10.7	5.2	11.4	-0.7	10.0
Elimination	(3.6)	(1.0)	(2.6)	-1.0	(5.0)

(Reference) Situation Regarding the Strengthening of the Company's Consolidated Management

■Business Consolidation/Strengthening of the Management Base

<u>Time</u>	<u>Company Name</u>	<u>Details</u>
June 2007	Godo Steel, Ltd.	Conversion to equity-method affiliate
July 2007	Nippon Steel Drum Co., Ltd., Hokkai Koki Co., Ltd.	Conversion to wholly owned subsidiary
	Nippon Steel Chemical Co., Ltd.	Integration of the Kimitsu coke business of Nippon Steel Chemical Co., Ltd., with the operations of the Company
Dec. 2007	Oji Steel Co., Ltd.	Conversion to consolidated subsidiary
Mar. 2008	Shinwa Kaiun Kaisha, Ltd.	Conversion to equity-method affiliate
Oct. 2008	Mitsui Mining Co., Ltd.	Conversion to equity-method affiliate
	Topy Industries, Ltd.	Conversion to equity-method affiliate
June 2009	Suzuki Metal Industry, Haldex Garphyttan AB (Sweden)	Conversion to consolidated subsidiary
July 2009	Sumikin & Nippon Stainless Steel Pipe Co., Ltd.	Integration of the the arc-welded stainless steel pipe and tube businesses of Sumitomo Metal Industries, Ltd., with those of the Company
Dec. 2009	PT Latinusa (Indonesia)	Conversion to consolidated subsidiary

*Other Previously Announced Projects

- Basic agreement with Companhia Vale do Rio Doce S.A. (VALE) concerning the sale of shares in USIMINAS (announced Jan. 2009)
- Participation in POSCO's new cold-rolling mill in Vietnam (announced Jan. 2009)
- Management merger of three consolidated subsidiaries engaged in magnetic steel plate processing business (Nittetsu Denji Techno Corp., Hirohata Denjiko Center Co., Ltd., and Kyusyu Electrical Steel Services Co., Ltd.) (announced Dec. 2009)
- Investment in Malaysian electro-galvanized steel sheet manufacturing firm (announced Dec. 2009)
- Investment in Vietnam-based pre-engineered building company PEB Steel Buildings Co., Ltd. (announced Jan. 2010)
- Expansion of automotive steel pipes and tubes business in eastern and northern regions of China (announced Jan. 2019)
- Merger of Matsubishi Metal Industries Co., Ltd., and New Sankoseisen Ltd. (announced Feb. 2010)
- A strategic alliance between Nippon Steel Corporation and Nippon Denko Co., Ltd. (announced Feb. 2010)
- Investment in Malaysian steel sheet manufacturing firm (announced Mar. 2010)
- Conclusion of a basic memorandum of understanding regarding the establishment of an automotive cold-rolled steel sheet manufacturing/marketing joint venture with Tata Steel Limited (announced Apr. 2010)

[Dividends]

As announced at the time of the announcement of financial results for the third quarter of fiscal 2009 (January 28, 2010), the Company plans to recommend at the ordinary general meeting of shareholders that fiscal 2009 year-end cash dividends be set at ¥1.50 per share.

Forecasts of Consolidated Financial Results for Fiscal 2010

[Fiscal 2010 Forecast]

Nippon Steel is currently negotiating with its corporate customers to adjust steel product prices to better reflect the current market conditions and the substantial price rises of core materials. The Company is also negotiating with suppliers of core raw materials to set prices for key materials and to establish pricing methods from fiscal 2010 onward. Due to the ongoing status of these negotiations, the Company is unable to formulate reasonably accurate estimates or forecasts at this time.

The performance forecast for fiscal 2010, therefore, has not been determined. The Company plans to announce a forecast as soon as it is able to formulate reasonably accurate assumptions and will provide a status update at the scheduled announcement of results for the first quarter of fiscal 2010.

[Basic Profit Distribution Policy and Dividends in Fiscal 2009 and Fiscal 2010]

Nippon Steel has partially revised the basic profit distribution policy and will apply the revised policy beginning in fiscal 2010. The revised policy is as follows.

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 non-consolidated 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.

[Reference]

Recent Quarterly Operating Results

Fiscal 2009 (April 1, 2009 to March 31, 2010)

							Fiscal 2009
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
	Apr. 2009–June 2009	July 2009–Sep. 2009	Apr. 2009–Sep. 2009	Oct. 2009–Dec. 2009	Jan. 2010–Mar. 2010	Oct. 2009–Mar. 2010	
	Million	Million	Million	Million	Million	Million	Million
Sales	745,083	828,255	1,573,338	911,876	1,002,498	1,914,375	3,487,714
Steelmaking and steel fabrication	578,892	680,626	1,259,518	753,047	810,627	1,563,674	2,823,193
Engineering and construction	88,809	65,995	154,805	76,983	100,116	177,100	331,905
Urban development	21,536	22,309	43,846	13,409	22,818	36,227	80,073
Chemicals	37,965	48,619	86,584	45,495	47,332	92,827	179,412
New materials	12,996	16,132	29,128	15,036	14,633	29,670	58,799
System solutions	32,665	37,186	69,851	32,600	49,782	82,383	152,234
Elimination of intersegment transactions	(27,781)	(42,614)	(70,396)	(24,696)	(42,812)	(67,508)	(137,904)
Operating profit	▲ 53,405 【▲7.2%】	▲ 18,009 【▲2.2%】	▲ 71,414 【▲4.5%】	39,790 【4.4%】	63,630 【6.3%】	103,420 【5.4%】	32,005 【0.9%】
Steelmaking and steel fabrication	▲ 64,985 【▲11.2%】	▲ 28,285 【▲4.2%】	▲ 93,270 【▲7.4%】	27,183 【3.6%】	45,498 【5.6%】	72,681 【4.6%】	▲ 20,589 【▲0.7%】
Engineering and construction	7,718 【8.7%】	4,193 【6.4%】	11,911 【7.7%】	7,689 【10.0%】	12,054 【12.0%】	19,744 【11.1%】	31,655 【9.5%】
Urban development	1,089 【5.1%】	1,849 【8.3%】	2,938 【6.7%】	1,677 【12.5%】	▲ 1,678 【▲7.4%】	▲ 1 【▲0.0%】	2,937 【3.7%】
Chemicals	2,520 【6.6%】	2,801 【5.8%】	5,321 【6.1%】	2,274 【5.0%】	2,835 【6.0%】	5,109 【5.5%】	10,431 【5.8%】
New materials	▲ 138 【▲1.1%】	▲ 148 【▲0.9%】	▲ 287 【▲1.0%】	▲ 18 【▲0.1%】	751 【5.1%】	732 【2.5%】	444 【0.8%】
System solutions	1,914 【5.9%】	2,135 【5.7%】	4,050 【5.8%】	1,433 【4.4%】	5,249 【10.5%】	6,682 【8.1%】	10,732 【7.1%】
Elimination of intersegment transactions	(1,524)	(554)	(2,078)	(448)	(1,079)	(1,528)	(3,607)
Ordinary profit	▲ 56,668 【▲7.6%】	▲ 30,289 【▲3.7%】	▲ 86,957 【▲5.5%】	43,317 【4.8%】	55,474 【5.5%】	98,791 【5.2%】	11,833 【0.3%】
Net income	▲ 42,246 【▲5.7%】	▲ 29,593 【▲3.6%】	▲ 71,840 【▲4.6%】	25,941 【2.8%】	34,370 【3.4%】	60,311 【3.2%】	▲ 11,529 【▲0.3%】
Net income per share	▲ 6.72	▲ 4.70	▲ 11.42	4.12	5.46	9.59	▲ 1.83

【▲】: Return on sales
() in “Elimination of intersegment transactions” row indicate negative numbers

Fiscal 2008 (April 1, 2008 to March 31, 2009)

							Fiscal 2008
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
	Apr. 2008–June 2008	July 2008–Sep. 2008	Apr. 2008–Sep. 2008	Oct. 2008–Dec. 2008	Jan. 2009–Mar. 2009	Oct. 2008–Mar. 2009	
	Million	Million	Million	Million	Million	Million	Million
Sales	1,198,582	1,403,599	2,602,181	1,228,035	939,604	2,167,639	4,769,821
Steelmaking and steel fabrication	1,030,296	1,203,466	2,233,762	1,067,621	737,301	1,804,922	4,038,685
Engineering and construction	72,456	96,281	168,738	92,697	125,207	217,905	386,643
Urban development	11,089	14,425	25,515	14,364	30,272	44,637	70,152
Chemicals	64,715	72,253	136,969	44,294	30,909	75,203	212,172
New materials	19,242	16,645	35,888	14,517	9,501	24,019	59,907
System solutions	34,849	41,594	76,444	32,884	52,212	85,097	161,541
Elimination of intersegment transactions	(34,069)	(41,067)	(75,136)	(38,344)	(45,800)	(84,144)	(159,281)
Operating profit	119,704 【10.0%】	128,709 【9.2%】	248,413 【9.5%】	148,067 【12.1%】	▲ 53,550 【▲5.7%】	94,517 【4.4%】	342,930 【7.2%】
Steelmaking and steel fabrication	111,661 【10.8%】	117,976 【9.8%】	229,637 【10.3%】	145,532 【13.6%】	▲ 68,123 【▲9.2%】	77,409 【4.3%】	307,047 【7.6%】
Engineering and construction	2,210 【3.1%】	3,780 【3.9%】	5,991 【3.6%】	3,738 【3.6%】	14,944 【11.9%】	18,683 【8.6%】	24,674 【6.4%】
Urban development	1,082 【9.8%】	1,173 【8.1%】	2,255 【8.8%】	827 【5.8%】	846 【2.8%】	1,673 【3.7%】	3,929 【5.6%】
Chemicals	3,467 【5.4%】	4,573 【6.3%】	8,040 【5.9%】	▲ 3,269 【▲7.4%】	▲ 3,876 【▲12.5%】	▲ 7,146 【▲9.9%】	894 【0.4%】
New materials	▲ 3 【▲0.0%】	282 【1.7%】	279 【0.8%】	▲ 791 【▲5.5%】	▲ 1,885 【▲19.8%】	▲ 2,677 【▲11.1%】	▲ 2,397 【▲4.0%】
System solutions	1,560 【4.5%】	2,814 【6.8%】	4,374 【5.7%】	1,983 【6.0%】	5,120 【9.8%】	7,104 【8.3%】	11,479 【7.1%】
Elimination of intersegment transactions	(274)	(1,892)	(2,166)	46	(575)	(529)	(2,696)
Ordinary profit	144,087 【12.0%】	118,151 【8.4%】	262,239 【10.1%】	148,190 【12.1%】	▲ 74,289 【▲7.9%】	73,901 【3.4%】	336,140 【7.0%】
Net income	82,761 【6.9%】	78,915 【5.6%】	161,677 【6.2%】	50,435 【4.1%】	▲ 57,035 【▲6.1%】	▲ 6,599 【▲0.3%】	155,077 【3.3%】
Net income per share	13.15	12.54	25.69	8.02	▲ 9.11	▲ 1.09	24.61

Forecast for fiscal 2009 (data released on Jan. 28, 2010)
Apr. 2009–Mar. 2010
Million
3,500,000
2,850,000
340,000
80,000
170,000
60,000
150,000
(150,000)
30,000
▲ 14,000 【▲0.5%】
27,000
3,000
9,000
0
10,000
(5,000)
10,000
▲ 15,000 【▲0.4%】
▲ 2.38

Nippon Steel Corporation

Code Number: 5401

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

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Supplementary Information on the Financial Result for Fiscal 2009

Japanese Steel Industry

1. Crude Steel Production

(million tons)							
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2008FY	31.06	30.45	61.51	26.40	17.60	43.99	105.50
2009FY	19.09	24.24	43.33	26.61	26.51	53.12	96.45

2. Inventory Volume

At the end of:		Inventory at manufacturers and distributors (million tons)	Inventory /shipment ratio (%)	Rolled sheets *1 (million tons)	H-flange beams *2 (million tons)
June	2008	5.36	(101.2)	4.09	0.236
July	2008	5.11	(94.0)	4.06	0.243
Aug.	2008	5.46	(119.9)	4.29	0.248
Sep.	2008	5.58	(110.3)	4.41	0.261
Oct.	2008	5.72	(116.4)	4.47	0.273
Nov.	2008	5.85	(136.2)	4.56	0.275
Dec.	2008	5.88	(155.0)	4.71	0.272
Jan.	2009	5.77	(165.2)	4.73	0.261
Feb.	2009	5.47	(171.4)	4.51	0.234
Mar.	2009	5.16	(150.7)	4.26	0.221
Apr.	2009	4.90	(165.6)	3.88	0.206
May	2009	4.86	(160.3)	3.76	0.207
June	2009	4.69	(134.1)	3.54	0.209
July	2009	4.46	(123.3)	3.39	0.217
Aug.	2009	4.66	(137.8)	3.49	0.220
Sep.	2009	4.62	(121.2)	3.43	0.229
Oct.	2009	4.65	(122.3)	3.44	0.232
Nov.	2009	4.71	(126.7)	3.40	0.229
Dec.	2009	4.79	(132.8)	3.42	0.229
Jan.	2010	4.79	(130.3)	3.51	0.215
Feb.	2010	4.85	(133.8)	3.51	0.200

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

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

Nippon Steel (Non-consolidated basis)**3. Pig Iron Production (Nippon Steel Corporation and Hokkai Iron & Coke Co., Ltd)**

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2008FY	8.04	8.04	16.07	7.47	4.95	12.41	28.49
2009FY	4.84	6.35	11.19	7.70	7.68	15.38	26.57

4. Crude Steel Production

(Consolidated basis)

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2008FY	9.16	9.06	18.23	7.97	5.04	13.01	31.24
2009FY	5.37	7.38	12.75	8.72	8.45	17.17	29.92

(Non-consolidated basis)

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2008FY	8.30	8.26	16.57	7.37	4.67	12.04	28.61
2009FY	4.82	6.73	11.55	8.10	7.85	15.95	27.50

5. Steel Products Shipment

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2008FY	8.08	8.29	16.37	7.12	4.71	11.83	28.20
2009FY	4.73	6.74	11.47	7.60	8.02	15.62	27.09

6. Average Price of Steel Products

(thousands of yen / ton)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2008FY	92.0	108.2	100.2	112.4	108.5	110.8	104.7
2009FY	88.4	72.7	79.2	72.5	72.7	72.6	75.4

7. Export Ratio of Steel Products (Value basis)

(%)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2008FY	31.8	35.0	33.5	31.8	30.1	31.2	32.5
2009FY	33.1	38.9	36.2	38.8	41.3	40.1	38.4

8. Foreign Exchange Rate

(¥/US\$)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2008FY	104	108	106	99	93	97	102
2009FY	97	95	96	89	90	90	92

9. Unrealized Gains on Available-for-Sale Securities

(billion yen)

	2009FY	2008FY	difference
Consolidated	265.7 (158.3)	38.0(22.6)	+227.7(+135.7)
Non-consolidated	235.3(140.2)	25.2(15.0)	+210.1(+125.1)
[Nikkei 225]	[11,090yen]	[8,110yen]	[+2,980yen]

* Figures in parentheses were after adopting deferred tax accounting.

10. Amount of Capital Expenditure and Depreciation

•Capital Expenditure (billion yen)

	2009FY	2008FY
Consolidated	330.0	300.0
Non-consolidated	270.0	220.0

•Depreciation (billion yen)

	2009FY	2008FY
Consolidated	284.0	273.7
Non-consolidated	213.6	196.3