

Flash Report
Consolidated Basis
Results for the Third Quarter of Fiscal 2008
(April 1, 2008—December 31, 2008)

January 29, 2009

Company name: Nippon Steel Corporation
Stock listing: Tokyo, Osaka, Nagoya, Sapporo, Fukuoka stock exchanges
Code number: 5401
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Scheduled date to submit Securities Report: February 9, 2009

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

1. Financial and Operating Results through the Third Quarter of Fiscal 2008

(April 1, 2008—December 31, 2008)

(1) Consolidated Operating Results (Accumulated)

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

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Third quarter of fiscal 2008	3,830,217	—	396,480	—	410,429	—	212,113	—
Third quarter of fiscal 2007	3,506,192	14.3	408,105	(4.7)	434,669	(0.7)	263,056	(0.1)

	Net income per share	Net income per share after full dilution
	¥	¥
Third quarter of fiscal 2008	33.71	32.12
Third quarter of fiscal 2007	41.73	39.60

Note: Beginning with the current fiscal year, the Company's quarterly statements have been prepared in accordance with the "Accounting Standards for Quarterly Financial Statements." Accordingly, comparisons with the same quarter of the previous fiscal year have not been included.

(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
Third quarter of fiscal 2008	5,302,414	2,313,837	33.9	285.61
Fiscal 2007	5,193,498	2,413,954	36.8	303.34

(For reference) Shareholders' equity: Third quarter of fiscal 2008 ¥ 1,796,741 million
Fiscal 2007 ¥1,908,777 million

2. Dividends

Base date	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full fiscal year
	Yen	Yen	Yen	Yen	Yen
Fiscal 2007	—	5.00	—	6.00	11.00
Fiscal 2008	—	5.00	—		
Fiscal 2008 (Forecast)				—	—

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

Note: The year-end dividend is not decided. In consideration of factors such as the sharp deceleration in the production and shipment volumes caused by the steep downturn in economic conditions, the significant risk that weak stock markets will impact the loss on valuation

of investments in securities, and the ongoing unpredictability of the operating environment, the Company has decided to postpone this announcement and proposes to give notice of dividends to be distributed from retained earnings at the end of the fiscal year when announcing the final earnings results for the fiscal year become available in line with its previously announced dividend policy.

3. Consolidated Financial Forecasts for Fiscal 2008 (April 1, 2008—March 31, 2009)

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

	Net sales		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2008	4,750,000	(1.6)	360,000	(34.0)	360,000	(36.2)

	Net income		Net income per share
	Millions of yen	%	Yen
Fiscal 2008	175,000	(50.7)	27.81

Note: Whether the forecasts for consolidated figures under review have been revised: Yes

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) The adoption of simplified accounting methods and special accounting treatment for the quarterly consolidated financial statements: Yes
 Note: For further details, please refer to the item “4. Others” on page 9-10 in the section of “Qualitative Information and Financial Review.”

- (3) Changes in principles, procedures, methods of presentation, etc., related to the quarterly consolidated financial statements (Changes in material items that form the basis for the preparation and presentation of the quarterly consolidated financial statements)
 (a) Changes accompanying revisions in accounting principles: Yes
 (b) Changes other than those in (a) above: Yes
 Note: For further details, please refer to the item “4. Others” on page 9-10 in the section of “Qualitative Information and Financial Review.”

- (4) Number of shares issued (common shares)
 (a) Number of shares issued at the end of the period (including treasury stock)
 Third quarter of fiscal 2008 6,806,980,977 shares
 Fiscal 2007 6,806,980,977 shares
 (b) Number of treasury stock at the end of the period
 Third quarter of fiscal 2008 515,996,481 shares
 Fiscal 2007 514,477,120 shares
 (c) Average number of shares issued during the period (third quarter accumulation (nine months))
 Third quarter of fiscal 2008 6,292,406,005 shares
 Third quarter of fiscal 2007 6,304,169,132 shares

* 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.
- Beginning with the current fiscal year, the “Accounting Standards for Quarterly Financial Statements” (Accounting Standards Board of Japan (ASBJ) Statement No. 12) and the “Implementation Guidance for the Accounting Standards for Quarterly Financial Statements” (ASBJ Guidance No. 14) have been applied. In addition, the quarterly consolidated financial statements have been prepared following the “Rules for Quarterly Consolidated Financial Statements.”

(Qualitative Information and Financial Review)

1. Consolidated Operating Results

(Overview of Conditions in Third Quarter, Fiscal 2008)

The global economy was characterized by recessionary conditions worldwide as the financial crisis emanating from the United States became increasingly severe with each passing day since last autumn. Sharp price drops in the stock and commodities markets and fluctuations in currency exchange rates spread around the globe while corporate capital investment and consumer spending contracted causing widespread repercussions in the real economy.

Economic conditions in Japan also appeared to deteriorate daily as decreasing corporate capital investment led to reduced production activity while also impacting employment conditions, thus bringing a deceleration in the economy as a whole. In the steel industry as well, demand plummeted at unprecedented rates and demand decreased sharply in each demand sector.

To weather the severe operating environment and emerge as a company with a solid earnings base, the Nippon Steel Group's steelmaking and steel fabrication business and five non-steel businesses—engineering and construction, urban development, chemicals, new materials, and system solutions—worked to develop their business operations through autonomous management initiatives in their respective fields.

An overview of operating performance by business segment is shown below.

Performance Review by Business Segment in Third Quarter, Fiscal 2008

(Billions of yen)

	Net Sales		Operating Profit	
	3Q FY08	3Q FY07	3Q FY08	3Q FY07
Steelmaking and steel fabrication	3,301.3	2,951.3	375.1	359.9
Engineering and construction	261.4	233.1	9.7	12.2
Urban development	39.8	56.5	3.0	7.7
Chemicals	181.2	221.3	4.7	18.5
New materials	50.4	56.9	-0.5	0.7
System solutions	109.3	112.3	6.3	9.6
Total	3,943.6	3,631.7	398.6	408.8
Elimination of intersegment transactions	(113.4)	(125.5)	(2.1)	(0.7)
Consolidated total	3,830.2	3,506.1	396.4	408.1

* Third quarter, represents the nine-month period from April 1 to December 31.

* Amounts for the third quarter, fiscal 2007 are shown for reference.

Steelmaking and Steel Fabrication

In the domestic steel business, the rapidly decelerating global economy, strong yen, and other factors further depressed the level of activity in the construction segment that had already become sluggish in the first half of the fiscal year. Production activity also slowed significantly in the automotive, machinery, and other manufacturing industries, which

had previously held steady with the support of external demand. As a result, demand for high-value-added steel products in these industries was seriously impacted, and steel demand overall underwent unprecedented declines in terms of both the speed and the extent of the decreases

Steel supply and demand in overseas markets had remained generally tight through the first half of the fiscal year supported by the economic growth of the BRICs and other markets. In the third quarter, however, economic growth slowed markedly in all countries, leading to sharp declines in demand. In this rapidly deteriorating business environment, the Company took action in the third quarter to adjust production and marketing to levels appropriate for the actual demand conditions. The Company reduced annual output by one million tons and implemented sweeping measures to reduce costs to the bare minimum.

In alliances and joint ventures, the Company and partner ArcelorMittal, of Luxembourg, determined it prudent to partially revise plans for a continuous galvanized line being built at I/N Kote in the United States to take into account the current sizeable contraction of the North American automotive market.

While carefully monitoring the changes in the economic environment and reviewing our business strategies, the Company continued to leverage joint operations with its domestic and overseas alliances and to deepen and expand its global supply network. In the third quarter, the Company increased its funding to the Safal Group of South Africa for Safal Steel (Proprietary) Limited, which is engaged in the manufacture and sale of galvanized steel sheet and color coated steel sheet and is currently constructing a steel sheet plant scheduled to commence operations in July 2009. The Company also decided to partially finance the acquisition by Suzuki Metal Industry Co., Ltd. (a key Nippon Steel Group manufacturer conducting secondary processing of the Company's special wire rod products and an affiliate company accounted for by equity method) of Haldex Garphyttan AB (Sweden), a leading producer of valve spring wires.

Engineering and Construction

In the engineering and construction business, Nippon Steel Engineering Co., Ltd., is focusing in Japan on developing its solutions-based operations in the areas of steel production plants, large-scale distribution facility construction projects, and waste treatment facilities. Outside Japan, the company is concentrating on securing orders for energy development related projects in Southeast Asia. The current market conditions have made it unlikely that the segment will meet its order target for the current fiscal year owing to the overall decline in capital investment along with cancellations and delays in construction projects. However, the segment still maintains the largest order backlog in its history, and the Company expects sales and profits to be near its fiscal year targets.

Urban Development

In the urban development business, condominium sales of Nippon Steel City Produce, Inc., slowed considerably as concern that the worldwide financial instability would impact economic and employment conditions and dampen consumer purchasing activities. In the property rental business, although vacancy and rental income remained generally steady, sales and profits declined from the same period in the previous year.

In these severe market conditions, the Company is further enhancing its condominium marketing operations and focusing its resources in its areas of specialty in urban redevelopment projects, such as reconstruction and redevelopment in inner-city areas, with the aim of securing a stable earnings base.

Chemicals

Nippon Steel Chemical Co., Ltd., was obliged to post negative consolidated operating profit in the third quarter (October to December) as the market environment adversely affected each of its business segments. The steep fluctuations in crude oil and naphtha prices, the worldwide decline in demand, and deteriorating product markets strongly impacted the chemical business. The electronics materials business, where the Company had been consolidating its market position, was seriously affected by a weakening of demand, and the coal tar and carbon materials businesses also posted weak results.

While the current conditions are harsh, the Company continues to implement measures to improve profitability, fortify existing business, and develop businesses centered on new high-performance materials, such as the highly heat-resistant, transparent material “SilPlus”.

New Materials

Nippon Steel Materials Co., Ltd., and the Nippon Steel Materials group were obliged to post negative consolidated operating profit in the third quarter (October to December) owing to the sharp drop in demand in its core markets of semiconductors and electronic materials as well as the strong impact from the virtual freezing of capital investment by major manufacturers.

The group is implementing various measures to improve its earnings structure, including implementing widespread cost reductions and optimizing production volumes. The group is also moving to enhance its production capabilities for carbon fiber and polysilicon for solar cells, which are exhibiting a medium-term growth trend even while incurring the adverse effects of the global economic slowdown.

System Solutions

In the system solutions business, the NS Solutions group develops comprehensive system life-cycle (SLC) solutions, which encompass the planning, configuration, operation, and maintenance of IT systems. Sales and profits declined year on year in the third quarter, primarily due to the deteriorating business environments for its client corporations and the accompanying decline in systems investment.

The group is implementing measures to fortify its business competitiveness in the uncertain business environment and integrating new technologies into its services, including cloud computing* to improve customer investment efficiency and accelerate its responsiveness to changes in the business climate.

* “Cloud computing” is a new, Internet-based computer usage configuration under which users have access to real-time scalable resources to meet their computer processing needs as a service over the Internet.

Sales and Earnings

In the third quarter of fiscal 2008, consolidated net sales increased ¥324.0 billion year on year, to ¥3,830.2 billion. However, rising materials costs and other factors reduced operating profit by ¥11.6 billion, to ¥396.4 billion; ordinary profit by ¥24.2 billion, to ¥410.4 billion; and net income by ¥50.9 billion, to ¥212.1 billion.

Fund Procurement

On December 2, 2008, the Company conducted two issues, No. 60 and No. 61, of unsecured corporate bonds, respectively valued at ¥30.0 billion and ¥15.0 billion.

2. Financial Analysis (Consolidated)

Total consolidated assets at the end of the third quarter of fiscal 2008 were ¥5,302.4 billion, representing an increase of ¥108.9 billion from ¥5,193.4 billion at the end of fiscal 2007. Although investments and others declined ¥357.2 billion, which included a decrease in unrealized gains on investment securities, current assets increased as a result of a rise in inventories of ¥258.7 billion, reflecting the rise in raw material prices, notes and accounts receivable of ¥76.1 billion, and cash and bank deposits of ¥73.3 billion.

Total liabilities at the end of the third quarter of fiscal 2008 amounted to ¥2,988.5 billion, compared with ¥2,779.5 billion at the end of fiscal 2007, an increase of ¥209.0 billion. This increase was due to higher interest-bearing debt (which from the first quarter of fiscal 2008 includes lease obligations), which stood at ¥1,613.7 billion at the end of the third quarter, representing an increase of ¥421.7 billion compared with ¥1,192.0 billion at the end of the previous fiscal year.

Net assets were ¥2,313.8 billion at the end of the third quarter, representing a decrease of ¥100.1 billion compared with ¥2,413.9 billion at the end of fiscal 2007. Although the Company reported consolidated net income of ¥212.1 billion for the quarter under review, net assets decreased owing to the payments of a previous year-end cash dividend of ¥6 per share (totaling ¥37.8 billion) and a interim cash dividend of ¥5 per share (totaling ¥31.5 billion) along with a ¥197.1 billion decline in unrealized gains on available-for-sale securities.

3. Consolidated Forecast

Forecast for Fiscal 2008

At present, the real economy is continuing to show serious deterioration, and, even after entering the fourth quarter of the fiscal year, the level of activity in the construction industry remains sluggish. Also, as a result of the decline in production in the automobile, construction machinery, and other industries, companies are making significant inventory adjustments, and the demand for general-purpose and high-value-added steel is showing further declines.

In view of these conditions, the Company believes top priority should be placed on making further cuts in production in the fourth quarter to reestablish the balance between supply and demand. To this end, the Company implementing

production cutback measures that include reducing the percentage of output of its blast furnaces to the lowest level thus far, suspending air blast currents for long period, and substantially lengthening intervals among steel rolling mill operations. In addition, the Company has brought forward the date for blowing off the Oita No. 1 blast furnace, which was originally scheduled for repairs beginning in March 2009, the banking* of the Kimitsu No. 2 blast furnace, and taken other measures to cut steel output by an unprecedentedly large margin of approximately 40% compared with the same period of the previous year. As a consequence of these measures, crude steel output in the fourth quarter will fall to the lowest level since the formation of Nippon Steel.

* “Banking” is to take measures to temporarily stop blast furnace production but make it possible to restart production at a later date by stopping the air blast flow.

The Company has revised its forecast announced on October 29, 2008, to take account of the reduction in its shipments as a result of cutbacks in production and the corresponding increase in costs as well as the deterioration in performance of Group companies. The newly announced forecast, which is shown below, calls for reductions in the outlook for indicators of sales and profits. These revised forecasts take account of the effect on net income of special losses due to the loss on valuation of investments in securities.

Consolidated				(Billions of yen)
	Net sales	Operating profit	Ordinary profit	Net income
Current fiscal year	4,750.0	360.0	360.0	175.0
Previous fiscal year (actual)	4,826.9	545.5	564.1	354.9

Non-Consolidated				(Billions of yen)
	Net sales	Operating profit	Ordinary profit	Net income
Current fiscal year	3,150.0	270.0	230.0	125.0
Previous fiscal year (actual)	2,782.9	376.1	353.1	235.8

Note: The above includes forward-looking statements that 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.

While the global economic outlook is extremely difficult to predict, to respond to the rapidly deteriorating operating environment and worsening earnings conditions, the Company, in addition to substantially reducing its blast furnace production output volume, will seek to conduct minimum-cost operations to make the best use of its business capabilities and realize the maximum improvement in profitability.

The Company believes that, following structural adjustments in the world economy, growth will resume, principally in the BRICs countries and that steel demand will resume firm expansion in the medium-to-long term. Amid this

environment, the Company will implement consistent initiatives to strengthen its human resources, capital equipment, and technological capabilities that are the foundation of its manufacturing operations and to fortify and expand its product development and solution creation capabilities. The Company will also continue its initiatives to leverage its joint operations with alliance partners in Japan and overseas as well as to strengthen and expand its global supply systems.

Year-end Dividends from Retained Earnings

In accordance with the dividend policy announced previously, the Company distributed a dividend of ¥5 per share for the first half of fiscal 2008. Plans originally called for announcing the year-end dividend amount along with earnings results for the third quarter of the fiscal year in accordance with the dividend policy announced previously.

However, in consideration of factors such as the sharp deceleration in the production and shipment volumes caused by the steep downturn in economic conditions, the significant risk that weak stock markets will impact the loss on valuation of investment in securities, and the ongoing unpredictability of the operating environment, the Company has decided to postpone this announcement and proposes to give notice of dividends to be distributed from retained earnings at the end of the fiscal year when announcing the final earnings results for the fiscal year become available in line with its previously announced dividend policy.

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
- (2) The adoption of simplified accounting methods and special accounting treatment for the quarterly consolidated financial statements:

(a) Simplified accounting methods: None

(b) Special accounting treatment used in preparation of the quarterly consolidated financial statements:

In calculating taxes, on a consolidated basis, the Company has estimated the effective tax rate after the application of tax-effect accounting as a percentage of income before income taxes for the fiscal year, including the third quarter. This effective tax rate was multiplied by income before income taxes for the quarter under review to obtain tax expenses for the quarter.

Please note that adjustments to income taxes are included in income taxes—current and deferred in the statements of income.

- (3) Changes in principles, procedures, and methods of presentation, etc., in the preparation of the quarterly consolidated financial statements:

(a) Changes accompanying revisions in accounting principles:

1) Beginning with the current fiscal year, the “Accounting Standards for Quarterly Financial Statements” (ASBJ Statement No. 12) and the “Implementation Guidance for the Accounting Standards for Quarterly Financial Statements” (ASBJ Guidance No. 14) have been applied. In addition, the quarterly consolidated financial statements have been prepared following the “Rules for Quarterly Consolidated Financial Statements.”

2) Inventories held for ordinary sales purposes were previously accounted for mainly by the purchase-cost method based on the gross-average method. However, beginning with the first quarter of the current fiscal year, accompanying the application of “Accounting Standards for Measurement of Inventories (ASBJ Statement No. 9), the method of measurement of inventories was changed mainly to the cost method based on the gross-average method (the method of reducing the book value of inventories when their contribution to profitability declines).

As a result of this change, the gross margin and operating profit were both ¥1,263 million lower and ordinary profit and income before income taxes and minority interests were both ¥1,804 million lower than they would have been prior to the change.

3) Previously, the accounting treatment for finance leases for which ownership is not transferred to the lessee followed methods applicable to ordinary rental transactions. However, following revisions in the “Accounting Standards for Lease Transactions” (ASBJ Statement No. 13) and “Implementation Guidance on Accounting Standards for Lease Transactions” (ASBJ Guidance No. 16), for accounting periods beginning on or after April 1, 2008, it became possible to apply these revised accounting standards in preparing the consolidated financial statements. Accompanying this change, the Company has applied the revised standards beginning with the first quarter of its fiscal year, and methods applicable to ordinary buying and selling transactions have been applied. In addition, leased assets, for which ownership is not transferred to the lessee, are depreciated to zero residual value over the life of the assets using the straight-line method.

As a result of this change, the effect on the consolidated financial statements for the quarter under review was not material.

4) Beginning with the consolidated financial statements for the first quarter of the current fiscal year, the Company has applied “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (Practical Issues Task Force No. 18).

As a result of this change, there was no effect on the consolidated financial statements for the quarter under review.

(b) Changes other than those in (a) above

Income and expenses of overseas subsidiaries and affiliates are converted to yen. Previously, this conversion was made at the rate prevailing on the closing date of the financial statements, but beginning with the consolidated statements for the first quarter of the current fiscal year, the conversion was made at the average rate during the accounting period. This change was made to present the income and expense items more accurately, accompanying the growing importance of overseas subsidiaries and affiliates.

As a result of this change, net sales were ¥11,760 million higher, the gross margin were ¥3,654 million higher, operating profit were ¥3,284 million higher and ordinary profit and income before income taxes and minority interests were both ¥9,900 million higher than they would have been prior to the change.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

ASSETS	Millions of yen	
	December 31, 2008	March 31, 2008
Current assets :		
Cash and bank deposits	232,777	159,455
Notes and accounts receivable	593,032	516,858
Inventories	1,125,862	867,157
Other	295,278	216,638
Less: Allowance for doubtful accounts	(10,669)	(7,685)
Total current assets	2,236,280	1,752,424
Fixed assets :		
Tangible fixed assets :		
Machinery and equipment	893,414	928,901
Other	913,209	895,823
	1,806,624	1,824,724
Intangible fixed assets	23,554	23,103
Investments and others :		
Investments in securities	1,041,245	1,396,521
Other	199,656	201,837
Less: Allowance for doubtful accounts	(4,946)	(5,112)
	1,235,955	1,593,245
Total fixed assets	3,066,134	3,441,074
Total assets	5,302,414	5,193,498

Millions of yen		
LIABILITIES	December 31, 2008	March 31, 2008
Current liabilities :		
Notes and accounts payable	594,774	619,974
Short-term loans and long-term loans due within one year	314,677	272,009
Commercial paper	335,000	135,000
Bonds due within one year	80,200	95,300
Accrued income taxes and enterprise taxes	46,330	102,404
Reserve	6,523	8,787
Other	473,608	488,471
Total current liabilities	1,851,114	1,721,947
Long-term liabilities :		
Bonds and notes	328,215	223,274
Long-term loans	544,237	466,433
Accrued pension and severance costs	131,099	125,536
Reserve	44,365	43,421
Other	89,543	198,930
Total long-term liabilities	1,137,463	1,057,596
Total liabilities	2,988,577	2,779,543
NET ASSETS		
Shareholders' equity :		
Common stock	419,524	419,524
Capital surplus	114,345	114,364
Retained earnings	1,517,234	1,377,823
Less: Treasury stock, at cost	(261,994)	(261,272)
	1,789,110	1,650,440
Valuation and transaction adjustments:		
Unrealized gains on available-for-sale securities	37,561	234,673
Deferred hedge income (loss)	(6,237)	(1,508)
Unrealized gains on revaluation of land	11,188	11,247
Foreign currency translation adjustments	(34,882)	13,923
	7,630	258,336
Minority interest in consolidated subsidiaries	517,095	505,176
Total net assets	2,313,837	2,413,954
Total liabilities and net assets	5,302,414	5,193,498

(2) Consolidated Statements of Income

	Millions of yen	
	Third quarter of fiscal 2008	Third quarter of fiscal 2007
Operating revenues :		
Net sales	3,830,217	3,506,192
Cost of sales	3,183,683	2,859,153
Gross margin	646,533	647,039
Selling, general and administrative expenses	250,052	238,933
Operating profit	396,480	408,105
Non-operating profit and loss :		
Non-operating profit :		
Interest and dividend income	21,746	19,150
Equity in net income of unconsolidated subsidiaries and affiliates	52,473	39,755
Other	18,804	16,311
	93,024	75,218
Non-operating loss :		
Interest expenses	14,498	13,099
Other	64,577	35,555
	79,075	48,654
Ordinary profit	410,429	434,669
Special profit :		
Gain on sales of tangible fixed assets	11,496	20,623
	11,496	20,623
Special loss :		
Loss on valuation of investments in securities	57,968	-
	57,968	-
Income before income taxes and minority interest	363,958	455,293
Income taxes - current and deferred	133,293	171,202
Minority interest in net income of consolidated subsidiaries	18,551	21,033
Net income	212,113	263,056

(3) Consolidated Segment Information

(Information of business segments)

Third quarter of fiscal 2008 (April 1, 2008 to December 31, 2008)

Millions of yen

							Total	Elimination of intersegment transactions	Consolidated total
	Steelmaking and steel fabrication	Engineering and construction	Urban development	Chemicals	New materials	System solutions			
Sales	3,301,384	261,436	39,880	181,263	50,405	109,329	3,943,698	(113,481)	3,830,217
Operating profit	375,170	9,730	3,083	4,770	511	6,358	398,601	(2,120)	396,480

Third quarter of fiscal 2007 (April 1, 2007 to December 31, 2007)

Millions of yen

							Total	Elimination of intersegment transactions	Consolidated total
	Steelmaking and steel fabrication	Engineering and construction	Urban development	Chemicals	New materials	System solutions			
Sales	2,951,309	233,190	56,561	221,320	56,991	112,363	3,631,736	(125,543)	3,506,192
Operating profit	359,968	12,244	7,760	18,593	714	9,604	408,886	(780)	408,105

Results through the Third Quarter of Fiscal 2008 Year-to-Date (YTD)

Overview of Profitability, Etc. (Consolidated)

(Billions of yen)

	3Q FY2008 YTD	3Q FY2007 YTD	YOY change
Net sales	3,830.2	3,506.1	+324.1
Operating profit	396.4	408.1	-11.7
Ordinary profit	410.4	434.6	*1 -24.2
Special profit (loss)	-46.4	20.6	-67.0
Net income	212.1	263.0	-50.9
Net income per share (¥)	33.7	41.7	-8.0
Interest-bearing debt	1,613.7	1,412.1	+201.6

Factors Influencing Performance

Nippon Steel Corporation

	3Q FY2008 YTD	3Q FY2007 YTD	YOY change
Non-consolidated crude steel manufacturing volume (1,000 tons) *2	23,940	24,580	-650
(Consolidated)	26,200	26,880	-680
Steel materials shipment volume (1,000 tons)	23,490	24,270	-770
Steel materials price (¥1,000/ton)	103.9	79.6	+24.3
Exchange rate (¥/\$)	104	117	+14.0

*2. See page 2 for explanation.

*1 Analysis of YOY change in consolidated ordinary profit (-¥24.2 billion)

(Billions of yen)

Change in Consolidated Ordinary Profit		-24.2
I Profit Change between 3Q FY2007 YTD vs. 3Q FY2008 YTD		-154.0
1. Ferrous materials business		-121.0
(1) Manufacturing shipment volume		-30.0
(2) Selling prices & composition of sales		+590.0
(3) Raw materials prices		-740.0
(4) Cost improvement		+65.0
(5) Group companies		+15.0
(6) Other (depreciation, etc.)		-21.0
2. Non-ferrous materials business		-30.0
3. Eliminations		-3.0
II Fiscal 2008 Temporary Factors		+130.0
(1) Change in inventory valuation		+150.0
(2) Impact of Yawata Works belt conveyor/COG pipe fire		-20.0

(Reference 1) Segment Information

(Billions of yen)

	3Q FY2008 YTD	3Q FY2007 YTD	YOY change
Net sales	3,830.2	3,506.1	+324.1
Steelmaking and steel fabrication	3,301.3	2,951.3	+350.0
Engineering and construction	261.4	233.1	+28.3
Urban development	39.8	56.5	-16.7
Chemicals	181.2	221.3	-40.1
New materials	50.4	56.9	-6.5
System solutions	109.3	112.3	-3.0
Elimination of intersegment transactions	-113.4	-125.5	+12.1
Operating profit (loss)	396.4	408.1	-11.7
Steelmaking and steel fabrication	375.1	359.9	+15.2
Engineering and construction	9.7	12.2	-2.5
Urban development	3.0	7.7	-4.7
Chemicals	4.7	18.5	-13.8
New materials	-0.5	0.7	-1.2
System solutions	6.3	9.6	-3.3
Elimination of intersegment transactions	-2.1	-0.7	-1.4

(Reference 2) Crude Steel Manufacturing Volume

All Japan

(1,000 tons)

	First half		Second half		Full fiscal year
	1Q	2Q	3Q	4Q	
FY2008	31,060	30,450	26,390*	21,100	109,000
FY2007	29,890	29,910	30,880	30,840	121,520
YOY change	+1,170	+540	-4,480	-9,740	-12,510
% change				-32%	-10%

* Outlook released by METI on Dec. 25, 2008

Nippon Steel Corporation

(1,000 tons)

	First half		Second half		Full fiscal year
	1Q	2Q	3Q	4Q	
FY2008	8,300	8,260	7,370	5,000	28,900
FY2007	7,990	8,220	8,370	8,530	33,110
YOY change	+310	+40	-1,000	About -3,500	About -4,200
% change				-41%	-13%

Output down 4.2 million tons (-26%)

3Q: down 1.0 million tons
4Q: down 3.2 million tons

Adjustments to Blast Furnace Operations in Response to the Current Steel Demand Trend

- Bringing forward date for blowing off (suspending operation of) the Oita No. 1 furnace for repairs by approximately one month (Mar. 7 → Feb. 1)
- Banking* of the Kimitsu No. 2 furnace with a target date of February or early March 2009
 - * Banking means to take measures to temporarily stop blast furnace production but make it possible to restart production at a later date by stopping the air blast flow.

In addition to the above, regarding other furnaces, also, plans call for expanding the scope of output adjustment measures to additional areas by means of reducing steel output, suspending air blast currents for long periods, etc.

Financial Forecasts for Fiscal 2008

Profitability Outlook (Consolidated)	Forecasts for FY2008 (current)				FY2007		FY2007 vs FY2008 forecasts	FY2007 4Q vs FY2008 4Q forecasts	Forecast for FY2008 *
	4,750.0	First half	3Q	4Q Forecasts	4,826.9	1,320.7	-76.9	-400.8	5,400.0
		2,602.1	1,228.0	919.9					
Net sales	4,750.0	2,602.1	1,228.0	919.9	4,826.9	1,320.7	-76.9	-400.8	5,400.0
Operating profit	360.0	248.4	148.0	-36.4	545.5	137.4	-185.5	-173.8	540.0
Ordinary profit	360.0	262.2	148.1	-50.4	564.1	129.4	*1 -204.1	*2 -179.8	560.0
Non-consolidated	230.0	162.1	96.4	-28.5	353.1	84.3			360.0
Special profit (loss)	-50.0	10.3	-56.8	-3.5	41.3	20.7	-91.3	-24.2	10.0
Net income (loss)	175.0	161.6	50.4	-37.1	354.9	91.9	-179.9	-129.0	330.0
Net income per share (¥)	27.8	25.7	8.0	-5.9	56.3	14.6	-28.5	-20.5	52.4

*Released on October 29, 2008

*1 and 2 See below and page 4 for explanation.

Factors Influencing Performance

Nippon Steel Corporation

	Forecasts for FY2008 (current)				FY2007		FY2007 vs FY2008 forecasts	FY2007 4Q vs FY2008 4Q forecasts		
	About	First half	3Q	Q4 Forecasts	About	4Q	About	About		
		28,900	16,570	7,370					5,000	
Non-consolidated crude steel output volume (1,000 tons)	About	28,900	16,570	7,370	About	5,000	About	-4,200	About	-3,500
(Consolidated)	About	31,500	18,230	7,970	About	5,300	About	-4,700	About	-4,000
Steel materials shipment volume (1,000 tons)	About	28,400	16,370	7,120	About	4,900	About	-4,500	About	-3,700
Steel materials price (¥1,000/ton)	About	104	100.2	112.4	About	105	About	24.0	About	25.0

(Reference) Segment Information

	4,750.0	2,602.1	1,228.0	919.9	4,826.9	1,320.7	-76.9	-400.8	5,400.0
Net sales	4,750.0	2,602.1	1,228.0	919.9	4,826.9	1,320.7	-76.9	-400.8	5,400.0
Steelmaking and steel fabrication	4,000.0	2,233.7	1,067.6	698.7	3,994.5	1,043.2	+5.5	-344.5	4,560.0
Engineering and construction	380.0	168.7	92.6	118.7	359.8	126.6	+20.2	-7.9	380.0
Urban development	70.0	25.5	14.3	30.2	93.8	37.2	-23.8	-7.0	85.0
Chemicals	220.0	136.9	44.2	38.9	289.0	67.7	-69.0	-28.8	270.0
New materials	55.0	35.8	14.5	4.7	76.1	19.1	-21.1	-14.4	85.0
System solutions	165.0	76.4	32.8	55.8	165.3	52.9	-0.3	+2.9	165.0
Elimination of intersegment transactions	-140.0	-75.1	-38.3	-26.6	-151.8	-26.2	+11.8	-0.4	-145.0

	360.0	248.4	148.0	-36.4	545.5	137.4	-185.5	-173.8	540.0
Operating Profit	360.0	248.4	148.0	-36.4	545.5	137.4	-185.5	-173.8	540.0
Steelmaking and steel fabrication	335.0	229.6	145.5	-40.1	475.9	115.9	-140.9	-156.0	490.0
Engineering and construction	20.0	5.9	3.7	10.4	21.4	9.2	-1.4	+1.2	21.0
Urban development	4.0	2.2	0.8	1.0	12.6	4.8	-8.6	-3.8	6.0
Chemicals	0.0	8.0	-3.2	-4.8	21.0	2.4	-21.0	-7.2	17.0
New materials	-2.0	0.2	-0.7	-1.5	0.5	-0.1	-2.5	-1.4	2.0
System solutions	13.0	4.3	1.9	6.8	14.7	5.1	-1.7	+1.7	13.0
Elimination of intersegment transactions	-10.0	-2.1	0.0	-7.9	-0.8	-0.0	-9.2	-7.9	-9.0

*1 Analysis of YOY change in consolidated ordinary profit (¥204.1 billion)

Change in Consolidated Ordinary Profit		(Billions of yen)
		-204.1
		-200.0
		Change from the previous forecasts
		YOY change
I Profit Change between FY2007 vs. FY2008		-344.0
1. Ferrous materials business		-305.0
(1) Manufacturing shipment volume (crude steel output down roughly 4.2 million tons)		-160.0
(2) Selling prices & composition of sales		+710.0
(3) Raw materials prices		-860.0
(4) Cost improvement		+90.0
(5) Group companies		-45.0
(6) Other (cost of production reduction, depreciation, etc.)		-40.0
2. Non-ferrous materials business		-32.0
3. Eliminations		-7.0
II Fiscal 2008 Temporary Factors		+140.0
(1) Change in inventory valuation		+160.0
(2) Impact of Yawata Works belt conveyor/COG pipe fire		-20.0

*2 Analysis of change in profitability (-¥179.8 billion)
from fourth quarter of fiscal 2007 vs. fourth quarter of fiscal 2008

(Billions of yen)	
Change in Consolidated Ordinary Profit	-179.8
I Profit Change between 4Q FY2007 vs. 4Q FY2008	-190.0
1. Ferrous materials business	-184.0
(1) Manufacturing shipment volume (crude steel output down roughly 3.5 million tons)	-130.0
(2) Selling prices & composition of sales	+120.0
(3) Raw materials prices	-120.0
(4) Cost improvement	+25.0
(5) Group companies (stainless steel, electric furnace, processing, distribution, etc.)	-60.0
(6) Other (cost of production reduction, depreciation, etc.)	-19.0
2. Non-ferrous materials business	-2.0
3. Eliminations	-4.0
II Fiscal 2008 Temporary Factors	+10.0
(1) Change in inventory valuation	+10.0
(2) Impact of Yawata Works belt conveyor/COG pipe fire	—

Regarding Fiscal Year-End Dividends from Retained Earnings

In consideration of such factors as the sharp deceleration in the production and shipment schedules caused by the steep downturn in economic conditions, the significant risk that weak stock markets will impact the value of unrealized gains on investment securities, and the ongoing unpredictability of the operating environment, the Company proposes to give notice of dividends to be distributed from retained earnings at the end of the fiscal year when announcing the final earnings results for the fiscal year in line with its previously announced dividend policy.

Note: The above forecast includes forward-looking statements that 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.

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

■ Business consolidation/Strengthening of management base

<u>Time</u>	<u>Company Name</u>	<u>Details</u>
June 2006	Sanyo Special Steel Ltd. Nippon Solar Materials Ltd.	Mutual business cooperation and conversion to equity-method affiliate Establishment of polycrystalline silicon solar cell manufacturing business company Establishment of consolidated management promotion system (six-segment system) through corporate split-off method
July 2006	Nippon Steel Engineering Co., Ltd., Nippon Steel Materials Co., Ltd.	Integration of business of the Nippon Steel Group and the Sumitomo Metal Industries
Dec. 2006	Nippon Steel & Sumikin Coated Sheet Corporation, Nippon Steel & Sumikin Metal Products Co., Ltd. The Siam United Steel Co., Ltd. (Thailand) USIMINAS S.A. (Brazil)	Group involving construction-use steel sheets and roadway and civil engineering related products Conversion to consolidated subsidiary Conversion to equity-method affiliate
June 2007	Godo Steel, Ltd.	Conversion to equity-method affiliate
July 2007	Nippon Steel Drum Co., Ltd., Hokkai Koki Co., Ltd. Nippon Steel Chemical Co., Ltd.	Conversion to wholly owned subsidiary Integration of the coke business of Nippon Steel Chemical Co., Ltd., with the operations of the Company
Dec. 2007	Oji Steel Co., Ltd.	Conversion to consolidated subsidiary
March 2008	Shinwa Kaiun Kaisha, Ltd.	Conversion to equity-method affiliate

Third quarter of fiscal 2008 (October to December)

Oct. 2008	Mitsui Mining Co., Ltd.	Conversion to equity-method affiliate
	Topy Industries Ltd.	Conversion to equity-method affiliate

***Other Previously Announced Projects**

- Establishment with POSCO of joint venture company for supply of direct-reduced Iron and dry-dust recycling (announced Oct. 2007)
- Concluded agreement with Sumitomo Metal Industries, Ltd., and Kobe Steel, Ltd., concerning measures to further expand and enhance ongoing cooperation (announced Oct. 2007)
- Decision concerning principal projects of Usinas Siderúrgicas de Minas Gerais S.A. (USIMINAS) expansion investment plan (announced Mar. 2008)
- Decision concerning Robe River joint venture iron ore export infrastructure expansion in Western Australia (announced July 2008)

Fourth Quarter of FY2008 (Oct. – Dec. 2008)

- Cooperation with Kobe Steel, Ltd., to establish joint company for steel dust recycling and direct-reduced Iron production and usage (announced Oct. 2008)
- Japanese and Korean consortium concludes basic agreement with Companhia Siderurgica Nacional (CSN) to acquire stake in Brazilian iron ore mining business (announced Oct. 2008)
- Investment in South African steel sheet manufacturing firm (announced Dec. 2008)
- Global expansion of valve spring wire business by Nippon Steel Group (announced Dec. 2008)

Jan. 2009

- Basic agreement with Companhia Vale do Rio Doce S.A. (VALE) concerning the sale of shares in USIMINAS
- Participation in POSCO's new cold-rolling mill in Vietnam (announced Jan. 2009)

[Reference]

Recent Quarterly Operating Results

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

	Fiscal 2008			Forecast for Fiscal 2008 (data released on Jan. 29, 2009)			Forecast for Fiscal 2008 (data released on Oct. 29, 2008)	Forecast for Fiscal 2008 (data released on Oct. 29, 2008)
	1st quarter	2nd quarter	1st half	3rd quarter	Forecast for 4th quarter	Forecast for 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		
Sales	1,198,582	1,403,599	2,602,181	1,228,035	919,782	2,147,818	4,750,000	
Steelmaking and steel fabrication	1,030,296	1,203,466	2,233,762	1,067,621	698,615	1,766,237	4,000,000	
Engineering and construction	72,456	96,281	168,738	92,697	118,563	211,261	380,000	
Urban development	11,089	14,425	25,515	14,364	30,119	44,484	70,000	
Chemicals	64,715	72,253	136,969	44,294	38,736	83,030	220,000	
New materials	19,242	16,645	35,888	14,517	4,594	19,111	55,000	
System solutions	34,849	41,594	76,444	32,884	55,670	88,555	165,000	
Elimination of intersegment transactions	(34,069)	(41,067)	(75,136)	(38,344)	(26,518)	(64,863)	(140,000)	
Operating profit	119,704 [10.0%]	128,709 [9.2%]	248,413 [9.5%]	148,067 [12.1%]	36,480 [4.0%]	111,586 [5.2%]	360,000 [7.6%]	
Steelmaking and steel fabrication	111,661 [10.8%]	117,976 [9.8%]	229,637 [10.3%]	145,532 [13.6%]	40,170 [5.8%]	105,362 [6.0%]	335,000 [8.4%]	
Engineering and construction	2,210 [3.1%]	3,780 [3.9%]	5,991 [3.6%]	3,738 [4.0%]	10,269 [8.7%]	14,008 [6.6%]	20,000 [5.3%]	
Urban development	1,082 [9.8%]	1,173 [8.1%]	2,255 [8.8%]	827 [5.8%]	916 [3.0%]	1,744 [3.9%]	4,000 [5.7%]	
Chemicals	3,467 [5.4%]	4,573 [6.3%]	8,040 [5.9%]	3,269 [7.4%]	4,770 [12.3%]	8,040 [9.7%]	0 [-]	
New materials	3 [0.0%]	282 [1.7%]	279 [0.8%]	791 [5.5%]	1,488 [32.4%]	2,279 [11.9%]	2,000 [3.6%]	
System solutions	1,560 [4.5%]	2,814 [6.8%]	4,374 [5.7%]	1,983 [6.0%]	6,641 [11.9%]	8,625 [9.7%]	13,000 [7.9%]	
Elimination of intersegment transactions	(274)	(1,892)	(2,166)	46	(7,879)	(7,833)	(10,000)	
Ordinary profit	144,087 [12.0%]	118,151 [8.4%]	262,239 [10.1%]	148,190 [12.1%]	50,429 [5.5%]	97,760 [4.6%]	360,000 [7.6%]	
Net income	82,761 [6.9%]	78,915 [5.6%]	161,677 [6.2%]	50,435 [4.1%]	37,113 [4.0%]	13,322 [0.6%]	175,000 [3.7%]	
Net income per share	13.15	12.54	25.69	8.02	5.90	2.12	27.81	

Fiscal 2007 (April 1, 2007 to March 31, 2008)

	Forecast for 2nd half of fiscal 2008 (data released on Oct. 29, 2008)	Forecast for Fiscal 2008 (data released on Oct. 29, 2008)
	Oct. 2008-Mar. 2009	Apr. 2008-Mar. 2009
Sales	2,797,818	5,400,000
Steelmaking and steel fabrication	2,326,237	4,560,000
Engineering and construction	211,261	380,000
Urban development	59,484	85,000
Chemicals	133,030	270,000
New materials	49,111	85,000
System solutions	88,555	165,000
Elimination of intersegment transactions	(69,863)	(145,000)
Operating profit	291,586 [10.4%]	540,000 [10.0%]
Steelmaking and steel fabrication	260,362 [11.2%]	490,000 [10.7%]
Engineering and construction	15,008 [7.1%]	21,000 [5.5%]
Urban development	3,744 [6.3%]	6,000 [7.1%]
Chemicals	8,959 [6.7%]	17,000 [6.3%]
New materials	1,720 [3.5%]	2,000 [2.4%]
System solutions	8,625 [9.7%]	13,000 [7.9%]
Elimination of intersegment transactions	(6,833)	(9,000)
Ordinary profit	297,760 [10.6%]	560,000 [10.4%]
Net income	168,322 [6.0%]	330,000 [6.1%]
Net income per share	26.75	52.44

	Fiscal 2007			Fiscal 2008			Fiscal 2007
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
	Apr. 2007-June 2007	July 2007-Sep. 2007	Apr. 2007-Sep. 2007	Oct. 2007-Dec. 2007	Jan. 2008-Mar. 2008	Oct. 2007-Mar. 2008	
Sales	1,115,751	1,200,599	2,316,350	1,189,842	1,320,781	2,510,624	4,826,974
Steelmaking and steel fabrication	935,664	1,027,256	1,962,920	988,389	1,043,217	2,031,606	3,994,526
Engineering and construction	71,519	79,123	150,642	82,547	126,694	209,241	359,884
Urban development	16,355	15,103	31,458	25,103	37,277	62,380	93,839
Chemicals	80,227	69,252	149,479	71,840	67,708	139,549	289,029
New materials	16,929	19,102	36,031	20,960	19,165	40,126	76,157
System solutions	32,953	43,013	75,966	36,396	52,997	89,393	165,360
Elimination of intersegment transactions	(37,899)	(52,250)	(90,149)	(35,394)	(26,279)	(61,674)	(151,823)
Operating profit	129,464 [11.6%]	134,993 [11.2%]	264,457 [11.4%]	143,648 [12.1%]	137,474 [10.4%]	281,123 [11.2%]	545,580 [11.3%]
Steelmaking and steel fabrication	113,969 [12.2%]	121,021 [11.8%]	234,990 [12.0%]	124,978 [12.6%]	115,982 [11.1%]	240,960 [11.9%]	475,951 [11.9%]
Engineering and construction	3,715 [5.2%]	2,909 [3.7%]	6,624 [4.4%]	5,619 [6.8%]	9,252 [7.3%]	14,871 [7.1%]	21,496 [6.0%]
Urban development	3,298 [20.2%]	1,072 [7.1%]	4,370 [13.9%]	3,390 [13.5%]	4,841 [13.0%]	8,231 [13.2%]	12,602 [13.4%]
Chemicals	7,434 [9.3%]	5,668 [8.2%]	13,102 [8.8%]	5,490 [7.6%]	2,456 [3.6%]	7,947 [5.7%]	21,050 [7.3%]
New materials	20 [0.1%]	194 [1.0%]	214 [0.6%]	499 [2.4%]	155 [0.8%]	344 [0.9%]	559 [0.7%]
System solutions	2,890 [8.8%]	3,540 [8.2%]	6,430 [8.5%]	3,174 [8.7%]	5,152 [9.7%]	8,326 [9.3%]	14,756 [8.9%]
Elimination of intersegment transactions	(1,865)	589	(1,276)	496	(55)	440	(835)
Ordinary profit	148,691 [13.3%]	135,321 [11.3%]	284,012 [12.3%]	150,656 [12.7%]	129,449 [9.8%]	280,106 [11.2%]	564,119 [11.7%]
Net income	86,701 [7.8%]	89,708 [7.5%]	176,409 [7.6%]	86,647 [7.3%]	91,932 [7.0%]	178,580 [7.1%]	354,989 [7.4%]
Net income per share	13.70	14.25	27.96	13.77	14.61	28.38	56.33

[] : Return on sales
() in "Elimination of intersegment transactions" row indicate negative numbers

Nippon Steel Corporation

Code Number: 5401

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

Contact: Hiroyuki Marukawa, General Manager, Public Relations Center-Tel: 81-3-3275-5014

Supplementary Information on the Financial Result for the Third Quarter of Fiscal 2008

Japanese Steel Industry

1. Crude Steel Production

(million tons)							
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2007FY	29.89	29.91	59.80	30.88	30.84	61.72	121.52
2008FY	31.06	30.45	61.51	26.39			

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)
Mar. 2007	5.35	(95.5)	4.02	0.277
Apr. 2007	5.41	(106.7)	4.07	0.271
May 2007	5.62	(107.5)	4.20	0.274
June 2007	5.43	(101.8)	4.08	0.270
July 2007	5.49	(106.0)	4.11	0.256
Aug. 2007	5.63	(113.6)	4.25	0.253
Sep. 2007	5.61	(107.1)	4.19	0.267
Oct. 2007	5.63	(103.6)	4.16	0.278
Nov. 2007	5.52	(105.4)	4.10	0.281
Dec. 2007	5.66	(114.1)	4.09	0.279
Jan. 2008	5.62	(112.1)	4.18	0.264
Feb. 2008	5.38	(104.3)	4.08	0.229
Mar. 2008	5.18	(90.1)	4.02	0.214
Apr. 2008	5.23	(102.9)	4.04	0.210
May 2008	5.35	(104.7)	4.11	0.219
June 2008	5.36	(101.3)	4.09	0.236
July 2008	5.12	(94.0)	4.07	0.243
Aug. 2008	5.46	(119.8)	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	(136.1)	4.56	0.275

*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 half		1st half	2nd half		total	
	1st quarter	2nd quarter		3rd quarter	4th quarter		
2007FY	7.67	7.96	15.63	8.09	8.20	16.29	31.92
2008FY	8.04	8.04	16.07	7.47	Approx. 5.00	Approx. 12.50	Approx. 28.50

4. Crude Steel Production

(Consolidated basis)

(million tons)

	1st half		1st half	2nd half		total	
	1st quarter	2nd quarter		3rd quarter	4th quarter		
2007FY	8.72	8.92	17.64	9.24	9.36	18.59	36.23
2008FY	9.16	9.06	18.23	7.97	Approx. 5.30	Approx. 13.30	Approx. 31.50

(Non-consolidated basis)

(million tons)

	1st half		1st half	2nd half		total	
	1st quarter	2nd quarter		3rd quarter	4th quarter		
2007FY	7.99	8.22	16.21	8.37	8.53	16.90	33.11
2008FY	8.30	8.26	16.57	7.37	Approx. 5.00	Approx. 12.30	Approx. 28.90

5. Steel Products Shipment

(million tons)

	1st half		1st half	2nd half		total	
	1st quarter	2nd quarter		3rd quarter	4th quarter		
2007FY	7.89	8.15	16.04	8.23	8.63	16.86	32.90
2008FY	8.08	8.29	16.37	7.12	Approx. 4.90	Approx. 12.00	Approx. 28.40

6. Average Price of Steel Products

(thousands of yen / ton)

	1st half		1st half	2nd half		total	
	1st quarter	2nd quarter		3rd quarter	4th quarter		
2007FY	78.3	80.3	79.3	80.2	80.2	80.2	79.8
2008FY	92.0	108.2	100.2	112.4	Approx. 105	Approx. 109	Approx. 104

7. Export Ratio of Steel Products (Value basis)

(%)

	1st half		1st half	2nd half		total	
	1st quarter	2nd quarter		3rd quarter	4th quarter		
2007FY	33.3	34.9	34.1	32.3	33.0	32.6	33.4
2008FY	31.8	35.0	33.5	31.8	Approx. 28	Approx. 30	Approx. 32

8. Foreign Exchange Rate

(¥/US\$)

	1st half		1st half	2nd half		total	
	1st quarter	2nd quarter		3rd quarter	4th quarter		
2007FY	120	119	119	113	108	111	115
2008FY	104	108	106	99	Approx. 90	Approx. 95	Approx. 101

9. Unrealized Gains on Available-for-Sale Securities

(billion yen)

	3rd quarter of 2008FY	2007FY	difference
Consolidated	63.0(37.5)	393.6(234.6)	-330.6(-197.1)
[Nikkei 225]	[8,860yen]	[12,526yen]	[-3,666yen]

* Figures in parentheses were after adopting deferred tax accounting.

10. Amount of Capital Expenditure and Depreciation

• Capital Expenditure (billion yen)

	2008FY (estimated)	2007FY
Consolidated	340.0	310.0
Non-consolidated	260.0	230.0

• Depreciation (billion yen)

	2008FY (estimated)	2007FY
Consolidated	280.0	244.0
Non-consolidated	200.0	174.9