

Flash Report
Consolidated Basis
Results for the Third Quarter of Fiscal 2009
(April 1, 2009—December 31, 2009)

January 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 submit Securities Report: February 8, 2010
Scheduled date to payment of dividends: —

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

1. Consolidated Financial and Operating Results through the Third Quarter of Fiscal 2009
(April 1, 2009—December 31, 2009)

(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 2009	2,485,215	(35.1)	(31,624)	—	(43,640)	—	(45,899)	—
Third quarter of fiscal 2008	3,830,217	—	396,480	—	410,429	—	212,113	—

	Net income per share	Net income per share after full dilution
	¥	¥
Third quarter of fiscal 2009	(7.30)	—
Third quarter of fiscal 2008	33.71	32.12

Note: Beginning with the previous 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 in the results for the third quarter of fiscal 2008.

(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 2009	5,021,220	2,271,305	35.5	283.52
Fiscal 2008	4,870,680	2,174,809	34.3	265.24

(For reference) Shareholders' equity: Third quarter of fiscal 2009 ¥ 1,783,599 million
Fiscal 2008 ¥ 1,668,682 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 2008	—	5.00	—	1.00	6.00
Fiscal 2009	—	0.00			
Fiscal 2009 (Forecast)				1.50	1.50

Note: Whether the dividend forecast under review has been revised: Yes

3. Consolidated Financial Forecasts for Fiscal 2009 (April 1, 2009—March 31, 2010)

(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 2009	3,500,000	(26.6)	30,000	(91.3)	10,000	(97.0)

	Net income		Net income per share
	Millions of yen	%	Yen
Fiscal 2009	(15,000)	—	(2.38)

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 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: None

(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 2009 6,806,980,977 shares

Fiscal 2008 6,806,980,977 shares

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

Third quarter of fiscal 2009 516,159,028 shares

Fiscal 2008 516,602,427 shares

(c) Average number of shares issued during the period

Third quarter of fiscal 2009 6,290,706,531 shares

Third quarter of fiscal 2008 6,292,406,005 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. For further details, please refer to the item “3. Consolidated Forecast” on page 7-8

(Qualitative Information and Financial Review)

1. Consolidated Operating Results

Overview of Conditions in the Third Quarter of Fiscal 2009

Global economic conditions began gradually improving in the third quarter of fiscal 2009. While harsh conditions, including high rates of unemployment, persisted in the United States, Europe, and other advanced nations, governmental economic stimulus measures were generally effective in many countries, and China and other Asian countries regained economic growth tracks.

In Japan, the severe economic conditions remained virtually unchanged. Positive elements included continuing recovery in figures for the index of industrial production (IIP) and export volume indices reflecting the effectiveness of the Japanese government's economic policies and improving economic conditions overseas, particularly in Asia. However, while overall economic conditions continued improving, the pace of improvement was slow, and harsh conditions prevailed as construction investment continued to be sluggish and employment and personal income conditions remained unchanged.

The Nippon Steel Group companies are gradually improving their performance from the steep declines in sales and profit that commenced in the second half of the previous fiscal year through management initiatives in each business segment to deal with changes in their respective business environments. On a quarterly (three-month) basis, the Group regained profitability for the first time in four quarters in the third quarter. Nevertheless, overall third-quarter sales and profit were once again down sharply compared with the same period of the previous year.

Performance Review by Business Segment in the Third Quarter of Fiscal 2009

Overview of operating performance by business segment

(Billions of yen)

	Net Sales		Operating Profit (Loss)	
	3Q FY09	3Q FY08	3Q FY09	3Q FY08
Steelmaking and steel fabrication	2,012.5	3,301.3	(66.0)	375.1
Engineering and construction	231.7	261.4	19.6	9.7
Urban development	57.2	39.8	4.6	3.0
Chemicals	132.0	181.2	7.5	4.7
New materials	44.1	50.4	(0.3)	(0.5)
System solutions	102.4	109.3	5.4	6.3
Total	2,580.3	3,943.6	(29.0)	398.6
Elimination of intersegment transactions	(95.0)	(113.4)	(2.5)	(2.1)
Consolidated total	2,485.2	3,830.2	(31.6)	396.4

*Third quarter results cover the nine-month period from April 1 to December 31, 2008 and 2009.

Steelmaking and Steel Fabrication

In the steelmaking and steel fabrication business, in the domestic market, steel demand remained sluggish in the construction and civil engineering sectors while it recovered in the manufacturing sector in line with the increasing activity in the automobile, electric machinery, and other segments in response to the government's economic policies and recovering steel demand overseas.

Steel demand was strong in overseas markets, supported by the economic recovery in Asia, particularly in China, where the government implemented aggressive economic stimulus measures. As a result, total domestic crude steel production increased year on year, recovering to 26.61 million tons for the three months of the third quarter of fiscal 2009.

While focusing on trimming costs to the bare minimum, the Company increased production and shipment levels primarily as a result of the recommencement of operations in August last year of the No. 1 blast furnace at the Oita Works and in October last year of the No. 2 blast furnace at the Kimitsu Works, which

had been shut down for banking* since February 2009. The result was a year-on-year increase in the Company's overall steel shipment volume in the third quarter (three months).

Despite this positive development, the severe conditions in the steel market, particularly for steel market products, that persisted from the second half of the previous fiscal year through the first half of the current fiscal year continue to impact the results of the steelmaking and steel fabrication business, and the business posted year-on-year declines in net sales and operating profit for the nine-month period from April 1 to December 31.

*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. The markedly sluggish economic conditions continued to produce a severe operating environment for attracting project orders both in Japan and overseas during the quarter. In these adverse conditions, 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, despite a decrease in net sales.

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., recorded 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. Within this severe environment, the urban development business maintained a steady sales flow from large condominium units in urban centers and reported gains in net sales and operating profit year on year.

Chemicals

Nippon Steel Chemical Co., Ltd., posted strong third-quarter results for the coal-based chemicals business and chemicals business. Progress with inventory adjustments in Japan and overseas led to the bottoming out of demand for pitch coke used for the production of electrode carbon. Market conditions are also on an uptrend for coal tar products and chemicals. The electronic materials as a whole business remained active supported by strong demand for display materials. However, production line operating rates were low for circuit board materials, owing to inventory adjustments and other conditions corresponding to the seasonal low-demand period at client companies. The result was a year-on-year increase in operating profit, despite a decline in net sales, for the chemicals business in the nine-month period from April 1 to December 31.

New Materials

Nippon Steel Materials Co., Ltd., is gradually emerging from the severe business conditions as demand moves toward recovery in the company's core semiconductors and electronic materials business segments. However, third-quarter net sales of the new materials business declined year on year as overall demand remained below the levels before the Lehman shock. However, cost-cutting measures, the development and sale of new product applications, and other efforts to improve earnings resulted in a decline in the operating loss for the quarter in this business compared with the same period of the previous year.

System Solutions

In the system solutions business, NS Solutions Corporation enhanced its ability to provide advanced solutions services incorporating cloud computing* technology. The company bolstered its position among the leaders in domestic market share in Web-based conferencing software with the release of cloud-based Web conferencing service using a state-of-the-art cloud computing environment. The system solutions business is responding to its corporate clients' ongoing constrained investment in software systems by enhancing its business competitiveness with a primary focus on increasing orders. However, sales and operating profit of the system solutions business in the third quarter were both down from the same period of the previous year.

*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

In the third quarter of fiscal 2009, consolidated sales and income levels (cumulative) declined across the board from the previous fiscal year, with net sales down ¥1,345.0 billion, to ¥2,485.2 billion; operating profit down ¥428.1 billion, to an operating loss of ¥31.6 billion; ordinary profit down ¥454.0 billion, to an ordinary loss of ¥43.6 billion; and net income down ¥258.0 billion, to a net loss of ¥45.8 billion.

2. Financial Analysis (Consolidated)

Total consolidated assets at the end of the third quarter of fiscal 2009 amounted to ¥5,021.2 billion, representing an increase of ¥150.5 billion from the ¥4,870.6 billion at the end of March 2009. This amount reflects the balance of a decrease in current assets, including a ¥47.5 billion decline in notes and accounts receivable and a ¥101.8 billion decline in inventories, and increases of ¥49.1 billion in tangible fixed assets and ¥236.5 billion in investments and others, including a rise in the value of investments in securities.

Total liabilities at the end of the third quarter amounted to ¥2,749.9 billion, an increase of ¥54.0 billion from the ¥2,695.8 billion at the end of March 2009. The increase was primarily due to a rise in interest-bearing debt, which increased by ¥52.8 billion, to ¥1,507.0 billion, from ¥1,454.2 billion at the end of March 2009.

Net assets were ¥2,271.3 billion at the end of the third quarter, representing an increase of ¥96.4 billion, compared with ¥2,174.8 billion at the end of March 2009. The increase was largely due to rises of ¥120.6 billion in the unrealized gains on available-for-sale securities and ¥46.7 billion in foreign currency translation adjustments, which outbalanced a net loss of ¥45.8 billion for the quarter and the ¥1 per share cash dividend payment, which totaled ¥6.3 billion, at the end of the previous fiscal year. Shareholders' equity at the end of the third quarter amounted to ¥1,783.5 billion. The ratio of interest-bearing debt to shareholders' equity (D/E ratio) was 0.84.

3. Consolidated Forecast

Fiscal Year 2009 Ending March 31, 2010

The Company anticipates that, even though demand will likely remain sluggish from the domestic construction and civil engineering sectors, the improving economic conditions in China and other Asian countries will be the primary driver of steel demand in the fourth quarter and into the immediate future. Moreover, steel demand from the domestic manufacturing sector and from overseas is expected to hold steady. Based on this outlook, the Company expects fourth-quarter overall steel shipment volume to expand from the level of the third quarter.

The Company's operating environment remains harsh, and the Company's profitability has declined since the announcement of the Company's revised forecasts on October 29 last year. Domestic steel market conditions continue to deteriorate as a result of continued weak demand from the construction and civil engineering sectors. Rising market prices for crude oil, scrap iron, and other steel raw materials are also having an impact on earnings. Due to these and other factors, the Company is now forecasting a ¥15.0 billion consolidated net loss for fiscal 2009, which would be the first net loss for the Company since fiscal 2002.

Basic Profit Distribution Policy

Nippon Steel's basic profit distribution policy is to pay dividends from distributable funds in consideration of the consolidated operating results of each fiscal year and such factors as capital requirements for investment and other activities aimed at raising corporate value and performance prospects while also endeavoring to further reinforce the Company's financial structure. The Company has set a consolidated payout ratio target of approximately 20% (a non-consolidated payout ratio target of approximately 30%) for use as an indicator for the distribution of profits based on due consideration of consolidated operating results. However, because the Company's top priority for the time being is to fortify the corporate financial structure, a temporary target of approximately 15%–20% is in effect for the consolidated payout ratio (a non-consolidated payout ratio at approximately 20%–30%), which is slightly lower than the standard level stated above. Second-quarter (interim) and year-end dividend levels will be set to maintain a consolidated payout ratio within the target ranges currently in effect. The level of second-quarter (interim) dividends is set based on consideration of the dividend policy for the fiscal year, the first-half performance results, and the forecast for fiscal-year performance results.

Retained Earnings at the End of the Fourth Quarter

The Company distributes year-end dividend payments in consideration of the consolidated business performance as the basic profit distribution policy. The Company forecasts a ¥15.0 billion consolidated net loss for the current fiscal year, largely as a consequence of the sudden fluctuations in business conditions following the Lehman shock in 2008. However, in consideration of the current recovery trend in the Company's business results and the financial outlook, the Company has adopted a policy of paying a fiscal 2009 year-end dividend of ¥1.5 per share.

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:

1. Simplified accounting methods:

None

2. Special accounting treatment for the quarterly consolidated financial statements:

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

Please note that income taxes-deferred are included in income taxes-current and deferred in the statements of income.

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

1. Changes accompanying revisions in accounting standard:

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 second quarter. (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 ¥ 10,923 million higher, the gross margin were ¥ 1,637 million higher, operating loss were ¥ 1,637 million lower, and ordinary loss and loss before income taxes and minority interests were ¥ 1,707 million lower than they would have been prior to the change.

2. Changes other than those in "1." Above:

None

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Millions of yen	
ASSETS	December 31, 2009	March 31, 2009
Current assets :		
Cash and bank deposits	97,311	124,007
Notes and accounts receivable	424,216	471,745
Inventories	919,704	1,021,543
Other	285,021	268,702
Less: Allowance for doubtful accounts	(3,124)	(5,442)
Total current assets	1,723,129	1,880,556
Fixed assets :		
Tangible fixed assets :		
Machinery and equipment	939,030	894,535
Other	929,910	925,295
	1,868,940	1,819,830
Intangible fixed assets	42,385	20,050
Investments and others :		
Investments in securities	1,223,207	957,392
Other	168,780	198,400
Less: Allowance for doubtful accounts	(5,222)	(5,549)
	1,386,765	1,150,243
Total fixed assets	3,298,091	2,990,124
Total assets	5,021,220	4,870,680

Millions of yen

LIABILITIES	December 31, 2009	March 31, 2009
Current liabilities :		
Notes and accounts payable	455,544	476,571
Short-term loans and long-term loans due within one year	347,889	342,545
Commercial paper	141,000	148,000
Bonds due within one year	3,250	43,250
Accrued income taxes and enterprise taxes	12,670	43,473
Reserve	2,184	4,666
Other	469,582	467,848
Total current liabilities	1,432,122	1,526,354
Long-term liabilities :		
Bonds and notes	364,957	324,967
Long-term loans	639,440	585,446
Accrued pension and severance costs	143,708	136,380
Reserve	33,628	41,413
Other	136,059	81,308
Total long-term liabilities	1,317,793	1,169,517
Total liabilities	2,749,915	2,695,871
NET ASSETS		
Shareholders' equity :		
Common stock	419,524	419,524
Capital surplus	114,346	114,333
Retained earnings	1,406,292	1,458,622
Less: Treasury stock, at cost	(262,048)	(262,152)
	1,678,115	1,730,328
Valuation and transaction adjustments:		
Unrealized gains on available-for-sale securities	143,289	22,665
Deferred hedge income (loss)	(1,389)	(1,149)
Unrealized gains on revaluation of land	11,162	11,187
Foreign currency translation adjustments	(47,578)	(94,348)
	105,483	(61,645)
Minority interest in consolidated subsidiaries	487,706	506,126
Total net assets	2,271,305	2,174,809
Total liabilities and net assets	5,021,220	4,870,680

(2) Consolidated Statements of Income

Millions of yen

	Third quarter of fiscal 2008	Third quarter of fiscal 2009
Operating revenues :		
Net sales	3,830,217	2,485,215
Cost of sales	3,183,683	2,296,296
Gross margin	646,533	188,919
Selling, general and administrative expenses	250,052	220,543
Operating profit (loss)	396,480	(31,624)
Non-operating profit and loss :		
Non-operating profit :		
Interest and dividend income	21,746	11,836
Equity in net income of unconsolidated subsidiaries and affiliates	52,473	21,936
Other	18,804	21,388
	93,024	55,161
Non-operating loss :		
Interest expenses	14,498	15,234
Other	64,577	51,942
	79,075	67,177
Ordinary profit (loss)	410,429	(43,640)
Special profit :		
Gain on sales of tangible fixed assets	11,496	-
	11,496	-
Special loss :		
Loss on valuation of investments in securities	57,968	-
Penalty	-	6,400
	57,968	6,400
Income (loss) before income taxes and minority interest	363,958	(50,040)
Income taxes - current and deferred	133,293	(6,943)
Minority interest in net income of consolidated subsidiaries	18,551	2,802
Net income (loss)	212,113	(45,899)

(3) Notes to the presumption of going concerns

None

(4) 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 (loss)	375,170	9,730	3,083	4,770	(511)	6,358	398,601	(2,120)	396,480

Third quarter of fiscal 2009 (April 1, 2009 to December 31, 2009)

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	2,012,566	231,788	57,255	132,080	44,165	102,452	2,580,308	(95,092)	2,485,215
Operating profit (loss)	(66,087)	19,601	4,615	7,596	(306)	5,483	(29,097)	(2,527)	(31,624)

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

None

[Reference]

Recent Quarterly Operating Results

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

	Fiscal 2009			Forecast for 2nd half of fiscal 2009 (data released on Jan. 28, 2010)			Forecast for fiscal 2009 (data released on Oct. 29, 2009)	
	1st quarter	2nd quarter	1st half	3rd quarter	Forecast for 4th quarter	Forecast for 2nd half of fiscal 2009 (data released on Jan. 28, 2010)	Forecast for fiscal 2009 (data released on Oct. 29, 2009)	
	Apr. 2009-June 2009	July 2009-Sept 2009	Apr. 2009-Sept 2009	Oct. 2009-Dec 2009	Jan. 2010-Mar. 2010	Oct. 2009-Mar. 2010	Apr. 2009-Mar. 2010	
Sales	745,083	828,255	1,573,338	911,876	1,014,784	1,926,661	3,500,000	
Steelmaking and steel fabrication	578,892	680,626	1,259,518	753,047	837,433	1,590,481	2,850,000	
Engineering and construction	88,809	65,995	154,805	76,983	108,211	185,194	340,000	
Urban development	21,536	22,309	43,846	13,409	22,744	36,153	80,000	
Chemicals	37,965	48,619	86,584	45,495	37,919	83,415	170,000	
New materials	12,996	16,132	29,128	15,036	15,834	30,871	60,000	
System solutions	32,665	37,186	69,851	32,600	47,547	80,148	150,000	
Elimination of intersegment transactions	(27,781)	(42,614)	(70,396)	(24,696)	(54,907)	(79,603)	(150,000)	
Operating profit	▲ 53,405 [▲7.2%]	▲ 18,009 [▲2.2%]	▲ 71,414 [▲4.5%]	39,790 [4.4%]	61,624 [6.1%]	101,414 [5.3%]	30,000 [0.9%]	
Steelmaking and steel fabrication	▲ 64,985 [▲11.2%]	▲ 28,285 [▲4.2%]	▲ 93,270 [▲7.4%]	27,183 [3.6%]	52,087 [6.2%]	79,270 [5.0%]	▲ 14,000 [▲0.5%]	
Engineering and construction	7,718 [8.7%]	4,193 [6.4%]	11,911 [7.7%]	7,689 [10.0%]	7,398 [6.8%]	15,088 [8.1%]	27,000 [7.9%]	
Urban development	1,089 [5.1%]	1,849 [8.3%]	2,938 [6.7%]	1,677 [12.5%]	▲ 1,615 [▲7.1%]	61 [0.2%]	3,000 [3.8%]	
Chemicals	2,520 [6.8%]	2,801 [5.8%]	5,321 [6.1%]	2,274 [5.0%]	1,403 [3.7%]	3,678 [4.4%]	9,000 [5.3%]	
New materials	▲ 138 [▲1.1%]	▲ 148 [▲0.9%]	▲ 287 [▲1.0%]	▲ 18 [▲0.1%]	306 [1.9%]	287 [0.9%]	0 [-]	
System solutions	1,914 [5.9%]	2,135 [5.7%]	4,050 [5.8%]	1,433 [4.4%]	4,516 [9.5%]	5,949 [7.4%]	10,000 [6.7%]	
Elimination of intersegment transactions	(1,524)	(554)	(2,078)	(448)	(2,472)	(2,921)	(5,000)	
Ordinary profit	▲ 56,668 [▲7.6%]	▲ 30,289 [▲3.7%]	▲ 86,957 [▲5.5%]	43,317 [4.8%]	53,640 [5.3%]	96,957 [5.0%]	10,000 [0.3%]	
Net income	▲ 42,246 [▲5.7%]	▲ 29,593 [▲3.6%]	▲ 71,840 [▲4.6%]	25,941 [2.8%]	30,899 [3.0%]	56,840 [3.0%]	▲ 15,000 [▲0.4%]	
Net income per share	▲ 6.72	▲ 4.70	▲ 11.42	4.12	4.91	9.04	▲ 2.38	

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

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

	Fiscal 2008			Forecast for 2nd half of fiscal 2009 (data released on Oct. 29, 2009)			Forecast for fiscal 2009 (data released on Oct. 29, 2009)	
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	Fiscal 2008	
	Apr. 2008-June 2008	July 2008-Sept 2008	Apr. 2008-Sept 2008	Oct. 2008-Dec 2008	Jan. 2009-Mar. 2009	Oct. 2008-Mar. 2009	Apr. 2008-Mar. 2009	
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 [9.5%]	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 [4.0%]	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 [▲9.5%]	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	

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 the Third Quarter of 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	()26.72	53.33	96.66

() METI forecast

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. 2008	5.18	(90.0)	4.02	0.214
Apr. 2008	5.22	(102.7)	4.04	0.210
May 2008	5.34	(104.6)	4.10	0.219
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	(126.8)	3.40	0.229

*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			2nd half	total
	1st quarter	2nd quarter		3rd quarter	4th quarter		
2008FY	8.04	8.04	16.07	7.47	4.95	12.41	28.49
2009FY	4.84	6.35	11.19	7.70	Approx. 8.00	Approx. 15.70	Approx. 26.90

4. Crude Steel Production

(Consolidated basis)

(million tons)

			1st half			2nd half	total
	1st quarter	2nd quarter		3rd quarter	4th quarter		
2008FY	9.16	9.06	18.23	7.97	5.04	13.01	31.24
2009FY	5.37	7.38	12.75	8.72	Approx. 8.60	Approx. 17.30	Approx. 30.00

(Non-consolidated basis)

(million tons)

			1st half			2nd half	total
	1st quarter	2nd quarter		3rd quarter	4th quarter		
2008FY	8.30	8.26	16.57	7.37	4.67	12.04	28.61
2009FY	4.82	6.73	11.55	8.10	Approx. 8.00	Approx. 16.10	Approx. 27.60

5. Steel Products Shipment

(million tons)

			1st half			2nd half	total
	1st quarter	2nd quarter		3rd quarter	4th quarter		
2008FY	8.08	8.29	16.37	7.12	4.71	11.83	28.20
2009FY	4.73	6.74	11.47	7.60	Approx. 8.00	Approx. 15.60	Approx. 27.00

6. Average Price of Steel Products

(thousands of yen / ton)

			1st half			2nd half	total
	1st quarter	2nd quarter		3rd quarter	4th quarter		
2008FY	92.0	108.2	100.2	112.4	108.5	110.8	104.7
2009FY	88.4	72.7	79.2	72.5	Approx. 73	Approx. 73	Approx. 75

7. Export Ratio of Steel Products (Value basis)

(%)

			1st half			2nd half	total
	1st quarter	2nd quarter		3rd quarter	4th quarter		
2008FY	31.8	35.0	33.5	31.8	30.1	31.2	32.5
2009FY	33.1	38.9	36.2	38.8	Approx. 42	Approx. 40	Approx. 38

8. Foreign Exchange Rate

(¥/US\$)

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

9. Unrealized Gains on Available-for-Sale Securities

(billion yen)

	3rd quarter of	2008FY	difference
Consolidated	240.4(143.2)	38.0(22.6)	+202.3(+120.6)
[Nikkei 225]	[10,546yen]	[8,110yen]	[+2,436yen]

* Figures in parentheses were after adopting deferred tax accounting.

10. Amount of Capital Expenditure and Depreciation

• Capital Expenditure (billion yen)

	2009FY (estimated)	2008FY
Consolidated	340.0	300.0
Non-consolidated	270.0	220.0

• Depreciation (billion yen)

	2009FY (estimated)	2008FY
Consolidated	280.0	273.7
Non-consolidated	215.0	196.3