

Flash Report
Consolidated Basis
Results for the First Quarter of Fiscal 2010
(April 1, 2010—June 30, 2010)

July 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>
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Scheduled date to submit Securities Report: August 7, 2010
Preparation of supplemental explanatory materials: Yes
Holding of quarterly financial results meeting: Yes (for investment analysts)

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

1. Consolidated Financial and Operating Results through the First Quarter of Fiscal 2010
(April 1, 2010—June 30, 2010)

(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	%
First quarter of fiscal 2010	970,619	30.3	51,092	—	61,885	—	26,828	—
First quarter of fiscal 2009	745,083	(37.8)	(53,405)	—	(56,668)	—	(42,246)	—

	Net income per share	Net income per share after full dilution
	Yen	Yen
First quarter of fiscal 2010	4.26	4.16
First quarter of fiscal 2009	(6.72)	—

(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
First quarter of fiscal 2010	4,856,475	2,262,293	36.3	280.35
Fiscal 2009	5,002,378	2,335,676	36.9	293.19

(For reference) Shareholders' equity: First quarter of fiscal 2010 ¥ 1,763,497million
Fiscal 2009 ¥1,844,382 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 2009	—	0.00	—	1.50	1.50
Fiscal 2010	—				
Fiscal 2010 (Forecast)		0.00		—	—

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

Note: The dividend forecast is not decided since the level of that is set based on the consideration of the forecast for performance. The Company will decide and announce its decision regarding the year-end dividend payment when announcing the third quarter performance results.

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

(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	%
First half of fiscal 2010	2,050,000	30.3	105,000	—	125,000	—
Fiscal 2010	—	—	—	—	250,000	—

	Net income		Net income per share
	Millions of yen	%	Yen
First half of fiscal 2010	60,000	—	9.54
Fiscal 2010	—	—	—

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

Note: Since it is difficult at this time to make reasonable estimates of net sales, operating profit, net income, and net income per share for consolidated results for fiscal 2010, only ordinary profit has been calculated on a provisional basis and shown here, please refer to the item “2. Consolidated Forecast” on page 5

4. Others (For further details, please refer to the item “3. Others” on page 7)

- (1) Changes in the state of material subsidiaries during the period: None

Note: Changes regarding specific companies accompanying changes in the scope of consolidation

- (2) The adoption of simplified accounting methods and special accounting treatment: Yes

Note: The adoption of simplified accounting methods and special accounting treatment for the quarterly consolidated financial statements

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

(a) Changes accompanying revisions in accounting principles: Yes

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

Note: Changes in principles, procedures, methods of presentation, etc., related to the quarterly consolidated financial statements, described in “Changes in material items that form the basis for the preparation and presentation of the quarterly consolidated financial statements”

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

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

First quarter of fiscal 2010 6,806,980,977 shares

Fiscal 2009 6,806,980,977 shares

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

First quarter of fiscal 2010 516,606,826 shares

Fiscal 2009 516,191,673 shares

- (c) Average number of shares issued during the period (first quarter accumulation (three months))

First quarter of fiscal 2010 6,290,483,965 shares

First quarter of fiscal 2009 6,290,536,223 shares

* Status of Performance of Quarterly Review Procedures

This quarterly flash report is exempt from the quarterly review procedures based on Japan’s Financial Instruments and Exchange Law. At the time when this quarterly flash report was disclosed, the quarterly review procedures based on the Financial Instruments and Exchange Law had not been completed.

* 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.

Index of attached documents

1. Consolidated Operating Results	2
2. Consolidated Forecast	5
3. Others	7
4. Consolidated Financial Statements	
(1) Consolidated Balance Sheets	9
(2) Consolidated Statements of Income	11
(3) Matters or Circumstances Causing Material Doubt about Continuing Companies as Going Concerns	12
(4) Consolidated Segment Information	12
(5) Notes in case of significant changes to shareholders' equity	12

1. Consolidated Operating Results

Overview of Conditions in the First Quarter of Fiscal 2010

Global economic conditions continued recovering in the first quarter of fiscal 2010. Although the Greek sovereign debt crisis caused some lingering volatility, particularly in the European financial markets, the economic growth was more rapid than expected in Asia, notably in China and India, and business conditions began improving in the United States and European countries.

The Japanese economy likewise continued moving toward a moderate recovery. The economic growth in Asia and government economic stimulus measures helped maintain the rising trends for exports and industrial production. At the same time, business activity remained sluggish in the construction and civil engineering fields

The Nippon Steel Group companies implemented measures to respond to the changing environment in their respective fields and to improve their earnings performances. In the first quarter of fiscal 2010, the Group posted consolidated ordinary profit of ¥61.8 billion, an increase of ¥6.4 billion from the prior fourth quarter of fiscal 2009.

Performance Review by Business Segment in the First Quarter of Fiscal 2010

Overview of operating performance by business segment

	(Billions of yen)	
	Net Sales	Ordinary Profit (Loss)
Steelmaking and steel fabrication	824.5	56.4
Engineering and construction	58.9	2.6
Urban development	18.7	1.9
Chemicals	45.9	1.7
New materials	14.7	0.7
System solutions	33.9	1.9
Total	996.9	65.4
Eliminations	(26.3)	(3.5)
Consolidated	970.6	61.8

Steelmaking and Steel Fabrication

Steel demand in Japan remained sluggish in the construction and civil engineering fields but began gradually recovering in manufacturing industries where production activity is picking up spurred largely by government economic stimulus measures and brisk demand overseas. Steel demand was strong in overseas markets, mainly due to the economic growth in Asian countries.

However, the recovery in steel demand created tight global supply and demand conditions for raw materials. The intensifying demand created an oligopoly among the limited number of suppliers, and the Company was forced to accept markedly higher prices on our essential core raw materials from our main suppliers during the first quarter. The Company responded by continuing efforts to reduce costs to the bare minimum and is currently negotiating revised steel materials prices with its customers.

In the first quarter of fiscal 2010, the Steelmaking and Steel Fabrication business recorded net sales of ¥824.5 billion and an ordinary profit of ¥56.4 billion.

Engineering and Construction

Nippon Steel Engineering Co., Ltd., is focusing on developing operations in the areas of steel production plants, environmental solutions, energy, offshore, bridge construction, pipelines, and construction where it can fully apply its distinct capabilities. However, the low amount of capital investment activity continued to produce a severe operating environment for attracting project orders both in Japan and overseas during the quarter.

In these adverse conditions, although the company is implementing meticulous risk management and efforts to improve earnings on the projects currently under way, the decline in orders received in the previous fiscal year led to the Engineering and Construction segment posting net sales of ¥58.9 billion and an ordinary profit of ¥2.6 billion.

Urban Development

Nippon Steel City Produce, Inc., continued to face generally severe business conditions. Full-fledged recovery for contract rates in the condominium market still has not materialized despite an improving trend for a few properties in city centers, and results are varying substantially depending on individual properties. In addition, the sluggish demand for corporate office space is leading to rising vacancy rates and falling rental rates in the rental building market. Sales flow from large condominium units in urban centers remained steady.

In the first quarter of fiscal 2010, the Urban Development business posted net sales of ¥18.7 billion and an ordinary profit of ¥1.9 billion.

Chemicals

Nippon Steel Chemical Co., Ltd., recorded solid production and sales results for coal-based chemicals on recovering shipment volumes of pitch coke for electrodes, for electronic circuit board materials on recovering demand for mobile phone applications, and for display materials and epoxy resins from the brisk demand for flat-screen TVs. However, the Company struggled to generate revenues in the chemical products business in severe business conditions that included rising raw materials prices.

In the first quarter of fiscal 2010, the Chemicals business recorded net sales of ¥45.9 billion and an ordinary profit of ¥1.7 billion.

New Materials

Results at Nippon Steel Materials Co., Ltd., reflect brisk shipments in the core semiconductor and electronic materials business segments and particularly strong shipment results for computer- and mobile phone-related products. While the markets are recovering at a slow pace for environmental materials and components and other businesses, demand is recovering well for steel foil and other existing products and growing for new products, such as surface-treated copper wire.

In the first quarter of fiscal 2010, the New Materials business posted net sales of ¥14.7 billion and an ordinary profit of ¥0.7 billion.

System Solutions

NS Solutions Corporation provides comprehensive solutions in planning, configuration, operation, and maintenance of IT systems for customers in a broad range of fields. The company provides leading-edge solutions services incorporating to further enhance customer investment efficiency and responsiveness to changing business conditions. NS Solutions Corporation's activities during the quarter focused on establishing the infrastructure to broaden its menu of cloud services* and included constructing a next-generation, high-standard database center that will become the nucleus of its cloud services business and launching the "NS AppBASE for EC Site," an application base to support client construction and management of electronic commerce (EC)** sites. The Company also strengthened and improved its systems for the telecom and other growth fields.

In the first quarter of fiscal 2010, the System Solutions business posted net sales of ¥33.9 billion and an ordinary profit of ¥1.9 billion.

*Cloud services are Internet-based scalable data access services.

**Electronic commerce or e-commerce (EC) sites are on-line sales sites for client products and services.

2. Consolidated Forecast

The global economy is expected to continue steadily expanding. However, the situation requires monitoring owing to concerns of spreading credit uneasiness in the aftermath of the Greek financial crisis and the potential impact if the Chinese government decides to switch to a policy to prevent economic overheating.

Developments in the Japanese economy must also be watched carefully. The Japanese economy is being drawn in two distinct directions with external demand, particularly from Asia, and governmental stimulus measures supporting a recovery in manufacturing activity while the construction and civil engineering fields remain stagnant. Although external demand is expected to continue nudging the domestic economy recovery, the economy continues to run the risk of a downturn from global economic instability, the fading effectiveness of governmental stimulus measures, sharp fluctuations in the foreign exchange markets, and the concern that weak domestic demand could lead to deflation.

The outlook for the steel market remains uncertain. Steel demand has been holding strong overseas but the Chinese steel market has started contracting because inventories rose along with the rapid expansion of crude steel production capacity. Moreover, this could then negatively impact steel market conditions across Asia and lead to an increasing volatility in spot prices for the Company's core raw materials.

Nippon Steel is responding to this operating environment by attentively controlling production levels to match actual demand conditions. In addition, the Company is currently negotiating agreements with most of its suppliers regarding the raw material price increases applicable in the second quarter.

In response to the ongoing rises in raw material prices, the Company is continuing to lower costs to the bare minimum while seeking the understanding of its corporate customers as it implements the necessary adjustments to its steel material prices.

Nippon Steel projects consolidated results in the first half of fiscal 2010 of ¥2,050.0 billion in net sales and ¥125.0 billion in ordinary profit.

The current market conditions make it extremely difficult to form a reasonably accurate forecast for the second half of fiscal 2010. Among the factors that could significantly impact the steel market conditions in the second half are: the inability to anticipate economic developments in Europe or when the inventory adjustments will conclude in China; the inability to predict how the domestic markets will react, such as if durable goods demand will recede, once the government economic stimulus measures come to an end; and the outcome of impending Company negotiations to set the prices of core raw materials and steel products that will go into effect in the third quarter of the fiscal year. At this point in time, the Company is aiming to maintain equal levels of ordinary profit in the first and second halves, which places the full-year forecast at ¥250.0 billion.

The Company plans to announce the full-year forecast for fiscal 2010 as soon as it is able to formulate reasonably accurate assumptions and will provide a status update at the scheduled announcement of the results for the second quarter of fiscal 2010.

Basic Profit Distribution Policy and the First Half (Interim) Dividend Payment in Fiscal 2010

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 and the forecast for the full fiscal year performance.

In line with the basic profit distribution policy and in consideration of the business performance forecasts for the first half and full fiscal year, the Company has regrettably decided to not distribute a first half (interim) dividend payment in fiscal 2010.

The Company will decide and announce its policy regarding the year-end dividend payment when announcing the third quarter performance results.

3. 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:

(a) Changes accompanying revisions in accounting standard:

1) Application of “Accounting Standard for Equity Method of Accounting for Investments” and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method”

Beginning with the first quarter of the fiscal year ending March 31, 2011, the Company has applied “Accounting Standard for Equity Method of Accounting for Investments” (Accounting Standards Board of Japan (ASBJ) Statement No. 16) (H20.3) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (PITF No. 24), and has made the adjustments necessary for consolidation.

The effect of this change on quarterly consolidated financial statements was not material.

2) Application of Accounting Standards for Asset Retirement Obligations

Beginning with the first quarter of the fiscal year ending March 31, 2011, the Company has applied “Accounting Standards for Asset Retirement Obligations” (ASBJ Statement No. 18) and “Guidance on Accounting Standards for Asset Retirement Obligations” (ASBJ Guidance No. 21).

The effect of this change on quarterly consolidated financial statements was not material.

3) Application of Accounting Standards for Measurement of Inventories (Standards revised in 2008)

Beginning with the first quarter of the fiscal year ending March 31, 2011, accompanying the application of “Accounting Standards for Measurement of Inventories” (ASBJ Statement No. 9), the Company and certain of its consolidated subsidiaries have changed the method of measurement of inventories from the cost method using the last-in, first-out method to the periodic average method.

The effect of this change on quarterly consolidated financial statements was not material.

4) Application of Accounting Standards for Business Combinations and Related Matters (Standards revised in 2008)

Beginning with the first quarter of the fiscal year ending March 31, 2011, the Company has applied the following accounting standards: “Accounting Standard for Business Combinations” (ASBJ Statement No. 21), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22), “Partial Amendments to the Accounting Standard for Research and Development Costs” (ASBJ Statement No. 23), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7), “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16) (H20.12), and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10).

(b) Changes other than those in “1.” Above:

None

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of yen		
ASSETS	June 30, 2010	March 31, 2010
Current assets :		
Cash and bank deposits	81,544	78,197
Notes and accounts receivable	406,543	457,804
Inventories	901,370	854,763
Other	242,346	255,563
Less: Allowance for doubtful accounts	(2,924)	(4,161)
Total current assets	1,628,879	1,642,168
Fixed assets :		
Tangible fixed assets :		
Machinery and equipment	941,279	930,307
Other	926,804	948,043
	1,868,083	1,878,351
Intangible fixed assets	48,794	46,870
Investments and others :		
Investments in securities	1,126,592	1,272,033
Other	188,224	167,308
Less: Allowance for doubtful accounts	(4,100)	(4,353)
	1,310,717	1,434,988
Total fixed assets	3,227,595	3,360,210
Total assets	4,856,475	5,002,378

Millions of yen		
LIABILITIES	June 30, 2010	March 31, 2010
Current liabilities :		
Notes and accounts payable	466,442	449,877
Short-term loans and long-term loans due within one year	313,080	304,743
Commercial paper	56,000	78,000
Accrued income taxes and enterprise taxes	9,527	23,308
Reserve	3,830	3,522
Other	486,889	510,635
Total current liabilities	1,335,770	1,370,087
Long-term liabilities :		
Bonds and notes	369,960	364,958
Long-term loans	626,303	626,910
Accrued pension and severance costs	143,978	141,995
Reserve	32,892	33,375
Other	85,275	129,374
Total long-term liabilities	1,258,411	1,296,614
Total liabilities	2,594,181	2,666,701
NET ASSETS		
Shareholders' equity :		
Common stock	419,524	419,524
Capital surplus	114,347	114,345
Retained earnings	1,458,039	1,441,248
Less: Treasury stock, at cost	(262,125)	(262,004)
	1,729,786	1,713,114
Valuation and transaction adjustments:		
Unrealized gains on available-for-sale securities	67,202	158,364
Deferred hedge income (loss)	(7,718)	(1,846)
Unrealized gains on revaluation of land	12,905	10,759
Foreign currency translation adjustments	(38,677)	(36,010)
	33,711	131,267
Minority interest in consolidated subsidiaries	498,795	491,294
Total net assets	2,262,293	2,335,676
Total liabilities and net assets	4,856,475	5,002,378

(2) Consolidated Statements of Income

	Millions of yen	
	First quarter of fiscal 2009	First quarter of fiscal 2010
Operating revenues :		
Net sales	745,083	970,619
Cost of sales	728,106	838,464
Gross margin	16,977	132,154
Selling, general and administrative expenses	70,382	81,062
Operating profit (loss)	(53,405)	51,092
Non-operating profit and loss :		
Non-operating profit :		
Interest and dividend income	6,919	5,863
Equity in net income of unconsolidated subsidiaries and affiliates	2,628	10,977
Other	8,344	14,142
	17,891	30,983
Non-operating loss :		
Interest expenses	5,194	4,658
Other	15,959	15,532
	21,154	20,190
Ordinary profit (loss)	(56,668)	61,885
Special loss :		
Loss on impairment for fixed assets	-	7,227
Penalty	6,400	-
	6,400	7,227
Income (loss) before income taxes and minority interest	(63,068)	54,658
Income taxes - current and deferred	(19,760)	21,899
Income before minority interest	-	32,758
Minority interest in net income of consolidated subsidiaries	(1,061)	5,929
Net income	(42,246)	26,828

(3) Matters or Circumstances Causing Material Doubt about Continuing Companies as Going Concerns

None

(4) Consolidated Segment Information

(Information of business segments)

First quarter of fiscal 2009 (April 1, 2009 to June 30, 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	578,892	88,809	21,536	37,965	12,996	32,665	772,865	(27,781)	745,083
Operating profit (loss)	(64,985)	7,718	1,089	2,520	(138)	1,914	(51,881)	(1,524)	(53,405)

(Information regarding sales and income (loss) by reportable segments)

First quarter of fiscal 2010 (April 1, 2010 to June 30, 2010)

Millions of yen

							Total	Adjustment	Figures in Consolidated Statements of Income
	Steelmaking and steel fabrication	Engineering and construction	Urban development	Chemicals	New materials	System solutions			
Sales	824,565	58,967	18,766	45,966	14,719	33,988	996,973	(26,353)	970,619
Segments income (Ordinary profit)	56,406	2,654	1,925	1,788	764	1,933	65,472	(3,587)	61,885

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

None

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 First Quarter of Fiscal 2010

Japanese Steel Industry

1. Crude Steel Production

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2009FY	19.09	24.24	43.33	26.61	26.51	53.12	96.45
2010FY	28.06	()26.82	()54.88				

() 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)
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	(171.6)	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	(160.6)	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	(137.9)	3.49	0.220
Sep. 2009	4.62	(121.3)	3.43	0.229
Oct. 2009	4.65	(122.4)	3.44	0.232
Nov. 2009	4.71	(126.8)	3.40	0.229
Dec. 2009	4.79	(132.9)	3.42	0.229
Jan. 2010	4.79	(130.3)	3.51	0.215
Feb. 2010	4.84	(133.4)	3.51	0.200
Mar. 2010	4.75	(108.0)	3.42	0.180
Apr. 2010	4.83	(127.9)	3.50	0.182
May 2010	5.04	(128.0)	3.64	0.196

*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
2009FY	4.84	6.35	11.19	7.70	7.68	15.38	26.57
2010FY	7.77	Approx. 8.40	Approx. 16.20				

4. Crude Steel Production

(Consolidated basis)

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2009FY	5.37	7.38	12.75	8.72	8.45	17.17	29.92
2010FY	8.64	Approx. 9.00	Approx. 17.60				

(Non-consolidated basis)

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2009FY	4.82	6.73	11.55	8.10	7.85	15.95	27.50
2010FY	8.00	Approx. 8.40	Approx. 16.40				

5. Steel Products Shipment

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2009FY	4.73	6.74	11.47	7.60	8.02	15.62	27.09
2010FY	7.76	Approx. 7.90	Approx. 15.60				

6. Average Price of Steel Products

(thousands of yen / ton)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2009FY	88.4	72.7	79.2	72.5	72.7	72.6	75.4
2010FY	79.1	Approx. 87.0	Approx. 83.0				

7. Export Ratio of Steel Products (Value basis)

(%)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2009FY	33.1	38.9	36.2	38.8	41.3	40.1	38.4
2010FY	42.5	Approx. 40.0	Approx. 41.0				

8. Foreign Exchange Rate

(¥/US\$)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
2009FY	97	95	96	89	90	90	92
2010FY	93	Approx. 90	Approx. 91				

9. Unrealized Gains on Available-for-Sale Securities

(billion yen)

	1st quarter of 2010FY	2009FY	difference
Consolidated	112.7(67.2)	265.7(158.3)	-153.0(-91.1)
[Nikkei 225]	[9,383yen]	[11,090yen]	[-1,707yen]

* Figures in parentheses were after adopting deferred tax accounting.

10. Amount of Capital Expenditure and Depreciation

• Capital Expenditure (billion yen)

	2010FY (estimated)	2009FY
Consolidated	320.0	330.0
Non-consolidated	220.0	270.0

• Depreciation (billion yen)

	2010FY (estimated)	2009FY
Consolidated	310.0	284.0
Non-consolidated	230.0	213.6

[Reference: Recent Quarterly Operating Results]

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

(billion yen)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	Fiscal 2009
Sales	745.0	828.2	1,573.3	911.8	1,002.4	1,914.3	3,487.7
Operating profit	▲ 53.4	▲ 18.0	▲ 71.4	39.7	63.6	103.4	32.0
Ordinary profit	▲ 56.6	▲ 30.2	▲ 86.9	43.3	55.4	98.7	11.8
Non-consolidated	▲ 70.8	▲ 59.0	▲ 129.9	13.1	21.8	34.9	▲ 94.9
Net income	▲ 42.2	▲ 29.5	▲ 71.8	25.9	34.3	60.3	▲ 11.5

Fiscal 2010 (April 1, 2010 to March 31, 2011)

(billion yen)

	1st quarter	Forecast for the 2nd quarter (data released on July 28, 2010)	Forecast for the 1st half of fiscal 2010 (data released on July 28, 2010)	Forecast for fiscal 2010 (data released on July 28, 2010)
Sales	970.6	1,079.4	2,050.0	
Operating profit	51.0	54.0	105.0	
Ordinary profit	61.8	63.2	125.0	250.0
Non-consolidated	42.2	17.8	60.0	100.0
Net income	26.8	33.2	60.0	