

Flash Report
Consolidated Basis
Results for the Third Quarter of Fiscal 2010
(April 1, 2010—December 31, 2010)

January 28, 2011

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 10, 2011
Scheduled date to payment of dividends: —
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 Third Quarter of Fiscal 2010

(April 1, 2010—December 31, 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 | % |
| Third quarter of fiscal 2010 | 3,025,235 | 21.7 | 152,086 | — | 188,395 | — | 104,482 | — |
| Third quarter of fiscal 2009 | 2,485,215 | (35.1) | (31,624) | — | (43,640) | — | (45,899) | — |

| | Net income per share | Net income per share after full dilution |
|-------------------------------------|----------------------|--|
| | Yen | Yen |
| Third quarter of fiscal 2010 | 16.61 | 16.05 |
| Third quarter of fiscal 2009 | (7.30) | — |

(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 2010 | 5,036,412 | 2,380,564 | 36.8 | 294.81 |
| Fiscal 2009 | 5,002,378 | 2,335,676 | 36.9 | 293.19 |

(For reference) Shareholders' equity: Third quarter of fiscal 2010 **¥1,854,420** million
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 | — | 0.00 | — | 3.00 | 3.00 |
| Fiscal 2010 (Forecast) | | | | 3.00 | 3.00 |

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

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 | % |
| Fiscal 2010 | 4,100,000 | 17.6 | 165,000 | 415.5 | 220,000 | — |

| | Net income | | Net income per share |
|-------------|-----------------|---|----------------------|
| | Millions of yen | % | Yen |
| Fiscal 2010 | 95,000 | — | 15.10 |

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

Note: Please see the section “2. Consolidated Forecasts” on page 5 for the Company’s full-year forecast figures.

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)

Third 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

Third quarter of fiscal 2010 **516,804,160** shares

Fiscal 2009 516,191,673 shares

(c) Average number of shares issued during the period

Third quarter of fiscal 2010 **6,290,362,128** shares

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

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(Qualitative Information and Financial Review)

1. Consolidated Operating Results

Overview of Conditions in the Third Quarter of Fiscal 2010

The global economy continued its course of gradual recovery in the term under review supported by the expanding economies of emerging countries in Asia, economic stimulus measures in the United States, and the ongoing strength of the German economy. In Japan, also, signs of recovery surfaced in certain sectors, although various factors, including the diminishing effects of stimulus measures, hindered improvement in the overall economic conditions.

Amid these conditions, domestic demand for steel was adversely affected by the ongoing stagnancy in the domestic construction and civil engineering fields but export volume remained at a high level, supported by vigorous steel demand from emerging countries in Asia. The result was total crude steel production volume in Japan increasing from the second quarter by 310,000 tons, to 27.67 million tons, in the third quarter.

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

Overview of operating performance by business segment

| | (Billions of yen) | |
|-----------------------------------|-------------------|-----------------|
| | Net Sales | Ordinary Profit |
| Steelmaking and steel fabrication | 859.4 | 43.5 |
| Engineering and construction | 55.2 | 2.1 |
| Urban development | 15.9 | 2.5 |
| Chemicals | 50.2 | 4.4 |
| New materials | 15.1 | 0.0 |
| System solutions | 35.4 | 2.7 |
| Total | 1,031.4 | 55.3 |
| Eliminations | (28.3) | (1.8) |
| Consolidated total | 1,003.1 | 53.5 |

*The figures above are for the consolidated results during the three-month period from October 1 to December 31, 2010.

Steelmaking and Steel Fabrication

The Steelmaking and Steel Fabrication segment made every effort in its production and shipment operations during the term to meet the high level of steel demand, which was led by export demand. However, shipments unfulfilled by the end of the term and other factors resulted in steel shipment volume

of 7.66 million tons for the third quarter, representing a decline of 180,000 tons from the level of the previous quarter.

Negotiations with main suppliers of raw materials resulted in reduced contracted unit prices for both iron ore and heavy-caking coal compared to the second quarter. However, shipments of materials bearing the higher unit prices that were contracted during the second quarter resulted in the cost of raw materials used during the quarter remaining about the same as in the second quarter. On other hand, the prices of steel materials declined, particularly for products affected by market conditions.

The Nippon Steel Group continued to make every effort to reduce costs to the bare minimum. In the third quarter of fiscal 2010, the Steelmaking and Steel Fabrication business recorded net sales of ¥859.4 billion and an ordinary profit of ¥43.5 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 projects, bridge construction, pipelines, and construction where it can fully apply its distinctive capabilities in each area. The current environment for project orders is characterized by an increasing number of projects overseas, particularly in Asia, while business conditions within Japan remain severe.

The company is responding to the harsh conditions with meticulous risk management and measures to improve earnings on the projects currently under way. Despite these efforts, the drop in orders received in the previous fiscal year led to the Engineering and Construction segment posting net sales of ¥55.2 billion and an ordinary profit of ¥2.1 billion in the third quarter of fiscal 2010.

Urban Development

Nippon Steel City Produce, Inc., saw indications of improving business conditions in certain areas of operations during the term. Contract rates in the condominium market steadily improved in the Tokyo metropolitan area benefited by the reduced interest rates on home loans, tax incentives, and other supportive government policies. The downtrend in vacancy rates in the rental building market also leveled off during the term. In addition, sales flow remained steady for large condominium units in the Tokyo metropolitan area.

In the third quarter of fiscal 2010, the Urban Development business posted net sales of ¥15.9 billion and an ordinary profit of ¥2.5 billion.

Chemicals

Nippon Steel Chemical Co., Ltd., confronted rising raw materials prices and declining sales volume during the quarter as a result of production level adjustments by several customers in the epoxy and other businesses. Despite these trends, the Chemicals business expanded its shipment volume during the quarter on continuing steady sales of pitch coke for electrodes, naphthalene, and other products in the coal-based chemicals business and on brisk demand for flat-screen TVs and materials for new mobile phone technologies in the functional materials business.

The steady performance of the chemical products business, which was largely a reflection of the improving conditions for product prices, contributed to the Chemicals business posting third-quarter net sales of ¥50.2 billion and an ordinary profit of ¥4.4 billion.

New Materials

Nippon Steel Materials Co., Ltd., recorded flat demand in its core electronic materials business, particularly in the computer business. Demand moved into a growing trend in the carbon fiber field but remained flat overall in the environmental materials and basic industrial materials businesses. The New Materials business posted net sales of ¥15.1 billion and reported an ordinary profit in the third quarter of fiscal 2010.

System Solutions

NS Solutions Corporation provides comprehensive solutions in the planning, configuration, operation, and maintenance of IT systems for customers in a broad range of fields and develops leading-edge solutions services to further enhance customer investment efficiency and responsiveness to changing business conditions. The company continued broadening its menu of cloud computing services* and established a cloud technology promotion group with the objective of standardizing the distributed processing infrastructure for core systems with two user-related IT companies. The company also continues to make steady progress in the construction of the next-generation, high-standard database center that will become the nucleus of its cloud computing services business upon its scheduled operating launch at the start of 2012.

The System Solutions business posted net sales of ¥35.4 billion and an ordinary profit of ¥2.7 billion.

*Cloud computing services is a new type of Internet-based scalable data access service allowing users access to computer-based resources via the Internet.

2. Consolidated Forecasts

The global economy is expected to continue in a gradual recovery mode. Economic conditions in Japan are expected to follow this trend, although the domestic outlook is clouded due to the expiration and cutback of government demand-stimulation policies as well as the prolonging slump in construction investment.

We expect domestic steel demand from manufacturers to level off due to a reactionary decline resulting from the ending of demand stimulus measures and the effects of the strong yen. Construction industry steel demand is also expected to continue to be sluggish. Foreign demand should remain high with support from the economic expansion of emerging countries.

Amid these conditions, the prices of principal raw materials began to rise in the fourth quarter of the fiscal year and, currently, market prices of raw materials are rising further. Although stagnation in steel market conditions continued through the end of the calendar year, conditions began to improve after the start of the new year and are currently recovering rapidly.

Nippon Steel anticipates quarter-to-quarter growth in the fourth quarter in production and shipment volumes and plans to revise its cost structure to the maximum extent possible. The contracted unit prices for iron ore and coal have risen compared to the third quarter. Furthermore, the Australia floods are expected to push the prices of essential raw materials even higher. In addition, most of the positive effects from the improving prices in the steel commodities markets, particularly exports, will not begin to appear in the sales prices of actual export shipments until after March, when the current fiscal year ends. Based on these circumstances, the Company anticipates that the improvement in steel prices will have only a marginal effect in the fourth quarter of the fiscal year.

Nippon Steel has revised its forecast figures for fiscal 2010 results to ¥220.0 billion in consolidated ordinary profit and ¥80.0 billion in non-consolidated ordinary profit. This revision from the previous forecasts announced on October 27, 2010, of ¥250.0 billion in consolidated ordinary profit and ¥100.0

billion in non-consolidated ordinary profit reflects the current business conditions and uncertain elements, including the market trend for steel materials and other factors that could affect raw material prices.

Basic Profit Distribution Policy

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 basis. 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.

Year-End Cash Dividend Distribution

In line with the basic profit distribution policy and in view of the outlook for the full fiscal year, the Company has adopted a policy of paying a fiscal 2010 year-end dividend of ¥3.0 per share, representing a 20% consolidated payout ratio.

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) (2008) 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 Standard for Asset Retirement Obligations

Beginning with the first quarter of the fiscal year ending March 31, 2011, the Company has applied “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18) and “Guidance on Accounting Standard 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 Standard for Measurement of Inventories (revised 2008)

Beginning with the first quarter of the fiscal year ending March 31, 2011, accompanying the application of “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9), a 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 Standard 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) (revised 2008), and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10).

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

None

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

| | Millions of yen | |
|---------------------------------------|--------------------------|-----------------------|
| ASSETS | December 31, 2010 | March 31, 2010 |
| Current assets : | | |
| Cash and bank deposits | 81,862 | 78,197 |
| Notes and accounts receivable | 433,229 | 457,804 |
| Inventories | 986,219 | 854,763 |
| Other | 254,511 | 255,563 |
| Less: Allowance for doubtful accounts | (2,769) | (4,161) |
| Total current assets | 1,753,054 | 1,642,168 |
| Fixed assets : | | |
| Tangible fixed assets : | | |
| Buildings and structures | 500,158 | 489,884 |
| Machinery and equipment | 903,583 | 930,307 |
| Other | 453,628 | 458,158 |
| | 1,857,370 | 1,878,351 |
| Intangible fixed assets | 59,323 | 46,870 |
| Investments and others : | | |
| Investments in securities | 1,182,400 | 1,272,033 |
| Other | 189,970 | 167,308 |
| Less: Allowance for doubtful accounts | (5,706) | (4,353) |
| | 1,366,664 | 1,434,988 |
| Total fixed assets | 3,283,358 | 3,360,210 |
| Total assets | 5,036,412 | 5,002,378 |

Millions of yen

| LIABILITIES | December 31, 2010 | March 31, 2010 |
|--|-------------------|----------------|
| Current liabilities : | | |
| Notes and accounts payable | 487,301 | 449,877 |
| Short-term loans and long-term loans due within one year | 341,918 | 304,743 |
| Commercial paper | 64,000 | 78,000 |
| Accrued income taxes and enterprise taxes | 18,028 | 23,308 |
| Reserve | 4,505 | 3,522 |
| Other | 474,453 | 510,635 |
| Total current liabilities | 1,390,206 | 1,370,087 |
| Long-term liabilities : | | |
| Bonds and notes | 385,064 | 364,958 |
| Long-term loans | 600,162 | 626,910 |
| Accrued pension and severance costs | 157,826 | 141,995 |
| Reserve | 28,367 | 33,375 |
| Other | 94,220 | 129,374 |
| Total long-term liabilities | 1,265,641 | 1,296,614 |
| Total liabilities | 2,655,847 | 2,666,701 |
| NET ASSETS | | |
| Shareholders' equity : | | |
| Common stock | 419,524 | 419,524 |
| Capital surplus | 114,341 | 114,345 |
| Retained earnings | 1,534,449 | 1,441,248 |
| Less: Treasury stock, at cost | (262,732) | (262,004) |
| | 1,805,584 | 1,713,114 |
| Valuation and transaction adjustments: | | |
| Unrealized gains on available-for-sale securities | 95,217 | 158,364 |
| Deferred hedge income (loss) | (5,020) | (1,846) |
| Unrealized gains on revaluation of land | 11,536 | 10,759 |
| Foreign currency translation adjustments | (52,897) | (36,010) |
| | 48,836 | 131,267 |
| Minority interest in consolidated subsidiaries | 526,143 | 491,294 |
| Total net assets | 2,380,564 | 2,335,676 |
| Total liabilities and net assets | 5,036,412 | 5,002,378 |

(2) Consolidated Statements of Income

| | Millions of yen | |
|--|---------------------------------|---------------------------------|
| | Third quarter of fiscal 2009 | Third quarter of fiscal 2010 |
| Operating revenues : | | |
| Net sales | 2,485,215 | 3,025,235 |
| Cost of sales | 2,296,296 | 2,635,699 |
| Gross margin | 188,919 | 389,536 |
| Selling, general and administrative expenses | 220,543 | 237,449 |
| Operating profit (loss) | (31,624) | 152,086 |
| Non-operating profit and loss : | | |
| Non-operating profit : | | |
| Interest and dividend income | 11,836 | 12,384 |
| Equity in net income of unconsolidated subsidiaries and affiliates | 21,936 | 57,678 |
| Other | 21,388 | 25,923 |
| | 55,161 | 95,985 |
| Non-operating loss : | | |
| Interest expenses | 15,234 | 13,902 |
| Other | 51,942 | 45,774 |
| | 67,177 | 59,676 |
| Ordinary profit (loss) | (43,640) | 188,395 |
| Special loss : | | |
| Loss on impairment for fixed assets | - | 7,365 |
| Penalty | 6,400 | - |
| | 6,400 | 7,365 |
| Income (loss) before income taxes and minority interest | (50,040) | 181,030 |
| Income taxes - current and deferred | (6,943) | 59,719 |
| Income before minority interest | - | 121,310 |
| Minority interest in net income of consolidated subsidiaries | 2,802 | 16,828 |
| Net income | (45,899) | 104,482 |

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

None

(4) Consolidated Segment Information

(Information of business segments)

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

Millions of yen

| | Steelmaking and steel fabrication | Engineering and construction | Urban development | Chemicals | New materials | System solutions | Total | Elimination of intersegment transactions | Consolidated total |
|--------------------------------|-----------------------------------|------------------------------|-------------------|-----------|---------------|------------------|----------|--|--------------------|
| | Sales | 2,012,566 | 231,788 | 57,255 | 132,080 | 44,165 | 102,452 | 2,580,308 | (95,092) |
| Operating profit (loss) | (66,087) | 19,601 | 4,615 | 7,596 | (306) | 5,483 | (29,097) | (2,527) | (31,624) |

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

Third quarter of fiscal 2010 (April 1, 2010 to December 31, 2010)

Millions of yen

| | Steelmaking and steel fabrication | Engineering and construction | Urban development | Chemicals | New materials | System solutions | Total | Adjustment | Figures in Consolidated Statements of Income |
|--|-----------------------------------|------------------------------|-------------------|-----------|---------------|------------------|---------|------------|--|
| | Sales | 2,578,076 | 178,918 | 54,712 | 144,696 | 46,079 | 109,185 | 3,111,668 | (86,433) |
| Segments income (Ordinary profit) | 161,189 | 9,168 | 6,739 | 9,362 | 1,551 | 7,121 | 195,133 | (6,738) | 188,395 |

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

None

Recent Quarterly Operating Results

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

| | | | | Forecast for 2nd half (data released on Jan. 28, 2011) | | | Forecast for fiscal 2010 (data released on Jan. 28, 2011) |
|-----------------------------------|---------------------|----------------------|----------------------|--|--------------------------|---------------------|---|
| | 1st quarter | 2nd quarter | 1st half | 3rd quarter | Forecast for 4th quarter | | |
| | Apr. 2010-June 2010 | July 2010-Sept. 2010 | Apr. 2010-Sept. 2010 | Oct. 2010-Dec. 2010 | Jan. 2011-Mar. 2011 | Oct. 2010-Mar. 2011 | Apr. 2010-Mar. 2011 |
| | ¥billion | ¥billion | ¥billion | ¥billion | ¥billion | ¥billion | ¥billion |
| Sales | 970.6 | 1,051.4 | 2,022.0 | 1,003.1 | 1,074.7 | 2,077.9 | 4,100.0 |
| Steelmaking and steel fabrication | 824.5 | 894.0 | 1,718.6 | 859.4 | 871.9 | 1,731.3 | 3,450.0 |
| Engineering and construction | 58.9 | 64.6 | 123.6 | 55.2 | 91.0 | 146.3 | 270.0 |
| Urban development | 18.7 | 19.9 | 38.7 | 15.9 | 35.2 | 51.2 | 90.0 |
| Chemicals | 45.9 | 48.4 | 94.4 | 50.2 | 55.3 | 105.5 | 200.0 |
| New materials | 14.7 | 16.2 | 30.9 | 15.1 | 13.9 | 29.0 | 60.0 |
| System solutions | 33.9 | 39.7 | 73.7 | 35.4 | 50.8 | 86.2 | 160.0 |
| Adjustment | (26.3) | (31.7) | (58.0) | (28.3) | (43.5) | (71.9) | ▲ 130.0 |
| Operating profit | 51.0 [5.3%] | 67.0 [6.4%] | 118.1 [5.8%] | 33.9 [3.4%] | 12.9 [1.2%] | 46.8 [2.3%] | 165.0 [4.0%] |
| Ordinary profit | 61.8 [6.4%] | 72.9 [6.9%] | 134.8 [6.7%] | 53.5 [5.3%] | 31.6 [2.9%] | 85.1 [4.1%] | 220.0 [5.4%] |
| Steelmaking and steel fabrication | 56.4 [6.8%] | 61.2 [6.9%] | 117.6 [6.8%] | 43.5 [5.1%] | 13.8 [1.6%] | 57.3 [3.3%] | 175.0 [5.1%] |
| Engineering and construction | 2.6 [4.5%] | 4.3 [6.7%] | 7.0 [5.7%] | 2.1 [3.9%] | 5.8 [6.4%] | 7.9 [5.5%] | 15.0 [5.6%] |
| Urban development | 1.9 [10.3%] | 2.2 [11.4%] | 4.2 [10.9%] | 2.5 [15.9%] | 2.2 [6.4%] | 4.7 [9.4%] | 9.0 [10.0%] |
| Chemicals | 1.7 [3.9%] | 3.1 [6.5%] | 4.9 [5.2%] | 4.4 [8.8%] | 2.6 [4.8%] | 7.0 [6.7%] | 12.0 [6.0%] |
| New materials | 0.7 [5.2%] | 0.7 [4.6%] | 1.5 [4.9%] | 0.0 [0.3%] | 0.4 [3.2%] | 0.4 [1.7%] | 2.0 [3.3%] |
| System solutions | 1.9 [5.7%] | 2.4 [6.2%] | 4.4 [6.0%] | 2.7 [7.6%] | 4.8 [9.6%] | 7.5 [8.8%] | 12.0 [7.5%] |
| Adjustment | (3.5) | (1.2) | (4.8) | (1.8) | 1.7 | (0.1) | ▲ 5.0 |
| Net income | 26.8 [2.8%] | 44.2 [4.2%] | 71.0 [3.5%] | 33.4 [3.3%] | ▲ 9.4 [▲0.9%] | 23.9 [1.2%] | 95.0 [2.3%] |
| Net income per share | 4.26 | 7.03 | 11.29 | 5.32 | ▲ 1.51 | 3.81 | 15.10 |

【 】: Return on sales
() in "Adjustment" row indicate negative numbers

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

| | | | | Forecast for fiscal 2010 (data released on Oct. 27, 2010) | | | |
|-----------------------------------|---------------------|----------------------|----------------------|---|---------------------|---------------------|---------------------|
| | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | Fiscal 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 |
| | ¥billion | ¥billion | ¥billion | ¥billion | ¥billion | ¥billion | ¥billion |
| Sales | 745.0 | 828.2 | 1,573.3 | 911.8 | 1,002.4 | 1,914.3 | 3,487.7 |
| Steelmaking and steel fabrication | 578.8 | 680.6 | 1,259.5 | 753.0 | 810.6 | 1,563.6 | 2,823.1 |
| Engineering and construction | 88.8 | 65.9 | 154.8 | 76.9 | 100.1 | 177.1 | 331.9 |
| Urban development | 21.5 | 22.3 | 43.8 | 13.4 | 22.8 | 36.2 | 80.0 |
| Chemicals | 37.9 | 48.6 | 86.5 | 45.4 | 47.3 | 92.8 | 179.4 |
| New materials | 12.9 | 16.1 | 29.1 | 15.0 | 14.6 | 29.6 | 58.7 |
| System solutions | 32.6 | 37.1 | 69.8 | 32.6 | 49.7 | 82.3 | 152.2 |
| Adjustment | (27.7) | (42.6) | (70.3) | (24.6) | (42.8) | (67.5) | (137.9) |
| Operating profit | ▲ 53.4 [▲7.2%] | ▲ 18.0 [▲2.2%] | ▲ 71.4 [▲4.5%] | 39.7 [4.4%] | 63.6 [6.3%] | 103.4 [5.4%] | 32.0 [0.9%] |
| Ordinary profit | ▲ 56.6 [▲7.6%] | ▲ 30.2 [▲3.7%] | ▲ 86.9 [▲5.5%] | 43.3 [4.8%] | 55.4 [5.5%] | 98.7 [5.2%] | 11.8 [0.3%] |
| Steelmaking and steel fabrication | ▲ 65.8 [▲11.4%] | ▲ 39.4 [▲5.8%] | ▲ 105.2 [▲8.4%] | 33.1 [4.4%] | 43.5 [5.4%] | 76.6 [4.9%] | ▲ 28.5 [▲1.0%] |
| Engineering and construction | 8.1 [9.2%] | 3.7 [5.7%] | 11.9 [7.7%] | 7.1 [9.3%] | 10.1 [10.1%] | 17.2 [9.8%] | 29.2 [8.8%] |
| Urban development | 0.7 [3.6%] | 1.6 [7.3%] | 2.4 [5.5%] | 1.4 [10.6%] | ▲ 2.1 [▲9.3%] | ▲ 0.6 [▲1.9%] | 1.7 [2.1%] |
| Chemicals | 2.5 [6.7%] | 2.2 [4.5%] | 4.7 [5.5%] | 2.4 [5.4%] | 1.9 [4.2%] | 4.4 [4.8%] | 9.1 [5.1%] |
| New materials | ▲ 0.0 [▲0.8%] | ▲ 0.0 [▲0.1%] | ▲ 0.1 [▲0.4%] | ▲ 0.1 [▲0.9%] | 0.8 [5.7%] | 0.6 [2.4%] | 0.5 [1.0%] |
| System solutions | 2.0 [6.3%] | 2.2 [5.9%] | 4.2 [6.1%] | 1.5 [4.6%] | 5.3 [10.8%] | 6.8 [8.4%] | 11.1 [7.3%] |
| Adjustment | (4.3) | (0.6) | (4.9) | (2.2) | (4.2) | (6.5) | (11.5) |
| Net income | ▲ 42.2 [▲5.7%] | ▲ 29.5 [▲3.6%] | ▲ 71.8 [▲4.6%] | 25.9 [2.8%] | 34.3 [3.4%] | 60.3 [3.2%] | ▲ 11.5 [▲0.3%] |
| Net income per share | ▲ 6.72 | ▲ 4.70 | ▲ 11.42 | 4.12 | 5.46 | 9.59 | ▲ 1.83 |

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 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 | 28.07 | 27.36 | 55.42 | 27.67 | (※)26.88 | 54.55 | 109.97 |

(※) 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. 2009 | 5.16 | (150.7) | 4.26 | 0.221 |
| Apr. 2009 | 4.90 | (165.6) | 3.88 | 0.206 |
| May 2009 | 4.86 | (160.0) | 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 | 5.00 | (127.0) | 3.64 | 0.196 |
| June 2010 | 4.95 | (120.1) | 3.63 | 0.209 |
| July 2010 | 4.91 | (121.7) | 3.69 | 0.203 |
| Aug. 2010 | 5.03 | (134.0) | 3.84 | 0.183 |
| Sep. 2010 | 5.05 | (125.3) | 3.81 | 0.165 |
| Oct. 2010 | 5.23 | (134.0) | 3.92 | 0.160 |
| Nov. 2010 | 5.00 | (123.8) | 3.75 | 0.149 |

*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 | 8.14 | 15.92 | 8.15 | Approx. 8.10 | Approx. 16.20 | Approx. 32.10 |

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 | 8.63 | 8.72 | 17.35 | 8.68 | Approx. 8.70 | Approx. 17.40 | Approx. 34.70 |

(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 | 8.17 | 16.17 | 8.04 | Approx. 8.10 | Approx. 16.10 | Approx. 32.30 |

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 | 7.84 | 15.59 | 7.66 | Approx. 8.10 | Approx. 15.80 | Approx. 31.40 |

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 | 86.4 | 82.8 | 81.4 | Approx. 81 | Approx. 81 | Approx. 82 |

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 | 38.7 | 40.5 | 39.8 | Approx. 41 | Approx. 40 | Approx. 40 |

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 | 86 | 90 | 83 | Approx. 85 | Approx. 84 | Approx. 87 |

9. Unrealized Gains on Available-for-Sale Securities

(billion yen)

| | 3rd quarter of 2010FY | 2009FY | difference |
|--------------|-----------------------|--------------|---------------|
| Consolidated | 159.7(95.2) | 265.7(158.3) | -106.0(-63.1) |
| 【Nikkei 225】 | 【10,229yen】 | 【11,090yen】 | 【-861yen】 |

* 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 | 300.0 | 284.0 |
| Non-consolidated | 220.0 | 213.6 |