Listed company name: Nippon Steel Corporation

(URL http://www.nsc.co.jp/)

Representative: Akio Mimura, Representative Director and President

(Code No.: 5401; Tokyo, Osaka, Nagoya, Fukuoka and Sapporo Stock Exchanges)

Contact: Hiroyuki Marukawa, General Manager, Public Relations Center

(Tel: 81-3-3275-5014)

Forecast for Consolidated Operating Performance in First Half of Fiscal 2007 and Full-year Forecast, and Interim Dividends

The forecast of consolidated operating results of Nippon Steel Corporation for the first half of fiscal 2007 and full-year forecast are outlined below. Nippon Steel intends to pay an interim-term dividend of ¥5.0 per share (a ¥1 increase in dividends year on year) for the first half of fiscal 2007.

1.Forecast for Consolidated Operating Performance in First Half of Fiscal 2007 (April 1, 2007 to September 30, 2007)

(Unit: ¥billion)

| | Net sales | Operating profit | Ordinary profit | Net income |
|---|-----------|------------------|-----------------|------------|
| Latest forecast (A) | 2,370 | 265 | 280 | 170 |
| Previous forecast (B) | 2,290 | 265 | 270 | 160 |
| Increase/Decrease (A–B) | +80 | _ | +10 | +10 |
| % change | +3.5% | _ | +3.7% | +6.3% |
| (Reference) Results of the first half of FY 2006 | 1,983.4 | 266.3 | 268.9 | 164.1 |

| Prospective balance of interest-bearing debts | 1,280 |
|---|-------|
| At the end of September 2007 | 1,200 |

*Forecast for Non-Consolidated Operating Performance in First Half of Fiscal 2007(April 1, 2007 to September 30, 2007)

(Unit: ¥billion)

| | Net sales | Operating profit | Ordinary profit | Net income |
|---|-----------|------------------|-----------------|------------|
| Latest forecast (A) | 1,350 | 175 | 165 | 115 |
| Previous forecast (B) | 1,310 | 190 | 180 | 115 |
| Increase/Decrease (A–B) | +40 | -15 | -15 | - |
| % change | +3.1% | -7.9% | -8.3% | 1 |
| (Reference) Results of the first half of FY 2006 | 1,252.7 | 199.2 | 196.4 | 127.2 |

2. Forecast for Consolidated Operating Performance in First Half of Fiscal 2007, Full-Year Forecast, and Interim Dividends

Forecast for Consolidated Operating Performance in First Half of Fiscal 2007

Amid generally favorable global economic conditions, the Japanese economy continued to grow modestly as a whole.

In the domestic steel market, supply/demand of medium-high grade steel remained tight, especially demand from the automotive, shipbuilding, machinery, and other manufacturing industries due to expanding demand from overseas. In overseas steel markets, global demand, especially from Europe and emerging economies, is currently absorbing further production increases in China and growth in exports, and current supply/demand continues to be stable.

Amid these conditions, in anticipation of solid demand in the medium-high grade steel field, we continue to take steps to improve our production capacity and quality response through expansion and relining of the No. 1 blast furnace at the Nagoya Works and the use of capacity at Group companies and our alliance partners in Japan and abroad. Meanwhile, we are working through our integrated production, marketing, engineering, and R&D functions to grasp precisely the needs of our customers. We are also taking a flexible approach to commodity-grade steel products, keeping a close eye on key market indicators, such as real demand and inventory levels.

The engineering and construction business, buttressed by an order backlog that approaches a record high, is working to improve its profitability through better earnings on projects as well as sales expansion. The performance of the urban development business, centering on condominium projects in the greater Tokyo metropolitan area, is on track to attain the Company forecast. At the chemicals business, competition among companies is growing fiercer in the electronic materials business, but conditions in the chemical products and coal chemicals businesses are robust, supported by firm supply/demand. As a result, the performance of the chemicals business as a whole is likely to exceed the Company forecast. At the new materials business, the adjustment phase in the electronics industry, a key market for this business, is dragging on longer than anticipated, and we are doing our utmost to improve earnings through cost-reduction initiatives. The system solutions business is faring well, driven by business solutions, including projects for the financial industry.

As a result of the foregoing, the consolidated operating results for the first half of fiscal 2007 (April 1 to September 30, 2007) are expected to be as follows (approximate results): net sales of ¥2,370 billion, operating profit of ¥265 billion, ordinary profit of ¥280 billion, and net income of ¥170 billion. The non-consolidated operating results are expected to be as follows (approximate results): net sales of ¥1,350 billion, operating profit of ¥175 billion, ordinary profit of ¥165 billion, and net income of ¥115 billion.

Forecast for Full-Year Consolidated Operating Results

In the latter half of fiscal 2007 (October 1, 2007 to March 31, 2008), while there are concerns about the impact of the current credit contraction in global financial markets, in the steelmaking and steel fabrication business, demand is robust globally, especially in emerging countries, and the level of activity at domestic manufacturing industries is expected to stay high, buoyed by growing overseas demand. Demand for medium-high grade steel, in particular, is likely to climb in both the domestic and export markets.

Amid this operating environment, Nippon Steel will seek to capture opportunities in medium-high grade steel created by persistently robust demand while adopting a cautious stance in commodity-grade steel products by closely monitoring real demand based on market inventory trends.

The cost of raw materials and fuels—reflecting, in particular, the market price of crude oil, steel scrap, and ocean freight—is rising. While we are still striving to reduce costs as much as possible through in-house initiatives, we continue to seek price increases from our customers by asking for their understanding in view of the higher costs for raw materials and fuel.

In businesses aside from steelmaking and steel fabrication, we will work to fortify and bolster their earnings power by making every possible effort to improve the profitability of each of them.

The Nippon Steel Group is moving ahead with alliances with both Japanese and overseas companies to reinforce its consolidated management base. Specifically, the Company has a global strategic alliance with Arcelor Mittal and has agreed to expand a North American joint venture business with this partner focused on automotive steel sheets; it fully backs the expansion investment plan of Brazilian-based Usinas Siderúrgicas de Minas Gerais S.A. (USIMINAS); and it plans has made Godo Steel, Ltd. into an equity-method affiliate and has made both Nippon Steel Drum Co., Ltd. and Hokkai Koki Co., Ltd. into wholly owned subsidiaries.

As a result of the foregoing, the consolidated operating results for fiscal 2007 are forecast as follows (approximate results): net sales of ¥4,800 billion, operating profit of ¥580 billion, ordinary profit of ¥600 billion, and net income of ¥365 billion; on a non-consolidated basis, the projected results for fiscal 2007 (approximate results) are: net sales of ¥2,750 billion, operating profit of ¥420 billion, ordinary profit of ¥400 billion, and net income of ¥255 billion.

Payment of Interim-Term Dividend

Based on its publicly released profit distribution policy and on forecasts of operating results for the first half of fiscal 2007 and for all of fiscal 2007, Nippon Steel intends to pay an interim-term dividend of ¥5 per share (a ¥1 increase in dividends compared with the level in the same period a year earlier).

Nippon Steel's policy is to distribute profits consistent with the consolidated operating results of each fiscal year in principle, taking into account various factors such as capital requirements for investment and other activities aimed at raising corporate value, prospects for future operating results and other relevant factors, and by

Nippon Steel Corporation

endeavoring to further reinforce the Company's financial structure. Declaration of dividends for a fiscal year will

be determined based on this policy.

Meanwhile, the Company has set the consolidated payout ratio at approximately 20% (non-consolidated payout

ratio at approximately 30%) as an indicator for the distribution of profit in conformance with the consolidated

operating results. However, because the Company's first priority is to improve the corporate financial structure, a

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 above level.

<Outline of Interim-Term Dividend Payment>

Dividend per share: ¥5/share (a ¥1 increase in dividends year on year)

Record date: September 30, 2007

Date of the start of payment (effective date): Early part of December 2007 (planned)

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3. Forecast for Consolidated Operating Performance in Fiscal 2007 (April 1, 2007 to March 31, 2008)

(Unit: ¥billion)

| | Net sales | Operating profit | Ordinary profit | Net income |
|---|----------------------------|------------------|-----------------|------------|
| Latest forecast (A) 4,800 | | 580 | 600 | 365 |
| Previous forecast (B) | 4,760 | 580 | 600 | 350 |
| Increase/Decrease (A–B) | acrease/Decrease (A–B) +40 | | _ | +15 |
| % change +0.8% | | _ | _ | +4.3% |
| (Reference) Results of previous year | 4,302.1 | 580.0 | 597.6 | 351.1 |

| Prospective balance of interest-bearing debts | 1 200 |
|---|-------|
| At the end of March 2008 | 1,200 |

*Forecast for Non-Consolidated Operating Performance in Fiscal 2007 (April 1, 2007 to March 31, 2008)

(Unit: ¥billion)

| | Net sales | Operating profit | Ordinary profit | Net income |
|---|-----------|------------------|-----------------|------------|
| Latest forecast (A) | 2,750 | 420 | 400 | 255 |
| Previous forecast (B) | 2,660 | 420 | 400 | 250 |
| Increase/Decrease (A–B) | +90 | _ | _ | +5 |
| % change | +3.4% | _ | _ | +2.0% |
| (Reference) Results of previous year | 2,562.8 | 402.2 | 389.7 | 248.8 |

(Note)

The information contained herein does not constitute information for disclosure purposes as stipulated in the Securities and Exchange Law of Japan, and as such, no representation or warranty is made regarding the accuracy or completeness of such information. Furthermore, the forecast and other statements concerning future outlook contained herein are based on the information available to Nippon Steel at the date of publication and thus are subject to known and unknown risks, uncertainties and other factors. Investors are advised to refrain from making an investment decision based solely on the information presented herein. Nippon Steel expressly disclaims all liability to any party for any damage incurred in connection with any use of the information contained herein.

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

| | 1st quarter | Forecast for | Forecast for | Forecast for | Forecast for fiscal 2007 (date released on |
|--|---------------------------------------|-------------------------|---------------------------|---------------------|--|
| <u> </u> | · · · · · · · · · · · · · · · · · · · | 2nd quarter | 1st half | 2nd half | September 6, 2007) |
| | AprJune 2007 ¥million | July-Sept. 2007 | AprSept. 2007 ¥million | Oct. 2007-Mar. 2008 | Apr. 2007-Mar. 2008 |
| Sales | 1, 115, 751 | 1, 254, 249 | 2, 370, 000 | 2, 430, 000 | 4, 800, 000 |
| Steelmaking and steel fabrication | 935, 664 | 1, 044, 336 | 1, 980, 000 | 1, 950, 000 | 3, 930, 000 |
| Engineering and construction | 71, 519 | 98, 481 | 170, 000 | 210, 000 | 380, 000 |
| Urban development | 16, 355 | 13, 645 | 30, 000 | 70, 000 | 100, 000 |
| Chemicals | 80, 227 | 69, 773 | 150, 000 | 125, 000 | 275, 000 |
| New materials | 16, 929 | 18, 071 | 35, 000 | 35, 000 | 70,000 |
| System solutions | 32, 953 | 42, 047 | 75, 000 | 90, 000 | 165, 000 |
| Elimination of intersegment transactions | (37, 899) | (32, 101) | (70, 000) | (50, 000) | (120, 000) |
| 0 | 129, 464 | 135, 536 | 265, 000 | 315, 000 | 580, 000 |
| Operating profits | [11.6%] | [10.8%] | [11.2%] | [13.0%] | [12.1%] |
| Steelmaking and | 113, 969 | 126, 031 | 240, 000 | 275, 000 | 515, 000 |
| steel fabrication | [12.2%] | 【12. 1%】 | 【12. 1%】 | [14. 1%] | [13.1%] |
| Engineering and | 3, 715 | 3, 285 | 7, 000 | 16, 000 | 23, 000 |
| construction | [5.2%] | [3.3%] | [4.1%] | [7.6%] | [6.1%] |
| Unhan davalanment | 3, 298 | 702 | 4, 000 | 9, 500 | 13, 500 |
| Urban development | [20. 2%] | [5. 1%] | [13.3%] | [13.6%] | [13.5%] |
| Chemicals | 7, 434 | 4, 566 | 12, 000 | 8, 000 | 20,000 |
| Unemicals | [9.3%] | [6.5%] | [8.0%] | [6.4%] | [7.3%] |
| Non-makeniala | 20 | 480 | 500 | 1, 500 | 2, 000 |
| New materials | [0.1%] | [2.7%] | [1.4%] | [4.3%] | [2.9%] |
| | 2, 890 | 2, 610 | 5, 500 | 9,000 | 14, 500 |
| System solutions | [8.8%] | [6.2%] | [7.3%] | [10.0%] | [8.8%] |
| Elimination of intersegment transactions | (1, 865) | (2, 135) | (4, 000) | (4, 000) | (8, 000) |
| 0.11 | 148, 691 | 131, 309 | 280, 000 | 320, 000 | 600, 000 |
| Ordinary profits | [13.3%] | [10.5%] | [11.8%] | [13. 2%] | [12.5%] |
| Not income | 86, 701 | 83, 299 | 170, 000 | 195, 000 | 365, 000 |
| Net income | [7.8%] | [6.6%] | [7.2%] | [8.0%] | [7.6%] |
| Net income per share | ¥ 13. 70 | ¥ 13. 25 | ¥ 26. 96 | ¥ 31. 01 | * 57. 97 |

Recent Quarterly Operating Results

Forecast for fiscal 2007 (data released on April 27, 2007)

Apr. 2007-Mar. 2008

4, 760, 000

3, 920, 000

360,000

110,000

260,000

70,000

165,000

(125, 000)

580, 000

[12.2%]

515, 000 [13.1%]

18, 000

[5.0%]

14, 000

[12.7%]

20,000

[7.7%] 3, 500

[5.0%]

14, 500 [8.8%]

(5, 000)

600,000

[12.6%]

350,000

[7.4%] 54. 7

Forecast for 1st half of fiscal 2007 (data released on April 27, 2007) Apr. -Sep. 2007

2, 290, 000

1, 930, 000

160,000

30,000

135, 000

35,000

75,000

(75, 000)

265, 000

[11.6%]

240, 000

[12.4%] 7, 000

[4.4%]

4, 000

[13.3%]

10,000

[7.4%]

1, 500 [4.3%]

5, 500

[7.3%] (3,000)

270, 000

[11.8%]

160,000

[7.0%]

25.0

Fiscal 2006 (April 1, 2006 to March 31, 2007) Before change in business segments(*)

| | | ı | 1 | | 1 | 7 | |
|--|----------------------|-------------------------|-------------------------|-------------------------|--------------|-------------------------|---------|
| | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | Fi |
| | AprJune 2006 | July-Sept. 2006 | AprSept. 2006 | OctDec. 2006 | JanMar. 2007 | Oct. 2006-Mar. 2007 | Apr. 20 |
| Sales | ¥million 942, 788 | *million 1, 040, 642 | *million 1, 983, 431 | ¥million 1, 082, 790 | 1, 235, 923 | ¥million 2, 318, 713 | 4 |
| Steelmaking and steel fabrication | 776, 579 | 841, 844 | 1, 618, 423 | 904, 520 | 959, 433 | 1, 863, 954 | 3 |
| Engineering and construction | 71, 800 | 87, 576 | 159, 376 | 81, 432 | 127, 159 | 208, 591 | |
| Urban development | 14, 032 | 18, 843 | 32, 875 | 10, 105 | 51, 366 | 61, 471 | |
| Chemicals | 75, 059 | 82, 988 | 158, 047 | 82, 433 | 78, 274 | 160, 708 | |
| New materials | 15, 704 | 16, 149 | 31, 853 | 17, 108 | 16, 638 | 33, 747 | |
| System solutions | 30, 832 | 39, 273 | 70, 105 | 31, 048 | 55, 351 | 86, 400 | |
| Elimination of intersegment transactions | (41, 220) | (46, 031) | (87, 251) | (43, 857) | (52, 301) | (96, 159) | (|
| Operating profits | 119, 590 | 146, 777 | 266, 368 | 162, 032 | 151, 697 | 313, 729 | |
| | [12.7%] | [14. 1%] | [13.4%] | [15.0%] | [12.3%] | [13.5%] | |
| Steelmaking and | 109, 582 | 132, 321 | 241, 903 | 148, 486 | 124, 172 | 272, 659 | |
| steel fabrication | [14.1%] | [15. 7%] | [14.9%] | [16.4%] | [12.9%] | [14.6%] | |
| Engineering and | 55 | 1, 194 | 1, 250 | 4, 075 | 7, 705 | 11, 780 | |
| construction | [0.1%] | [1.4%] | [0.8%] | [5.0%] | [6.1%] | [5.6%] | |
| Urban development | 1, 571 | 2, 742 | 4, 314 | 922 | 9, 064 | 9, 987 | |
| orban development | [11.2%] | [14.6%] | [13.1%] | [9.1%] | [17.6%] | [16.2%] | |
| Chemicals | 4, 190 | 6, 928 | 11, 119 | 7, 609 | 4, 917 | 12, 526 | |
| Grieningans | [5.6%] | [8.3%] | [7.0%] | [9.2%] | [6.3%] | [7.8%] | |
| New materials | 935 | 905 | 1, 841 | 566 | 721 | 1, 287 | |
| New materials | [6.0%] | [5.6%] | [5.8%] | [3.3%] | [4.3%] | [3.8%] | |
| System solutions | 2, 532 | 2, 604 | 5, 137 | 2, 256 | 6, 598 | 8, 855 | |
| System solutions | [8.2%] | [6.6%] | [7.3%] | [7.3%] | [11.9%] | [10.2%] | |
| Elimination of intersegment transactions | (721) | 80 | 802 | (1, 885) | (1, 481) | (3, 366) | |
| Ordinary profits | 123, 079 | 145, 828 | 268, 907 | 169, 025 | 159, 707 | 328, 733 | |
| Ordinary profits | [13.1%] | [14.0%] | [13.6%] | 【15. 6%】 | [12.9%] | [14. 2%] | |
| Net income | 74, 748 | 89, 356 | 164, 105 | 99, 272 | 87, 804 | 187, 077 | |
| ACC THOUSE | [7.9%] | [8.6%] | [8.3%] | [9.2%] | [7.1%] | [8.1%] | |
| Net income per share | * 11. 26 | 13. 93 | ¥ 25. 15 | ¥ 15. 49 | 13.69 | ¥ 29. 17 | |

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

Nippon Steel Corporation

Code Number: 5401

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

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

Supplementary Information on the Forecast for the First Half of Fiscal 2007

Japanese Steel Industry

1. Crude Steel Production

(million tons)

| | 1st quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|--------|-------------|----------|-------------|-------------|----------|--------|
| 2006FY | 28.97 | 58.05 | 30.16 | 29.53 | 59.69 | 117.75 |
| 2007FY | 29.89 | 59.98 | | | | |

2. Inventory Volume

| At tl | he end of: | Inventory at manufacturers and distributors (million tons) | Inventory /shipment ratio (%) | Rolled sheets *1 (million tons) | H-flange beams *2 (million tons) |
|-------|------------|---|-------------------------------|---------------------------------|----------------------------------|
| Aug. | 2001 | 6.19 | 136.3 (Peak) | 4.70 (Peak) | 0.320 |
| Mar. | 2002 | 5.42 | 107.6 | 3.93 | 0.314 |
| Sep. | 2002 | 5.12 | 102.2 | 3.71 | 0.264 |
| Mar. | 2003 | 5.33 | 104.0 | 3.76 | 0.256 |
| Sep. | 2003 | 5.67 | 114.1 | 4.13 | 0.274 |
| Mar. | 2004 | 5.03 | 94.7 | 3.77 | 0.240 |
| Sep. | 2004 | 5.37 | 101.3 | 3.86 | 0.312 |
| Mar. | 2005 | 5.24 | 98.0 | 3.93 | 0.294 |
| Sep. | 2005 | 5.73 | 111.6 | 4.58 | 0.231 |
| Mar. | 2006 | 5.26 | 97.7 | 4.14 | 0.295 |
| Apr. | 2006 | 5.27 | 111.6 | 4.08 | 0.285 |
| May | 2006 | 5.41 | 115.0 | 4.13 | 0.280 |
| June | 2006 | 5.25 | 101.5 | 4.03 | 0.280 |
| July | 2006 | 5.31 | 104.0 | 4.04 | 0.278 |
| Aug. | 2006 | 5.41 | 112.8 | 4.17 | 0.273 |
| Sep. | 2006 | 5.35 | 101.0 | 4.05 | 0.269 |
| Oct. | 2006 | 5.35 | 98.0 | 3.98 | 0.260 |
| Nov. | 2006 | 5.21 | 97.6 | 3.81 | 0.257 |
| Dec. | 2006 | 5.37 | 106.3 | 3.89 | 0.257 |
| Jan. | 2007 | 5.54 | 109.2 | 4.06 | 0.267 |
| Feb. | 2007 | 5.37 | 105.8 | 3.98 | 0.270 |
| Mar. | 2007 | 5.37 | 95.7 | 4.03 | 0.277 |
| Apr. | 2007 | 5.43 | 106.8 | 4.07 | 0.271 |
| May | 2007 | 5.65 | 108.5 | 4.20 | 0.274 |
| June | 2007 | 5.43 | 101.2 | 4.07 | 0.270 |
| July | 2007*3 | 5.49 | 105.7 | 4.11 | 0.256 |

^{*1} Hot-rolled, cold-rolled and coated sheets

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

^{*3} Preliminary report

Nippon Steel (Non-consolidated basis)

3. Pig Iron Production (Nippon Steel Corporation and Hokkai Iron & Coke Co., Ltd)

(million tons)

| | 1st quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|--------|-------------|--------------|-------------|-------------|----------|-------|
| 2006FY | 7.54 | 15.41 | 7.97 | 7.25 | 15.22 | 30.64 |
| 2007FY | 7.67 | Approx.15.60 | | | | |

4. Crude Steel Production

(Consolidated basis)

(million tons)

| | 1st quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|--------|-------------|---------------|-------------|-------------|----------|-------|
| 2006FY | 8.45 | 17.16 | 8.94 | 8.43 | 17.37 | 34.52 |
| 2007FY | 8.72 | Approx. 17.60 | | | | |

(Non-consolidated basis)

(million tons)

| | 1st quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|--------|-------------|--------------|-------------|-------------|----------|-------|
| 2006FY | 7.70 | 15.71 | 8.16 | 7.73 | 15.89 | 31.60 |
| 2007FY | 7.99 | Approx.16.20 | | | | |

5. Steel Products Shipment

(million tons)

| | 1st quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|--------|-------------|--------------|-------------|-------------|----------|-------|
| 2006FY | 7.59 | 15.42 | 7.96 | 8.13 | 16.09 | 31.51 |
| 2007FY | 7.89 | Approx.16.10 | | | | |

6. Average Price of Steel Products

(thousands of yen / ton)

| | 1st quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|--------|-------------|--------------|-------------|-------------|----------|-------|
| 2006FY | 71.6 | 73.4 | 76.3 | 77.9 | 77.1 | 75.3 |
| 2007FY | 78.3 | Approx. 79.0 | | | | |

7. Export Ratio of Steel Products (Value basis)

(%)

| | 1st quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|--------|-------------|------------|-------------|-------------|----------|-------|
| 2006FY | 32.2 | 32.3 | 31.4 | 33.3 | 32.4 | 32.3 |
| 2007FY | 33.3 | Approx. 34 | | | | |

8. Foreign Exchange Rate

| | 1st quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|--------|-------------|----------|-------------|-------------|----------|-------|
| 2006FY | 115 | 115 | 117 | 120 | 119 | 117 |
| 2007FY | 120 | 119 | | | | |

9. Unrealized Gains on Available-for-Sale Securities

(billion yen)

| | 1st half of 2007FY (estimated) | 2006FY | difference |
|------------------|--------------------------------|--------------|--------------|
| Consolidated | 778.2(463.8) | 734.8(438.0) | +43.4(+25.8) |
| Non-consolidated | 716.2(426.9) | 660.7(393.8) | +55.5(+33.1) |
| Nikkei 225 | [16,569 yen] (August 31, 2007) | [17,288 yen] | [-719 yen] |

^{*} Figures in parentheses were after adopting deferred tax accounting.

10. Amount of Capital Expenditure and Depreciation

·Capital Expenditure

(billion yen)

| | 2007FY (estin | mated) | 2006FY | |
|------------------|---------------|--------|--------|--|
| Consolidated | Approx. | 310.0 | 270.0 | |
| Non-consolidated | Approx. | 230.0 | 200.0 | |

Depreciation

(billion yen)

| | 2007FY (estimated) | 2006FY | |
|------------------|--------------------|--------|--|
| Consolidated | Approx. *250.0 | 192.5 | |
| Non-consolidated | Approx. 190.0 | 134.2 | |

^{*}Included influence of tax system revisions 35.0 ¥ billion

11. Special Profit and Losses (Consolidated basis)

(billion yen)

| | | (billion yell) |
|--|--------------------------------|----------------|
| | 1st half of 2007FY (estimated) | 2006 FY |
| Gain on sales of fixed assets | 19.0 | 14.2 |
| Gain on sales of investments in securities | 0 | 4.3 |
| Special Profit and loss | 19.0 | 18.5 |