Financial Results for the First Quarter of Fiscal 2008

(April 1, 2008 to June 30, 2008)

Nippon Steel Corporation

July 31, 2008

(Qualitative Information and Financial Review) 1. Consolidated Operating Results (Overview of Conditions in First Quarter, Fiscal 2008)

The global economy remained in a fundamental expansion mode as emerging countries, led by the GDP growth of Brazil, Russia, India, and China (the BRICs). At the same time, the repercussions from the credit contraction sparked by the subprime loan crisis continued spreading in regions centered on the United States and raised concerns of global economic deceleration.

Japanese economic growth also decelerated. The main factors were slowing export growth, due largely to U.S. economy stagnation, and the sharp rises in raw material prices, which tightened corporate earnings and led to a reigning in of capital investment. Concern also grew that domestic consumption, which had sustained a strong undertone, could start weakening as employment and income flattened, the growth in daily commodity prices slowed, and housing investment stagnated.

The Nippon Steel Group exceeded earnings targets in the first two years of the Medium-Term Consolidated Business Plan, which covers the three years through to the end of fiscal 2008. However, a severe operating environment is materializing in the current final year of the plan, characterized by recordhigh price rises for steelmaking raw materials. In view of this, the Group's steelmaking and steel fabrication business and five non-steel businesses—engineering and construction, urban development, chemicals, new materials, and system solutions—are each seeking to quickly respond to the changing environment to develop their business operations and further strengthen the Group's corporate value through autonomous management efforts in their respective fields. An overview of operating performance by business segment is shown below. Performance Review by Business Area in First Quarter, Fiscal 2008

			(Bil	lions of yen)
	Net S	Sales	Operatin	ng Profit
	1Q FY08	1Q FY07	1Q FY08	1Q FY07
Steelmaking and steel	1 020 2	025 (111.6	112.0
fabrication	1,030.2	935.6	111.6	113.9
Engineering and	70 4	71.5	2.2	2 7
construction	72.4	71.5	2.2	3.7
Urban development	11.0	16.3	1.0	3.2
Chemicals	64.7	80.2	3.4	7.4
New materials	19.2	16.9	riangle 0	0
System solutions	34.8	32.9	1.5	2.8
Total	1,232.6	1,153.6	119.9	131.3
Elimination of				
intersegment	(34.0)	(37.8)	(0.2)	(1.8)
transactions				
Consolidated total	1,198.5	1,115.7	119.7	129.4

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Steelmaking and Steel Fabrication

The domestic steel market showed signs of instability owing to the slowdown in construction industry activity and other factors, but overall demand remained strong, particularly from the automotive, shipbuilding, machinery, and other manufacturing industries due to ongoing steady demand overseas. Overseas steel markets were affected by downtrends in such U.S. industries as the automotive and housing construction industries, but demand remained strong overall due to support from economic growth in the BRICs as well as other countries.

Although supply and demand for steelmaking raw materials remained tight worldwide, the sharp rise in raw materials created an extremely harsh business environment, which saw material procurement prices rise to all-time highs. The Company responded by putting all its efforts into raising productivity, improving the yield rate, and other measures to reduce costs as well as adjusting its product prices while seeking the understanding of its customers for the severe conditions pressuring the steel industry.

Despite the changing business environment, the Company continued strengthening and expanding its global supply system and ramping up its production capacity to accommodate the growing steel markets in the BRICs and other countries with economic growth as well as the overall rise in worldwide steel demand.

In April 2008, the Company and ArcelorMittal of Luxembourg agreed to construct a new hot-dip galvanizing line for automotive sheet at their existing joint venture, I/N Kote in the United States, with the new line scheduled to commence operations in 2010. In addition, in May, the Company completed construction and started comprehensive operation of the No. 5 coke oven at the Oita Works, utilizing the world's first next-generation coking coal manufacturing technology enabling expanded use of low-grade raw material coal and realizing substantial energy-saving effects.

The Nippon Steel Group took steps to strengthen relations with suppliers and secure a stable long-term supply of raw materials. In May, the Group agreed with leading stakeholder Vale (Brazil) and other partners to introduce large-scale mining equipment to expand the underground production capacity of Carborough Downs coal mine in Queensland, Australia.

The Company also continued to implement environmental measures in line with our zero emission, natural resource conservation, and energy saving programs. In line with these programs, in June, an iron dust byproduct recycling system that includes the world's largest capacity rotary hearth furnace was installed at the Kimitsu Works.

Engineering and Construction

In the engineering and construction business, Nippon Steel Engineering Co., Ltd., is focusing in Japan on solutions-based marketing, particularly in waste treatment facility projects along with steel production plant and large-scale distribution facility construction projects. Outside Japan, the company is focusing on securing orders for energy development related projects in Southeast Asia, where demand is burgeoning. The business currently has its largest ever in order backlog and is pouring all its efforts into fulfilling each project order as well as fortifying its risk management.

Urban Development

In the urban development business, Nippon Steel City Produce, Inc., the Group's real estate developer, focuses on the property value revitalization business. The company's business encompasses the planning, proposal, and promotion of projects to redevelop idle land owned by Group companies. It also includes

operating as a developer with special expertise to handle the redevelopment of urban districts, the reconstruction of condominiums, and other activities. In increasingly severe conditions in the domestic real estate market, the business performed generally as planned for the quarter under review by stepping up condominium marketing efforts and other measures.

Chemicals

In the chemicals business, Nippon Steel Chemical Co., Ltd., was supported by ongoing favorable conditions in the coal tar and carbon materials fields. The company also performed well amid harsh conditions in the electronics materials field on steady sales growth for its circuit board materials, particularly for mobile phone applications. However, surging prices of crude oil, naphtha, and other raw materials narrowed the chemical business profit margin and ultimately resulted in the company posting a year-on-year profit decline.

The company is implementing other measures to fortify its operating structure for continued business growth, including revising its product pricing schedule, enhancing production capacity for existing products, and constructing a manufacturing facility for SealPlus, a transparent material that is highly heat resistant.

New Materials

In the fundamental industrial materials business of the Nippon Steel Materials Co., Ltd., Group, abundant global demand for pitch-based carbon fiber products sustained strong orders for such products, but sluggish conditions in mainstay semiconductor and electronics materials markets continued, and factors including a rise in costs associated with the expansion and strengthening of facilities in the previous period depressed earnings.

Regarding the solar cell manufacturing and marketing business of NS Solar Materials Co., Ltd., since that company began operating in October 2007, the company has been making every effort to achieve stable operations as soon as possible.

System Solutions

In the system solutions business, the NS Solutions Group develops system life cycle (SLC) total solutions, which encompass the planning, configuration, operation, and maintenance of IT systems, and high-performance solutions services focused on providing optimized IT infrastructure solutions using virtualization technology.

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Regarding year-on-year performance in the first quarter, revenues increased while profitability declined, reflecting such factors as cost overruns in business solutions business projects and the incidence of operational stoppages in engineering business.

In the first quarter, to enhance the solutions business in the risk management and marketing fields for financial institutions and with the aim of becoming the top vender in the risk management field, the NS Solutions Group acquired the entire share capital and made a full subsidiary of Financial Engineering Group Inc.

Sales and Earnings

In the first quarter of fiscal 2008, consolidated net sales increased ¥82.8 billion year on year, to ¥1,198.5 billion. Owing to rising raw materials costs and other factors, however, operating profit decreased ¥9.7 billion, to ¥119.7 billion, ordinary profit declined ¥4.6 billion, to ¥144.0 billion, and net income decreased ¥3.9 billion, to ¥82.7 billion.

(Fund Procurement)

On May 23, 2008, the Company conducted two issues, No. 56 and No. 57 of unsecured corporate bonds, each valued at ¥29.9 billion.

2. Financial Analysis (Consolidated)

Total consolidated assets at the end of the first quarter of fiscal 2008 were \$5,567.9 billion, compared with \$5,193.4 billion at the end of fiscal 2007, an increase of \$374.4 billion. The rise was largely the sum of increases in current assets, including inventories (\$121.9 billion), which mainly reflected the rise in raw material prices, cash and bank deposits (\$62.4 billion), and accounts receivable (\$54.5 billion), along with a \$103.8 billion increase in investments and others, which included an increase in unrealized gains on investment securities.

Total interest-bearing debt, which from the current quarter includes lease obligation, was \$1,425.9 billion, representing a \$233.9 billion increase from \$1,192.0 billion at the end of fiscal 2007. Also contributing to the increase were bonus, income taxes, and dividend payments, which concentrate in the first quarter of each year.

3. Consolidated Forecast

(Fiscal year 2008 forecast)

As for the fiscal year 2008, while paying due attention to the actual conditions of the credit situation that was triggered by the subprime loan crisis, we anticipate global steel demand growing by approximately 7% year on year, led by the economic growth in the BRICs. We expect the supply and demand conditions both in Japan and overseas to remain tight, with domestic steel material consumption balanced between overall brisk demand, particularly from the manufacturing industry, and some demand instability caused by the sluggish construction industry and other factors.

The unprecedented prices rises of iron ore and coking coal and the ongoing surge in market prices for steel scrap, oil, and other materials used as raw materials for steelmaking are pushing up procurement costs faster than the Company's ability to revise its steel material prices.

Regarding the performance outlook for the current fiscal year as a whole, by undertaking thorough cost reductions, improving steel materials prices, and other measures, the Company anticipates that it will be able to realize a certain degree of improvement relative to its forecast announced on April 25, 2008. The Company's forecasts for fiscal 2008 are as follows:

Consolidated

(Unit: Billions of yen)

	Net	Operating	Ordinary	Net Income
	Sales	Profit	Profit	
Fiscal Year	5,500	400	450	255
First Half	2,640	180	210	130

Non-consolidated

(Unit: Billions of yen)

	Net	Operating	Ordinary	Net Income
	Sales	Profit	Profit	
Fiscal Year	3,500	260	260	180
First Half	1,730	130	130	110

The Company intends to do its utmost to obtain raw materials, despite challenges associated with the protraction of tight market conditions and the trend of rising prices, so that it can maintain stable supplies of products to its customers. The Company will continue responding to growing raw materials procurement costs by sustaining its thorough cost-cutting efforts and other countermeasures while also working to gain the understanding of customers regarding the need to adjust steel materials prices based on due consideration of supply-demand situations for different types of products in different application fields as well as international market situations, contract terms, and other factors. In these ways, the Company will further step up its efforts to enhance its profitability.

(Basic Profit Distribution Policy and Dividends in the First Half of Fiscal 2008)

Nippon Steel's basic profit distribution policy is to pay dividends from distributable funds based on 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 endeavoring to further reinforce the Company's financial structure. The Company has set itself the annual consolidated payout ratio target of approximately 20% (non-consolidated annual payout ratio target of approximately 20% (non-consolidated annual 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 improve the corporate financial structure, a temporary target of approximately 15%–20% is in effect for the consolidated payout ratio (non-consolidated payout ratio at approximately 20%–30%), which is slightly lower than the above-indicated standard level. Thus, the first half (interim) and year-end dividends will be implemented so as to keep the consolidated payout ratio within those target ranges.

The level of first half (interim) dividends is set based on the consideration of the dividend policy for the fiscal year, the interim performance figures, and the forecast for performance for the full fiscal year.

Regarding first half (interim) dividends, in accordance with the basic profit distribution policy described above, the Company intends to pay a dividend of 44 per share. The Company plans to announce its plan for the year-end dividend when it announces its earnings results for the third quarter of the fiscal year.

Financial Statements

Consolidated Financial Statements :

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Consolidated Balance Sheets

Nippon Steel Corporation and Consolidated Subsidiaries

	Millions	of yen
ASSETS	June 30, 2008	March 31, 2008
Current assets :		
Cash and bank deposits	221,895	159,455
Notes and accounts receivable	571,406	516,858
Inventories	989,060	867,157
Other	265,689	216,638
Less: Allowance for doubtful accounts	(10,763)	(7,685)
Total current assets	2,037,288	1,752,424
Fixed assets :		
Tangible fixed assets :		
Machinery and equipment	913,781	928,901
Other	894,346	895,823
	1,808,128	1,824,724
Intangible fixed assets	25,437	23,103
Investments and others :		
Investments in securities	1,506,856	1,396,521
Other	195,270	201,837
Less: Allowance for doubtful accounts	(5,062)	(5,112)
	1,697,064	1,593,245
Total fixed assets	3,530,630	3,441,074

Total assets	5,567,919	5,193,498

	Millions	of yen
LIABILITIES	June 30, 2008	March 31, 2008
Current liabilities :		
Notes and accounts payable	657,573	619,974
Short-term loans and long-term loans due within one year	274,569	272,009
Commercial paper	309,900	135,000
Bonds due within one year	90,300	95,300
Accrued income taxes and enterprise taxes	57,261	102,404
Other	502,501	497,258
Total current liabilities	1,892,105	1,721,947
Long-term liabilities :		
Bonds and notes	263,224	223,274
Long-term loans	476,761	466,433
Accrued pension and severance costs	127,078	125,536
Other	300,851	242,352
Total long-term liabilities	1,167,915	1,057,596
Total liabilities	3,060,020	2,779,543
NET ASSETS		
Shareholders' equity :		
Common stock	419,524	419,524
Capital surplus	114,375	114,364
Retained earnings	1,422,665	1,377,823
Treasury stock, at cost	(261,338)	(261,272
	1,695,227	1,650,440
Valuation and transaction adjustments:		
Unrealized gains on available-for-sale securities	309,118	234,673
Deferred hedge income (loss)	773	(1,508
Unrealized gains on revaluation of land	11,247	11,247
Foreign currency translation adjustments	(15,493)	13,923
	305,645	258,330
Minority interest in consolidated subsidiaries	507,024	505,176
Total net assets	2,507,898	2,413,954
Total liabilities and net assets	5,567,919	5,193,498

Consolidated Statements of Income

Nippon Steel Corporation and Consolidated Subsidiaries

	Millions	of yen
	First quarter of fiscal 2008	First quarter of fiscal 2007
Operating revenues :		
Net sales	1,198,582	1,115,751
Cost of sales	993,182	908,612
Gross margin	205,399	207,139
Selling, general and administrative expenses	85,695	77,675
Operating profit	119,704	129,464
Non-operating profit and loss :		
Non-operating profit :		
Interest and dividend income	11,694	8,086
Equity in net income of unconsolidated	13,044	10.050
subsidiaries and affiliates	13,044	12,252
Other	13,830	11,807
	38,570	32,146
Non-operating loss :		
Interest expenses	4,431	4,175
Other	9,755	8,744
	14,186	12,919
Ordinary profit	144,087	148,691
Special profit :		
Gain on sales of tangible fixed assets	3,568	864
	3,568	864
Income before income taxes and minority interest	147,655	149,556
Income taxes - current and deferred	57,609	56,351
Minority interest in net income of consolidated subsidiaries	7,284	6,503
Net income	82,761	86,701

Consolidated Segment Information Nippon Steel Corporation and Consolidated Subsidiaries

(Information of business segments)

First quarter of fiscal 2008 (April 1, 2008 to June 30, 2008)

				<u> </u>					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	1,030,296	72,456	11,089	64,715	19,242	34,849	1,232,651	(34,069)	1,198,582
Operating profit	111,661	2,210	1,082	3,467	▲ 3	1,560	119,978	(274)	119,704

First quarter of fiscal 2007 (April 1, 2007 to June 30, 2007)

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	Steelmaking and steel fabrication	Engineering and construction	Urban development	Chemicals	New materials	System solutions	Total	Elimination of intersegment transactions	Consolidated total
Sales	935,664	71,519	16,355	80,227	16,929	32,953	1,153,650	(37,899)	1,115,751
Operating profit	113,969	3,715	3,298	7,434	20	2,890	131,329	(1,865)	129,464

Millions of yen

[Reference]

Recent Quarterly Operating Results

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

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

Fiscal 2007

Apr. 2007-Mar. 2008

¥million

4, 826, 974

3, 994, 526

359, 884

93, 839

289, 029

76, 157

165, 360

(151, 823)

545, 580

[11.3%]

475, 951

[11.9%]

21,496

[6.0%]

12, 602

[13.4%]

21,050

[7.3%]

[0.7%]

14, 756

[8.9%]

(835)

564, 119

[11.7%]

354, 989

[7.4%]

56.33

559

						5							
\setminus		-	Forecast for fiscal 2008	Forecast for 1st half of fiscal 2008	Forecast for fiscal 2008						_		1
	1st quarter	Forecast for 1st half	(data released on July 31, 2008)	(data released on April 25, 2008) *	(data released on April 25, 2008) *		1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
	Apr. 2008-June. 2008	Apr.2008-Sept.2008	Apr. 2008-Mar. 2009	Apr. 2008Sept. 2008	Apr. 2008-Mar. 2009		Apr. 2007–June. 2007	July. 2007-Sept. 2007	Apr.2007-Sept.2007	Oct. 2007-Dec. 2007	Jan. 2008-Mar. 2008	Oct. 2007-Mar. 2008	T
Sales	¥million 1. 198. 582	¥million 2, 640, 000	¥million 5, 500, 000	¥million 2, 600, 000	¥million 5, 400, 000	Sales	¥million 1, 115, 751	¥million 1, 200, 599	¥million 2, 316, 350	¥million 1, 189, 842	¥million 1, 320, 781	¥million 2, 510, 624	Γ
Steelmaking and steel fabrication	1, 030, 296	2, 250, 000	4, 600, 000	2, 200, 000	4, 500, 000	Steelmaking and steel fabrication	025 664	1, 027, 256	1, 962, 920	988, 389	1, 043, 217	2, 031, 606	Ī
Engineering and construction	72, 456	160, 000	380, 000	160, 000	380, 000	Engineering and construction	71, 519	79, 123	150, 642	82, 547	126, 694	209, 241	Ī
Urban development	11,089	30, 000	80,000	30, 000	85, 000	Urban development	16, 355	15, 103	31, 458	25, 103	37, 277	62, 380	Ī
Chemicals	64, 715	140, 000	300, 000	135, 000	280, 000	Chemicals	80, 227	69, 252	149, 479	71, 840	67, 708	139, 549	Ī
New materials	19, 242	40, 000	90, 000	50, 000	105, 000	New materials	16, 929	19, 102	36, 031	20, 960	19, 165	40, 126	
System solutions	34, 849	75, 000	170, 000	75, 000	170, 000	System solutions	32, 953	43, 013	75, 966	36, 396	52, 997	89, 393	Ī
Elimination of intersegment transactions	(34, 069)	(55, 000)	(120, 000)	(50, 000)	(120, 000)	Elimination of intersegment transactions	(37, 899)	(52, 250)	(90, 149)	(35, 394)	(26, 279)	(61, 674)	Ī
Operating profit	119, 704	180, 000	400, 000	130, 000	350, 000	Operating profit	129, 464	134, 993	264, 457	143, 648	137, 474	281, 123	T
perating profite	[10.0%]	[6.8%]	[7.3%]	[5.0%]	[6.5%]		[11.6%]	【11.2%】	【11.4%】	【12. 1%】	【10.4%】	【11.2%】	
Steelmaking and	111, 661	160, 000	350, 000	110, 000	290, 000	Steelmaking and	113, 969	121, 021	234, 990	124, 978	115, 982	240, 960	Ι
steel fabrication	【10.8%】	【7.1%】	[7.6%]	[5.0%]	[6.4%]	steel fabrication	[12.2%]	【11.8%】	【12.0%】	【12.6%】	[11.1%]	【11.9%】	
Engineering and	2, 210	7, 000	21,000	7,000	21, 000	Engineering and	3, 715	2, 909	6, 624	5, 619	9, 252	14, 871	Ι
construction	【3.1%】	[4.4%]	[5.5%]	[4.4%]	[5.5%]	construction	[5.2%]	[3.7%]	[4.4%]	[6.8%]	[7.3%]	【7.1%】	
Urban development	1, 082	3, 000	7, 000	4, 000	10, 000	Urban development	3, 298	1,072	4, 370	3, 390	4, 841	8, 231	Γ
orbait deveropment	[9.8%]	[10.0%]	[8.8%]	【13.3%】	【11.8%】	or ball development	[20. 2%]	【7.1%】	[13.9%]	[13.5%]	[13.0%]	【13. 2%】	
Chemicals	3, 467	8, 000	17,000	8,000	20, 000	Chemicals	7, 434	5, 668	13, 102	5, 490	2, 456	7, 947	Γ
Griellin Gans	[5. 4%]	[5.7%]	[5.7%]	[5. 9%]	[7.1%]	Grieningans	[9.3%]	[8.2%]	[8.8%]	【7.6%】	[3.6%]	[5.7%]	
New materials	▲ 3	200	2,000	1,000	4, 000	New materials	20	194	214	499	▲ 155	344	Γ
New materials	[▲0.0%]	[0.5%]	[2.2%]	[2.0%]	[3.8%]	New materials	[0.1%]	[1.0%]	[0.6%]	[2.4%]	[▲0.8%]	[0.9%]	
Sustem colutions	1, 560	5,000	16,000	6, 000	16, 000	Sustem colutions	2, 890	3, 540	6, 430	3, 174	5, 152	8, 326	Γ
System solutions	[4.5%]	[6. 7%]	[9.4%]	[8.0%]	[9.4%]	System solutions	[8.8%]	[8.2%]	[8.5%]	[8.7%]	[9.7%]	[9.3%]	
Elimination of intersegment transactions	(274)	(3, 000)	(13, 000)	(6, 000)	(11, 000)	Elimination of intersegment transactions	(1, 865)	589	(1, 276)	496	(55)	440	Ī
Ordinary profit	144, 087	210, 000	450, 000	130, 000	370, 000	Ordinary profit	148, 691	135, 321	284, 012	150, 656	129, 449	280, 106	t
Ordinary profit	[12.0%]	[8.0%]	[8.2%]	[5.0%]	[6.9%]	Ordinary profit	[13.3%]	【11.3%】	【12.3%】	【12.7%】	[9.8%]	【11.2%】	1
Net income	82, 761	130, 000	255,000	70, 000	210, 000	Net income	86, 701	89, 708	176, 409	86, 647	91, 932	178, 580	T
NGL THOUNG	[6.9%]	【4.9%】	[4.6%]	[2.7%]	[3.9%]	NCL THOULD	【7.8%】	[7.5%]	[7.6%]	[7.3%]	[7.0%]	[7.1%]	
Net income per share	* 13. 15	* 20. 66	* 40. 53	* 11. 12	* 33. 37	Net income per share	* 13. 70	* 14. 25	* 27. 96	* 13. 77	* 14. 61	* 28. 38	Γ

[] : Return on sales

in "Elimination of intersegment transactions" row indicate negative numbers
 * Provisional figures as at the release of the settlement of accounts on April 25, 2008

Nippon Steel Corporation Code Number: 5401 Listings: Tokyo, Osaka, Nagoya, Sapporo and Fukuoka Stock Exchanges Contact: Hiroyuki Marukawa, General Manager, Public Relations Center-Tel: 81-3-3275-5014

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

Japanese Steel Industry

1. Crude Steel Production

						(million tons)
	1st quarter	1st half	3rd quarter	4th quarter	2nd half	total
2007FY	29.89	59.80	30.88	30.84	61.72	121.52
2008FY	31.06	61.62				

2. Inventory Volume

	he end of:	Inventory at manufacturers and distributors (million tons)	Inventory /shipment ratio (%)	Rolled sheets *1 (million tons)	H-flange beams *2 (million tons)
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	5.34	(104.6)	3.98	0.270
Mar.	2007	5.35	(95.5)	4.02	0.277
Apr.	2007	5.41	(106.7)	4.07	0.271
May.	2007	5.62	(107.5)	4.20	0.274
June.	2007	5.43	(101.8)	4.08	0.270
July	2007	5.49	(106.0)	4.11	0.256
Aug.	2007	5.63	(113.6)	4.25	0.253
Sep.	2007	5.61	(107.1)	4.19	0.267
Oct.	2007	5.63	(103.6)	4.16	0.278
Nov.	2007	5.52	(105.4)	4.10	0.281
Dec.	2007	5.66	(114.1)	4.09	0.279
Jan.	2008	5.62	(112.1)	4.18	0.264
Feb	2008	5.38	(104.3)	4.08	0.229
Mar.	2008	5.18	(90.1)	4.02	0.214
Apr.	2008	5.23	(102.9)	4.04	0.210
May.	2008	5.35	(104.7)	4.11	0.219
June.	2008 *3	5.36	(101.3)	4.09	0.236

*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)
						1
	1st quarter	1st half	3rd quarter	4th quarter	2nd half	total
2007FY	7.67	15.63	8.09	8.20	16.29	31.92
2008FY	8.04	Approx.16.30				

4. Crude Steel Production

(Consolidated basis)

(million tons)

	1st quarter	1st half	3rd quarter	4th quarter	2nd half	total
2007FY	8.72	17.64	9.24	9.36	18.59	36.23
2008FY	9.16	Approx. 18.30				

(Non-consolidated basis)

(million tons)

	1st quarter	1st half	3rd quarter	4th quarter	2nd half	total
2007FY	7.99	16.21	8.37	8.53	16.90	33.11
2008FY	8.30	Approx. 16.60				

5. Steel Products Shipment

(million tons)

	1st quarter	1st half	3rd quarter	4th quarter	2nd half	total
2007FY	7.89	16.04	8.23	8.63	16.86	32.90
2008FY	8.08	Approx. 16.50				

6. Average Price of Steel Products

						(thousands	of yen / ton)
		1st quarter	1st half	3rd quarter	4th quarter	2nd half	total
	2007FY	78.3	79.3	80.2	80.2	80.2	79.8
Ī	2008FY	91.9	Approx. 98				

7. Export Ratio of Steel Products (Value basis)

						(%)
	1st quarter	1st half	3rd quarter	4th quarter	2nd half	total
2007FY	33.3	34.1	32.3	33.0	32.6	33.4
2008FY	31.8	Approx. 34				

8. Foreign Exchange Rate

(¥/US\$)

	1st quarter	1st half	3rd quarter	4th quarter	2nd half	total
2007FY	120	119	113	108	111	115
2008FY	104	105				

9. Unrealized Gains on Available-for-Sale Securities

			(billion yen)
	1st quarter of 2008FY	2007FY	difference
Consolidated	518.6(309.1)	393.6(234.6)	+125.0(+74.4)
Nikkei 225	13,481yen	12,526yen	(+956yen)

* Figures in parentheses were after adopting deferred tax accounting.

10. Amount of Capital Expenditure and Depreciation

•Ca	pital Expenditure		(billion yen)
		2008FY (estimated)	2007FY
	Consolidated	340.0	310.0
	Non-consolidated	260.0	230.0
•De	preciation		(billion yen)
•De	preciation	2008FY (estimated)	(billion yen) 2007FY
•De	preciation Consolidated	2008FY (estimated) 285.0	