Flash Report Consolidated Basis

Results for the First Ouarter of Fiscal 2009

(April 1, 2009—June 30, 2009)

July 29, 2009

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

Contact: Hiroyuki Marukawa, General Manager, Public Relations Center

Telephone: 81-3-3275-5014 **Scheduled date to submit Securities Report:** August 7, 2009

Scheduled date to payment of dividends: —

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

1. Consolidated Financial and Operating Results through the First Quarter of Fiscal 2009 (April 1, 2009—June 30, 2009)

(1) Consolidated Operating Results (Accumulated)

(Percentage figures are changes from the same period of the previous fiscal year.)

	Net sales	}	Operating p	rofit	Ordinary p	rofit	Net incor	ne
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First quarter of fiscal 2009	745,083	(37.8)	(53,405)	_	(56,668)	_	(42,246)	_
First quarter of fiscal 2008	1,198,582	_	119,704	_	144,087	_	82,761	_

	Net income per share	Net income per share after full dilution
	¥	¥
First quarter of fiscal 2009	(6.72)	_
First quarter of fiscal 2008	13.15	12.50

Note: Beginning with the previous fiscal year, the Company's quarterly statements have been prepared in accordance with the "Accounting Standards for Quarterly Financial Statements." Accordingly, comparisons with the same quarter of the previous fiscal year have not been included in the results for the first quarter of fiscal 2008.

(2) Consolidated Financial Results

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First quarter of fiscal 2009	4,962,437	2,228,679	34.7	273.37
Fiscal 2008	4,870,680	2,174,809	34.3	265.24

(For reference) Shareholders' equity: First quarter of fiscal 2009 ¥ 1,719,768 million Fiscal 2008 ¥ 1,668,682 million

2. Dividends

	Dividends per share				
Base date	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full fiscal year
	Yen	Yen	Yen	Yen	Yen
Fiscal 2008	_	5.00	_	1.00	6.00
Fiscal 2009	_				
Fiscal 2009 (Forecast)		0.00	_	-	1

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 2009 (April 1, 2009—June 30, 2009)

(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 2009	1,550,000	(40.4)	(100,000)	_	(110,000)	_
Fiscal 2009	3,500,000	(26.6)	0	(100.0)	0	(100.0)

	Net income	Net income per share	
	Millions of yen	Yen	
First half of fiscal 2009	(80,000)	_	(12.72)
Fiscal 2009	0	(100.0)	0.00

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

Note: The forecasts for fiscal 2009 are provisional figures since business conditions for fiscal 2009 remain difficult to predict.

4. Others

(1) Changes in the state of material subsidiaries during the period (Changes regarding specific companies accompanying changes in the scope of consolidation): None

Newly included: —

Excluded: -

(2) The adoption of simplified accounting methods and special accounting treatment for the quarterly consolidated financial statements: Yes

Note: For further details, please refer to the item "4. Others" on page 10 in the section of "Qualitative Information and Financial Review."

- (3) Changes in principles, procedures, methods of presentation, etc., related to the quarterly consolidated financial statements (Changes in material items that form the basis for the preparation and presentation of the quarterly consolidated financial statements)
 - (a) Changes accompanying revisions in accounting principles: Yes
 - (b) Changes other than those in (a) above: None
- (4) Number of shares issued (common shares)
 - (a) Number of shares issued at the end of the period (including treasury stock)

First quarter of fiscal 2009 6,806,980,977 shares Fiscal 2008 6,806,980,977 shares

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

First quarter of fiscal 2009 516,096,444 shares Fiscal 2008 516,602,427 shares

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

First quarter of fiscal 2009 6,290,536,223 shares First quarter of fiscal 2008 6,292,430,650 shares

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.

^{*} Explanation of the appropriate use of performance forecasts and other related items

(Qualitative Information and Financial Review)

1. Consolidated Operating Results

Overview of Conditions in the First Quarter, Fiscal 2009

The global economic situation remained severe through the first quarter of fiscal 2009 as employment rates in the United States, countries of Europe, and other leading countries continued to worsen, and other negative elements lingered even as signs appeared that the economic conditions were bottoming out, including positive responses to economic stimulus measures instigated by various governments, steady domestic demand in China, and a sense that the effect of the drop in housing sales in the United States, which was the original trigger of the current economic crisis, was beginning to weaken.

Economic conditions in Japan mirrored the global situation with negative factors, including worsening employment conditions and stagnant private consumption, persisting alongside improving index figures for industrial production and export volume and apparent signs of progress in the inventory adjustments in the automotive and electric machinery industries.

In these conditions, the Nippon Steel Group companies in the six business segments—steelmaking and steel fabrication, engineering and construction, urban development, chemicals, new materials, and system solutions—focused on continuing to secure profits and developing their businesses through autonomous management initiatives in their respective fields. Despite these efforts, the severe conditions and substantial declines in demand, particularly for the steelmaking and steel fabrication business, strongly impacted the first quarter performances as a whole.

Performance Review by Business Segment in the First Quarter, Fiscal 2009

An overview of operating performance by business segment is shown below.

(Billions of yen)

	Net Sales		Operating Pr	ofit (Loss)
	1Q FY09	1Q FY08	1Q FY09	1Q FY08
Steelmaking and steel fabrication	578.8	1,030.2	(64.9)	111.6
Engineering and construction	88.8	72.4	7.7	2.2
Urban development	21.5	11.0	1.0	1.0
Chemicals	37.9	64.7	2.5	3.4
New materials	12.9	19.2	(0.1)	(0.0)
System solutions	32.6	34.8	1.9	1.5
Total	772.8	1,232.6	(51.8)	119.9
Elimination of intersegment transactions	(27.7)	(34.0)	(1.5)	(0.2)
Consolidated total	745.0	1,198.5	(53.4)	119.7

Steelmaking and Steel Fabrication

Overall demand in the steel making and fabrication business dropped markedly in the first quarter, even though manufacturers in core demand segments, such as the automobile, electric machinery, and other manufacturing industries, made some progress in inventory adjustments. Demand for steel materials, including in the Company's core segment of high-grade steel for the manufacturing industries, remained at the extremely low levels reached in the previous quarter.

The Company responded by implementing extensive measures to reduce costs, including negotiating and obtaining lower iron ore and coking coal prices from leading suppliers of its principal raw materials, increasing the use of lower-priced materials and optimizing production line operations to pursue minimum-cost operations while output volume remains low, restraining expenditures to the maximum extent possible, and introducing temporary suspensions of operations.

However, the low demand levels and the curtailed production activity as companies reset their inventory levels resulted in production and shipment volumes remaining flat with those of the previous quarter and

at the lowest levels in the Company's history. The deteriorating conditions in the steel market, particularly in the commodities markets, were also compounded by the temporary negative effects of inventory valuations and arrival of raw materials bearing the high prices contracted in the previous fiscal year. The outcome was year-on-year declines in both net sales and operating profit in the steelmaking and steel fabrication business.

Engineering and Construction

In the engineering and construction business, Nippon Steel Engineering Co., Ltd., is focusing on developing operations in the areas of steel production plants, environmental solutions, offshore and energy-related projects (including pipelines), and construction and steel structures where it can fully apply its distinct capabilities. However, the operating environment for attracting project orders grew increasingly severe both in Japan and overseas during the quarter as the deteriorating economic conditions produced a growing number of project cancellations and postponements. The company's meticulous risk management and efforts to improve earnings on the projects currently under way resulted in year-on-year increases in both net sales and operating profit.

Urban Development

In the urban development business, although contract rates for condominiums improved at a few properties in city centers, the Group's real estate development company Nippon Steel City Produce Inc. recorded a low contract rate level in the condominium market, reflecting consumers' weak willingness to purchase during deteriorating economic and employment conditions. Demand remained sluggish in the rental building market for corporate office space, and vacancy rates continued rising. Within this severe environment, the urban development business maintained a steady sales flow from large condominium units in urban centers and ultimately achieved year-on-year growth in net sales while holding operating profit even with that of the same quarter in the previous year.

Chemicals

In the chemicals business, after struggling in the second half of fiscal 2008 while demand plummeted and market conditions rapidly degenerated, the chemicals and electronics materials businesses of Nippon Steel Chemical Co., Ltd., began recovering in the first quarter, primarily owing to a surge in demand starting in spring of this year for circuit board materials for mobile phone applications. However, market conditions continue to be severe for the coal-based chemicals business, particularly for pitch coke for the production of electrode carbon. Chemicals business net sales and operating profit both declined year on

year in the first quarter. The production facility for the new highly heat-resistant, transparent material "SilPlus" commenced operations in April of this year.

New Materials

Last year's harsh business conditions persisted for the new materials business, and Nippon Steel Materials Co., Ltd., implemented extensive measures to cut costs and improve profit during the quarter to offset the impact from the steep drop in demand for semiconductors and electronic materials and a virtual freezing of capital investment by major manufacturers. While some products showed indications of recovering sales volumes, first quarter net sales and operating profit declined year on year in the new materials business.

System Solutions

In the system solutions business, NS Solutions Corporation fortified its capabilities to provide advanced solutions services incorporating cloud computing* technology with the establishment of the NS Cloud Competence Center, a dedicated testing center to conduct assessments and verifications of cloud computing systems in collaboration with client companies. The company also developed and released the new BancMeasure market price accounting software package for financial institutions. BancMeasure incorporates and utilizes sophisticated business operations data related to financial institution risk management. The system solutions business posted a year-on-year decline in net sales for the quarter as client companies continued to restrain investment in software systems. Operating profit increased, partially due to reduced selling, general and administrative expenses.

* Cloud computing is a new Internet-based computer usage configuration enabling services that allow users to access dynamically scalable resources via the Internet.

Sales and Income

In the first quarter of fiscal 2009, consolidated sales and income levels declined across the board, with net sales down ¥453.4 billion year-on-year, to ¥745.0 billion, operating profit down ¥173.1 billion, to an operating loss of ¥53.4 billion; ordinary profit down ¥200.7 billion, to an ordinary loss of ¥56.6 billion; and net income down ¥125.0 billion, to a net loss of ¥42.2 billion.

Fund Procurement

The Company conducted two issues of unsecured corporate bonds in the first quarter of fiscal 2009: issues No. 62 and No. 63 each valued at ¥20.0 billion on June 9,2009.

2. Financial Analysis (Consolidated)

Total consolidated assets at the end of the first quarter of fiscal 2009 amounted to ¥4,962.4 billion, representing an increase of ¥91.7 billion from ¥4,870.6 billion at the end of March 2009 and reflecting the balance of a decrease in current assets, including ¥84.7 billion decline in notes and accounts receivable mainly due to a lower volume of shipments, and ¥142.6 billion increase in investments and others, including a rise in the value of investments in securities.

Total liabilities at the end of the first quarter amounted to \(\frac{\pmathbf{x}}{2},733.7\) billion, an increase of \(\frac{\pmathbf{x}}{37.8}\) billion from the \(\frac{\pmathbf{x}}{2},695.8\) billion at the end of March 2009. The increase was primarily due a rise of \(\frac{\pmathbf{x}}{110.4}\) billion in interest-bearing debt, to \(\frac{\pmathbf{x}}{1},564.6\) billion, from \(\frac{\pmathbf{x}}{1},454.2\) billion at the end of March 2009, while notes and accounts payable declined \(\frac{\pmathbf{x}}{74.2}\) billion.

Net assets were \(\frac{\text{\frac{4}}}{2.228.6}\) billion at the end of the first quarter, representing an increase of \(\frac{\text{\frac{5}}}{3.8}\) billion, compared with \(\frac{\text{\frac{2}}}{2.174.8}\) billion at the end of March 2009. The increase was largely due to a rise of \(\frac{\text{\frac{4}}}{85.1}\) billion in the unrealized gain on available-for-sale securities, which outbalanced a net loss of \(\frac{\text{\frac{4}}}{42.2}\) billion for the quarter and the year-end \(\frac{\text{\frac{4}}}{1}\) per share cash dividend payment, which totaled \(\frac{\text{\frac{6}}}{6.3}\) billion.

3. Consolidated Forecast

Business conditions for fiscal 2009 remain difficult to predict, as signs are appearing that the global economic conditions are bottoming out, but worsening employment conditions in leading countries, stagnant private consumption, and other conditions indicate that risk remains of a prolonged economic recession.

Positive signs are appearing for a recovery in steel demand, mainly in the second half of the fiscal year, as government economic stimulus measures support a return to demand growth in China, and, in Japan, production volumes are expected to increase through the second quarter as inventory adjustments progress in the automotive and electric machinery industries, which are primary sources of steel demand. However, the domestic construction market remains stagnant, and demand from the industrial machinery segment is dwindling as companies restrain investment in plant and machinery. In sum, current conditions do not provide a firm-enough basis for anticipating the timing or extent of a recovery and return to stability in demand.

The Company has temporarily shut down operations of the No. 1 blast furnace at the Oita Works and the No. 2 blast furnace at the Kimitsu Works. After a thorough evaluation of production efficiency, costs, and other factors, the Company has decided to recommence operation of the No. 1 blast furnace at the Oita Works on August 2 of this year.

The Company has implemented various strategies, including extensive measures to minimize costs, to counter the impact from the rapid deterioration in steel market conditions that began in the second half of fiscal 2008. The Company's performance results should also benefit from declining iron ore and coking coal prices and other factors. However, the temporary negative effects of inventory valuations and arrival of raw materials bearing the high prices contracted in the previous fiscal year will continue to impact earnings in the first half of the fiscal year. In addition, global market conditions are worse than anticipated, and the outlook is now for further deterioration in performance compared with the outlook announced on April 28 this year. Since the outlook for recovery remains uncertain, the Company is, at this point, maintaining the tentative earnings forecast figures it announced on April 28, including those for net sales and income for the full fiscal year.

The Company is concentrating every effort on regaining profitability and will continue to closely monitor domestic and worldwide supply-demand and inventory trends and match production activity to real demand while implementing continued wide-ranging cost cuts.

Basic Profit Distribution Policy and Retained Earnings at the End of the Second Quarter (Interim Term End) of Fiscal 2009

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

In line with the basic profit distribution policy and in consideration of the forecasts for business conditions and a consolidated net loss in the first half of fiscal 2009, the Company has regretfully decided to not distribute a second quarter (interim) dividend payment in fiscal 2009.

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

4. Others

- (1) Changes in the state of material subsidiaries during the period (Changes regarding specific companies accompanying changes in the scope of consolidation):

 None
- (2) The adoption of simplified accounting methods and special accounting treatment for the quarterly consolidated financial statements:
 - 1. Simplified accounting methods: None
 - 2. Special accounting treatment for the quarterly consolidated financial statements:

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

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

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

The Company has changed its method for recognizing revenues on construction contracts. Previously, the Company applied the percentage-of-completion method for construction contracts of ¥1 billion or more and a construction term of over 12 months. For other construction contracts, the Company applied the completed-contract method. However, beginning with contracts for which construction commenced in the first quarter of the fiscal year ending March 31, 2010, accompanying the application of the Accounting Standard for Construction Contracts (ASBJ Statement No. 15) and the Implementation Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18), the percentage-of-completion method has been applied if the completion of a portion of the construction work is deemed to be certain by the end of the first quarter. (The percentage of completion is estimated based on the percentage of cost incurred compared with the estimated total cost.) For other construction, the completed-contract method has been applied.

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

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

None

5. Consolidated Finacial Statements

(1) Consolidated Balance Sheets

lions	

	Willions of yell		
ASSETS	June 30, 2009	March 31, 2009	
Current assets :			
Cash and bank deposits	123,367	124,007	
Notes and accounts receivable	387,016	471,745	
Inventories	978,167	1,021,543	
Other	293,854	268,702	
Less: Allowance for doubtful accounts	(3,386)	(5,442)	
Total current assets	1,779,019	1,880,556	
Fixed assets:			
Tangible fixed assets :			
Machinery and equipment	895,567	894,535	
Other	970,057	925,295	
	1,865,624	1,819,830	
Intangible fixed assets	24,850	20,050	
Investments and others:			
Investments in securities	1,120,605	957,392	
Other	177,955	198,400	
Less: Allowance for doubtful accounts	(5,618)	(5,549)	
	1,292,942	1,150,243	
Total fixed assets	3,183,417	2,990,124	

Total assets	4,962,437	4,870,680

Millions of yen

	Millions	-
LIABILITIES	June 30, 2009	March 31, 2009
Current liabilities :		
Notes and accounts payable	402,349	476,571
Short-term loans and long-term loans due within one year	408,971	342,545
Commercial paper	164,200	148,000
Bonds due within one year	23,250	43,250
Accrued income taxes and enterprise taxes	14,055	43,473
Reserve	3,989	4,666
Other	475,015	467,848
Total current liabilities	1,491,832	1,526,354
Long-term liabilities :		
Bonds and notes	364,953	324,967
Long-term loans	592,447	585,446
Accrued pension and severance costs	140,424	136,380
Reserve	38,318	41,413
Other	105,781	81,308
Total long-term liabilities	1,241,925	1,169,517
Total liabilities	2,733,757	2,695,871
NET ASSETS		
Shareholders' equity:		
Common stock	419,524	419,524
Capital surplus	114,348	114,333
Retained earnings	1,410,204	1,458,622
Less: Treasury stock, at cost	(261,616)	(262,152)
	1,682,461	1,730,328
Valuation and transaction adjustments:		
Unrealized gains on available-for-sale securities	107,861	22,665
Deferred hedge income (loss)	(1,806)	(1,149)
Unrealized gains on revaluation of land	11,186	11,187
Foreign currency translation adjustments	(79,934)	(94,348)
	37,307	(61,645)
Minority interest in consolidated subsidiaries	508,911	506,126
Total net assets	2,228,679	2,174,809
Total liabilities and net assets	4,962,437	4,870,680

(2) Consolidated Statements of Income

Mil	lions	of	ven
			,

	F:t	TC* -4 4 6
	First quarter of fiscal 2008	First quarter of fiscal 2009
Operating revenues :		_
Net sales	1,198,582	745,083
Cost of sales	993,182	728,106
Gross margin	205,399	16,977
Selling, general and administrative expenses	85,695	70,382
Operating profit	119,704	(53,405)
Non-operating profit and loss :		
Non-operating profit :		
Interest and dividend income	11,694	6,919
Equity in net income of unconsolidated	12.044	2 (20
subsidiaries and affiliates	13,044	2,628
Other	13,830	8,344
	38,570	17,891
Non-operating loss:		
Interest expenses	4,431	5,194
Other	9,755	15,959
	14,186	21,154
Ordinary profit	144,087	(56,668)
Special profit :		
Gain on sales of tangible fixed assets	3,568	-
	3,568	_
Special loss:		
Penalty	-	6,400
	_	6,400
Income before income taxes and minority interest	147,655	(63,068)
Income taxes - current and deferred	57,609	(19,760)
Minority interest in net income of consolidated subsidiaries	7,284	(1,061)
Net income	82,761	(42,246)

(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 2008 (April 1, 2008 to June 30, 2008)

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

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

None

Recent Quarterly Operating Results

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

82, 761

[6.9%]

13. 15

Net income

Net income per share

78, 915

[5.6%]

12.54

161, 677

[6.2%]

25. 69

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

		F	
		Forecast for the 1st half of fiscal 2009	Forecast for fiscal 2009 (data released on
	1st quarter	(data released on July 29, 2009)	July 29, 2009) *
	Apr. 2009-June. 2009	Apr. 2009-Sep. 2009	Apr. 2009-Mar. 2010
Sales	¥million 745, 083	¥million 1, 550, 000	¥million 3, 500, 000
Steelmaking and steel fabrication	578, 892	1, 250, 000	2, 800, 000
Engineering and construction	88, 809	160, 000	360, 000
Urban development	21, 536	40, 000	80, 000
Chemicals	37, 965	80, 000	165, 000
New materials	12, 996	25, 000	55, 000
System solutions	32, 665	70, 000	150, 000
Elimination of intersegment transactions	(27, 781)	(75, 000)	(110, 000)
Operating profit	▲ 53, 405	▲ 100,000	0
operating profit	[▲7.2%]	[46.5%]	[-]
Steelmaking and	▲ 64, 985	▲ 110,000	▲ 30,000
steel fabrication	[▲11.2%]	[48.8%]	[▲1.1%]
Engineering and	7, 718	10, 000	20, 000
construction	[8.7%]	[6.3%]	[5.6%]
	1, 089	3, 000	4, 000
Urban development	[5. 1%]	[7.5%]	[5.0%]
a	2, 520	3, 000	7, 000
Chemicals	[6.6%]	[3.8%]	[4. 2%]
	▲ 138	▲ 1,000	0
New materials	[▲1.1%]	[▲4.0%]	[-]
	1, 914	3, 000	10,000
System solutions	[5.9%]	[4.3%]	[6.7%]
Elimination of intersegment transactions	(1, 524)	(8, 000)	(11, 000)
0-4:	▲ 56,668	▲ 110,000	0
Ordinary profit	[▲7.6%]	[▲7.1%]	[-]
Not income	▲ 42, 246	▲ 80,000	0
Net income	[▲5.7%]	[▲5.2%]	[-]
Net income per share	¥ ▲ 6.72	¥ 12.72	v 0.00

Forecast for the 1st half of fiscal 2009 (data released on Apr. 28, 2009) *	Forecast for fiscal 2009 (data released on Apr. 28, 2009) *
Apr. 2009-Sep. 2009	Apr. 2009-Mar. 2010
¥million 1, 500, 000	¥million 3, 500, 000
1, 200, 000	2, 800, 000
140, 000	360, 000
40, 000	90, 000
80, 000	165, 000
25, 000	55, 000
70, 000	150, 000
(55, 000)	(120, 000)
▲ 100, 000	0
[▲6.7%]	[-]
▲ 110, 000	▲ 30,000
[▲9.2%]	[▲1.1%]
6, 000	20, 000
[4. 3%]	[5. 6%]
3, 000	4, 000
[7. 5%]	[4.4%]
4, 000	10, 000
[5.0%]	[6.1%]
▲ 1,000	0
[▲4.0%]	[-]
3, 000	10, 000
[4. 3%]	[6.7%]
(5, 000)	(14, 000)
▲ 100, 000	0
[▲6.7%]	[-]
▲ 60,000	0
[▲4.0%]	[-]
¥ ▲ 9.54	0. 00

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	Fiscal 2008
	Apr. 2008-June. 2008	July 2008-Sep. 2008	Apr. 2008-Sep. 2008	Oct. 2008-Dec. 2008	Jan. 2009-Mar. 2009	Oct. 2008-Mar. 2009	Apr. 2008-Mar. 2009
Sales	¥million 1, 198, 582	¥million 1, 403, 599	¥million 2, 602, 181	*million 1, 228, 035	¥million 939, 604	¥million 2, 167, 639	¥million 4, 769, 821
Steelmaking and steel fabrication	1, 030, 296	1, 203, 466	2, 233, 762	1, 067, 621	737, 301	1, 804, 922	4, 038, 685
Engineering and construction	72, 456	96, 281	168, 738	92, 697	125, 207	217, 905	386, 643
Urban development	11, 089	14, 425	25, 515	14, 364	30, 272	44, 637	70, 152
Chemicals	64, 715	72, 253	136, 969	44, 294	30, 909	75, 203	212, 172
New materials	19, 242	16, 645	35, 888	14, 517	9, 501	24, 019	59, 907
System solutions	34, 849	41, 594	76, 444	32, 884	52, 212	85, 097	161, 541
Elimination of intersegment transactions	(34, 069)	(41, 067)	(75, 136)	(38, 344)	(45, 800)	(84, 144)	(159, 281)
	119, 704	128, 709	248, 413	148, 067	▲ 53,550	94, 517	342, 930
perating profit	[10.0%]	[9. 2%]	[9.5%]	【12. 1%】	[▲5.7%]	[4.4%]	[7. 2%]
Steelmaking and	111, 661	117, 976	229, 637	145, 532	▲ 68, 123	77, 409	307, 047
steel fabrication	[10.8%]	[9.8%]	[10.3%]	[13.6%]	[▲9.2%]	[4.3%]	[7.6%]
Engineering and	2, 210	3, 780	5, 991	3, 738	14, 944	18, 683	24, 674
construction	[3.1%]	[3.9%]	[3.6%]	[4.0%]	[11.9%]	[8.6%]	[6.4%]
	1, 082	1, 173	2, 255	827	846	1, 673	3, 929
Jrban development	[9.8%]	[8.1%]	[8.8%]	[5.8%]	[2.8%]	[3.7%]	[5.6%]
a	3, 467	4, 573	8, 040	▲ 3, 269	▲ 3,876	▲ 7, 146	894
Chemicals	[5.4%]	[6.3%]	[5.9%]	[▲7.4%]	[▲12.5%]	[▲9.5%]	[0.4%]
	▲ 3	282	279	▲ 791	▲ 1,885	▲ 2,677	▲ 2,397
New materials	[▲0.0%]	[1.7%]	[0.8%]	[▲5.5%]	[▲19.8%]	[▲11.1%]	[▲4.0%]
	1, 560	2, 814	4, 374	1, 983	5, 120	7, 104	11, 479
System solutions	[4.5%]	[6.8%]	[5.7%]	[6.0%]	[9.8%]	[8.3%]	[7.1%]
Elimination of intersegment transactions	(274)	(1, 892)	(2, 166)	46	(575)	(529)	(2, 696)
0	144, 087	118, 151	262, 239	148, 190	▲ 74, 289	73, 901	336, 140
Ordinary profit	[12.0%]	[8.4%]	[10.1%]	[12.1%]	[▲7.9%]	[3.4%]	[7.0%]

▲ 57, 035

[▲6.1%]

▲ 9.11

▲ 6,599

[▲0.3%]

▲ 1.09

50, 435

[4.1%]

8. 02

155, 077

[3.3%]

24. 61

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

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 2009

Japanese Steel Industry

1. Crude Steel Production

(million tons)

	1st quarter	1st half	3rd quarter	4th quarter	2nd half	total
2008FY	31.06	61.51	26.40	17.60	44.00	105.50
2009FY	19.10	40.81				

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.	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	5.63	(112.7)	4.18	0.264
Feb.	2008	5.39	(104.4)	4.08	0.229
Mar.	2008	5.18	(90.0)	4.02	0.214
Apr.	2008	5.22	(102.7)	4.04	0.210
May	2008	5.34	(104.6)	4.10	0.219
June	2008	5.36	(101.2)	4.09	0.236
July	2008	5.11	(94.0)	4.06	0.243
Aug.	2008	5.46	(119.9)	4.29	0.248
Sep.	2008	5.58	(110.3)	4.41	0.261
Oct.	2008	5.72	(116.4)	4.47	0.273
Nov.	2008	5.85	(136.2)	4.56	0.275
Dec.	2008	5.88	(155.0)	4.71	0.272
Jan.	2009	5.77	(165.2)	4.73	0.261
Feb.	2009	5.47	(171.4)	4.51	0.234
Mar.	2009	5.16	(150.7)	4.26	0.221
Apr.	2009	4.90	(165.6)	3.88	0.206
May	2009	4.86	(160.3)	3.76	0.207

^{*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	1st half	3rd quarter	4th quarter	2nd half	total
2008FY	8.04	16.07	7.47	4.95	12.41	28.49
2009FY	4.84	Approx 11.30				

4. Crude Steel Production

(Consolidated basis)

(million tons)

	1st quarter	1st half	3rd quarter	4th quarter	2nd half	total
2008FY	9.16	18.23	7.97	5.04	13.01	31.24
2009FY	5.38	Approx.12.70				

(Non-consolidated basis)

(million tons)

	1st quarter	1st half	3rd quarter	4th quarter	2nd half	total
2008FY	8.30	16.57	7.37	4.67	12.04	28.61
2009FY	4.82	Approx.11.50				

5. Steel Products Shipment

(million tons)

						1
	1st quarter	1st half	3rd quarter	4th quarter	2nd half	total
2008FY	8.08	16.37	7.12	4.71	11.83	28.20
2009FY	4.73	Approx.11.30				

6. Average Price of Steel Products

(thousands of yen / ton)

	1st quarter	1st half	3rd quarter	4th quarter	2nd half	total
2008FY	92.0	100.2	112.4	108.5	110.8	104.7
2009FY	88.4					

7. Export Ratio of Steel Products (Value basis)

(%)

	1st quarter	1st half	3rd quarter	4th quarter	2nd half	total
2008FY	31.8	33.5	31.8	30.1	31.2	32.5
2009FY	33.1					

8. Foreign Exchange Rate

(Y/US)

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

9. Unrealized Gains on Available-for-Sale Securities

(billion yen)

_				\
		1st quarter of 2009FY	2008FY	difference
	Consolidated	180.9(107.8)	38.0(22.6)	+142.9(+85.2)
•	Nikkei 225	9.958ven	8.110ven	[+1.849ven]

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

10. Amount of Capital Expenditure and Depreciation

·Capital Expenditure

(billion yen)

	2009FY (estimated)	2008FY
Consolidated	380.0	300.0
Non-consolidated	300.0	220.0

Depreciation

(billion yen)

	2009FY (estimated)	2008FY
Consolidated	290.0	273.7
Non-consolidated	220.0	196.3