Flash Report Consolidated Basis

Results for Fiscal 2010

(April 1, 2010—March 31, 2011)

April 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 **Contact:** Nozomu Takahashi, General Manager, Public Relations Center

Telephone: 81-3-6867-2130 Scheduled date to Ordinary General Meeting Imma 24, 2011

of Shareholders:
Scheduled date to payment of dividends:
Scheduled date to submit Securities Report:
June 24, 2011
June 27, 2011
June 24, 2011

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

1. Consolidated Financial and Operating Results through Fiscal 2010

(April 1, 2010—March 31, 2011)

(1) Consolidated Operating Results

(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	%
Fiscal 2010	4,109,774	17.8	165,605	417.4	226,335	_	93,199	_
Fiscal 2009	3,487,714	(26.9)	32,005	(90.7)	11,833	(96.5)	(11,529)	_

(For reference) Comprehensive income: Fiscal 2010 ¥41,383 million (△78.2%)

	Net income per share	Net income per share after full dilution	Return on Equity	Return on Assets	Return on Sales
	Yen	Yen	%	%	%
Fiscal 2010	14.82	14.51	5.0	4.5	4.0
Fiscal 2009	(1.83)	_	(0.7)	0.2	0.9

(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
Fiscal 2010	5,000,860	2,380,925	37.2	295.84
Fiscal 2009	5,002,378	2,335,676	36.9	293.19

(For reference) Shareholders' equity: Fiscal 2010 ¥ 1,860,799 million Fiscal 2009 ¥ 1,844,382 million

(3) Consolidated Statements of Cash-Flows

(b) Consolitation Statements of Cash 110 //5							
	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year			
	Millions of yen	Millions of yen	Millions of yen	Millions of yen			
Fiscal 2010	369,500	(325,781)	(47,244)	76,256			
Fiscal 2009	437,668	(412,827)	(79,985)	80,470			

2. Dividends

	Dividends per share					
Base date	End of first quarter	End of first quarter				
	Yen	Yen	Yen	Yen	Yen	
Fiscal 2009	_	0.00	_	1.50	1.50	
Fiscal 2010	_	0.00	_	3.00	3.00	
Fiscal 2011 (Forecast)	_	_	_	_	_	

	Cash dividends	Ratio of cash dividends to net income	Ratio of cash dividends to net assets
	Millions of yen	%	%
Fiscal 2009	9,454	_	0.5
Fiscal 2010	18,908	20.2	1.0
Fiscal 2010 (Forecast)		_	

Note: The dividend forecast of end of second quarter and fiscal year is not decided. The Company will announce a dividend distribution plan as soon as it is formulated.

3. Consolidated Financial Forecasts for Fiscal 2011 (April 1, 2011—March 31, 2012)

The Company is unable to formulate reasonably accurate estimates or forecasts at this time. The performance forecast for fiscal 2011, therefore, has not been determined and has not been disclosed. For further details, please refer to the item "1.Consolidated Operating Results (1) Operating Results Analysis Fiscal 2011 Forecast" on page 4.

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) Changes in principles, procedures, methods of presentation, etc., related to the consolidated financial statements (Changes in material items that form the basis for the preparation and presentation of the consolidated financial statements)
 - (a) Changes accompanying revisions in accounting principles: Yes
 - (b) Changes other than those in (a) above: None

Note: For further details, please refer to the item "(7) Change in the Basic Material Items for the Preparation of the Consolidated Financial Statements" on page 21.

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

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

Fiscal 2010 517,192,896 shares Fiscal 2009 516,191,673 shares

(c) Average number of shares issued during the term

Fiscal 2010 6,290,266,349 shares Fiscal 2009 6,290,728,166 shares

(For Reference) A Summary of Non-Consolidated Financial and Operating Results

1. Non-Consolidated Financial and Operating Results through Fiscal 2010 (April 1, 2010—March 31, 2011)

(1) Non-Consolidated Operating Results

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

	(Telephage figures are changes from the same period of the provious fiscal year.)							
	Net sales		Net sales Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2010	2,708,406	25.8	57,657	_	80,191	_	49,419	_
Fiscal 2009	2,152,171	(31.2)	(62,810)	_	(94,998)	_	(57,638)	_

	Net income per share	Net income per share after full dilution
	Yen	Yen
Fiscal 2010	7.84	_
Fiscal 2009	(9.14)	_

(2) Non-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
Fiscal 2010	3,561,725	1,260,233	35.4	199.94
Fiscal 2009	3,586,291	1,271,147	35.4	201.67

(For reference) Shareholders' equity: Fiscal 2010 ¥1,260,233 million Fiscal 2009 ¥1,271,147 million

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

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1. Consolidated Operating Results

(1) Operating Results Analysis

Operating Highlights for Fiscal 2010

Overview of Conditions in Fiscal 2010

The global economy continued its overall gradual recovery trend in fiscal 2010 supported by self-sustaining recovery in the major advanced countries and economic expansion of emerging countries in Asia.

In Japan, construction and public works investment remained stagnant, but some movement toward economic recovery appeared in the first half of the fiscal year supported mainly by improving economic conditions overseas and government business stimulus policies. The recovery stalled briefly in the second half of the year as the effectiveness of the economic policies faded and the yen's strength persisted, but the gradual recovery trend had remained essentially intact until the March 11 Great East Japan Earthquake.

Domestic steel demand from the construction and civil engineering sectors remained stagnant but brisk demand from developing countries in Asia generated sustaining high export volume, which supported a year-on-year increase of 14.32 million tons in total crude steel production volume in Japan, to 110.77 million tons for the fiscal year.

The ongoing stagnancy in domestic demand coupled with the steady growth in global demand for steel materials is making the Japanese steel industry highly reliant on external demand. Global supply and demand competition for steel is rapidly intensifying largely due to the presence of new steel manufacturing plants, particularly factories in East Asia using iron-source processes. In addition, the brisk steel demand overseas is tightening the supply and demand balance for raw materials, which is leading to the development of supply-side monopolies for raw materials. Price revision contract cycles are also shorter (quarterly) for raw materials, and those prices have risen during the year.

After deliberation of the current business environment as mentioned above, we have concluded that integrating our entire business with Sumitomo Metal Industries, Ltd., with whom we have implemented various measures to strengthen the competitiveness of both companies since the commencement of our alliance in 2002, and with whom we have already established a stable relationship, is the best way to

enable us to continue growing and increase our corporate value, and on February 3, 2011, we agreed with Sumitomo Metals to commence consideration of the integration of the entire business, targeted for October 1, 2012.

The Great East Japan Earthquake on March 11 caused extensive damage to the operations of the Nippon Steel Group, particularly to the Kamaishi Steelworks and the Sendai Factory of Nippon Steel & Sumikin Metal Products Co., Ltd. Nippon Steel has reported a ¥23.7 billion special loss in its consolidated accounts for fiscal 2010 to cover the cost to mainly restore the production facilities and equipment that were damaged or lost in the Great East Japan Earthquake.

Performance Review by Business Segment for Fiscal 2010

The Nippon Steel Group companies committed their maximum management effort to respond to the changing operating environment in their respective fields. The following is an overview of the Group's operating performance by business segment.

(D:11:

		(Billions of yen)
	Net Sales	Ordinary Profit
Steelmaking and steel fabrication	3,473.4	181.9
Engineering and construction	254.9	14.8
Urban development	86.5	9.2
Chemicals	193.8	13.2
New materials	60.8	2.1
System solutions	159.7	11.3
Total	4,229.4	232.8
Adjustment	(119.7)	(6.4)
Consolidated total	4,109.7	226.3

Steelmaking and Steel Fabrication

The steelmaking and steel fabrication segment took wide-ranging steps to fortify the foundation of its domestic steel production business. Management put every effort into reconstructing the manufacturing base, including facilities and operations as well as operational safety, while aggressively seeking leading technologies and proposing solutions to customers through the development of new products and the maximization of the mutual benefits of collaborative activities with customers.

The segment also worked to capture the demand in growth markets, particularly overseas markets, and continued steadily constructing its global supply structure to enhance the ability to swiftly respond to client business developments overseas. In addition, management implemented various measures to fortify

the Company's sourcing abilities for raw materials, including establishing procurement rights for high-quality raw materials, expanding its usage sources, and increasing the procurement ratios from clients in which the Company holds investment interests. On the cost side, management continued to maximize cost structure efficiency, including increasing the use of low-cost materials and exacting widespread cuts in fixed expenses. Efforts also continued to revise product prices with the understanding of its clients.

The steelmaking and steel fabrication business recorded net sales of ¥3,473.4 billion and an ordinary profit of ¥181.9 billion.

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, the environment, energy, offshore, bridges, pipelines, and construction where it can fully apply its distinct capabilities. The current environment for orders is characterized by severe conditions within Japan and a growing volume of projects overseas, particularly in Asia. The company conducted meticulous risk management of projects currently under way and focused on improving its cost structure. However, the low level of orders received in the previous term, however, was the primary factor in the engineering and construction business results of net sales of ¥254.9 billion and an ordinary profit of ¥14.8 billion.

Urban Development

In the urban development business, the Group's real estate development company, Nippon Steel City Produce Inc., conducts a wide range of business activities, including developing the Group's idle properties, urban redevelopment, reconstructing aging apartment buildings, and developing condominium and rental office buildings. Business trends in the condominium market during the year included improving contract rates led by properties in the Tokyo metropolitan area. Vacancy rates rose in all segments for corporate office space in rental buildings with the exception of certain new large-scale structures. The ongoing steady sales flow for large condominium units in the Tokyo metropolitan area helped the urban development business post net sales of ¥86.5 billion and an ordinary profit of ¥9.2 billion.

Chemicals

Nippon Steel Chemical Co., Ltd., faced strong profit pressure from the sharp increases in the prices of crude oil and naphtha, the added cost of the scheduled maintenance at the Oita Works, and the strong yen.

This was countered by solid sales of needle coke used in graphite electrodes for the electric furnace steel and expanding sales of functional materials products for flat-screen TVs and smartphones as well as market rally of some chemical products. The result was the chemical business recording net sales of ¥193.8 billion and an ordinary profit of ¥13.2 billion.

New Materials

Nippon Steel Materials Co., Ltd., posted recovering results in the industrial and environmental materials segments in the first half of the fiscal year fueled by strong sales of computer- and mobile phone-related products in the company's core semiconductors and electronic materials business segments. In the second half, demand continued to be strong for environmental materials but sales varied for electronic materials. The new materials business ultimately posted net sales of ¥60.8 billion and an ordinary profit of ¥2.1 billion.

System Solutions

In the system solutions business, NS Solutions Corporation provides comprehensive solutions in planning, configuration, operation, and maintenance of IT systems for a wide range of customers. The company provides leading-edge solutions services to further enhance customer investment efficiency and responsiveness to changing business conditions. The company implemented companywide measures to strengthen its business competitiveness and operation quality. These included establishing a business structure capable of fully responding to demand from the expanding telecommunications market and meeting International Financial Reporting Standards (IFRS) to fortify its presence in fields primed for growth from anticipated increasing investment in information technology (IT). In the cloud computing* operations, the company expanded its service menu and continued progressing toward completing the next-generation, high-standard database center for the scheduled operating launch at the start of 2012. The system solutions business posted net sales of ¥159.7 billion and an ordinary profit of ¥11.3 billion.

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

Sales and Income

Nippon Steel posted consolidated increases in sales and income in fiscal 2010. The Company was not able to adjust its product sales prices quickly enough to fully cover the increases in costs from the rising prices of core materials during the term. However, capturing the high level of demand, particularly export

demand and implementation of the maximum effort to cut costs, helped more than make up the difference. The result was across-the-board rises with growth in net sales of ¥622.0 billion year on year, to ¥4,109.7 billion; operating profit of ¥133.6 billion, to ¥165.6 billion; ordinary profit of ¥214.5 billion, to ¥226.3 billion; and net income of ¥104.6 billion, to ¥93.1 billion.

Fund Procurement

The Company conducted two issues of unsecured corporate bonds in fiscal 2010, Issue No. 64 was valued at ¥20.0 billion on April 20, 2010 and issue No. 65 was valued at ¥15.0 billion on August 31, 2010.

Fiscal 2011 Forecast

Many of Nippon Steel's clients suffered significant impacts from the earthquake and tsunami and have been forced to reduce their operating activity. We expect their production activity to gradually normalize as the manufacturing facilities are restored. We are closely monitoring the situation; however, it is still too early to anticipate the pace of the demand recovery or the scale of the reconstruction demand. For this reason, we do not at this time have a reliable base of assumptions upon which to prepare a steel demand outlook for fiscal 2011.

In addition, Nippon Steel will negotiate with suppliers to set prices for raw materials beginning in the second quarter of fiscal 2011 and is also in discussions with corporate customers to adjust steel product prices to better reflect the substantial price rises that are occurring in the first quarter for raw materials. Due to the ongoing status of these negotiations, the Company is also unable at this time to formulate reasonably accurate estimates or forecasts for raw material prices or steel material prices.

The performance forecast for fiscal 2011, therefore, has not been determined. The Company plans to announce a forecast as soon as it is able to formulate reasonably accurate assumptions and will provide a status update at the scheduled announcement of results for the first quarter of fiscal 2011.

(2) Financial Analysis (Consolidated)

Assets, Liabilities, Net Assets, and Cash Flow

Total consolidated assets at the end of fiscal 2010 were ¥5,000.8 billion, representing a decrease of ¥1.5 billion, from ¥5,002.3 billion at the end of fiscal 2009. Inventories increased by ¥74.5 billion due to higher raw materials prices, while the unrealized gain in investment securities declined ¥48.2 billion and tangible and intangible fixed assets declined ¥44.2 billion.

Total liabilities at the end of fiscal 2010 amounted to \$2,619.9 billion, a decrease of \$46.7 billion from the \$2,666.7 billion at the end of fiscal 2009. The decline was primarily due to a \$45.9 billion decrease in interest-bearing debt, from \$1,383.7 billion at the end of the previous fiscal year to \$1,337.8 billion at the end of fiscal 2010.

Net assets were \(\frac{\pmathbb{2}}{2,380.9}\) billion at the end of fiscal 2010, representing an increase of \(\frac{\pmathbb{4}}{45.2}\) billion from \(\frac{\pmathbb{2}}{2,335.6}\) billion at the end of fiscal 2009. The increase was realized in addition to a year-end dividend payment of \(\frac{\pmathbb{1}}{1.5}\) per share for a total \(\frac{\pmathbb{9}}{9.4}\) billion dividend payout and a decline of \(\frac{\pmathbb{5}}{35.5}\) billion in unrealized gains on available-for-sale securities. Shareholders' equity at the end of the fiscal year under review amounted to \(\frac{\pmathbb{1}}{1,860.7}\) billion, and the ratio of interest-bearing debt to shareholders' equity (the debt/equity ratio) was 0.72.

Cash flows from operating activities for the fiscal year under review amounted to an inflow of ¥369.5 billion.

The principal factors influencing operating cash flows were inflows from income before income taxes and minority interests of ¥185.3 billion, depreciation and amortization of ¥291.5 billion, equity in net income of unconsolidated subsidiaries and affiliates of ¥77.9 billion and an outflow from payment of ¥52.6 billion in income taxes. Cash flows from investing activities amounted to an outflow of ¥325.7 billion, comprised mainly of ¥315.8 billion in capital investments. These cash flows resulted in a free cash inflow of ¥43.7 billion in the term under review.

Cash flows from financing activities amounted to payments of ¥47.2 billion, due largely to a ¥45.9 billion payoff of interest-bearing debt.

As a result of the above movements in cash flows, the Company's cash and cash equivalents at the end of the fiscal year under review amounted to ¥76.2 billion.

Trend in Cash Flow Indicators

Fiscal year	2006	2007	2008	2009	2010
Ratio of net worth (%)	35.4	36.8	34.3	36.9	37.2
Ratio of net worth at market price (%)	99.1	61.2	34.0	46.2	33.4
Debt redemption term (years)	2.5	2.3	11.4	3.2	3.6
Interest coverage ratio (times)	31.1	30.2	6.5	22.0	20.0

Notes:

Ratio of net worth: (Net assets-Minority interests) / Total assets

Ratio of net worth at market price: Current aggregate value of shares / Total assets

Debt redemption term: Interest-bearing debt / Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities / Interest expenses

- * Each indicator is calculated from the figures in the consolidated financial statements.
- * The current aggregate value of shares is calculated by multiplying the common stock price at term-end by the number of shares outstanding at term-end.
- * Interest-bearing debt covers all debt-bearing interest (short-term loans, commercial paper, corporate bonds scheduled to come due within one year, convertible bonds scheduled to come due within one year, corporate bonds, other convertible bonds, long-term loans, and lease obligations).
- * Cash flow figures from operating activities in the consolidated statements of cash flows are used, and interest expense figures from the consolidated statements of cash flows are used.

(3) Basic Profit Distribution Policy and Dividends in Fiscal 2010 and Fiscal 2011

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 a 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.

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

The Company declared at the announcement of third-quarter results (January 28, 2011) that it plans to propose at the annual general meeting of shareholders a year-end dividend payment of \(\frac{\pmathbf{x}}{3.0}\) per share for fiscal 2010 (which will represent an increase of \(\frac{\pmathbf{x}}{1.50}\) per share compared with the cash dividend of the previous fiscal year and a consolidated payout ratio target of approximately 20.2%).

The Company at this time has not determined a dividend distribution plan for fiscal 2011 due to the inability to establish a reasonable performance forecast. The Company will announce a dividend distribution plan as soon as it is formulated.

2. Corporate Group

Schematic Diagram of Business

Nippon Steel Group is comprised of the parent company Nippon Steel Corporation, 270 consolidated subsidiaries and 74 affiliates accounted for by the equity method. The Group's overall businesses are categorized into several industry segments: steelmaking and steel fabrication, engineering and construction, urban development, chemicals, new materials and system solutions. The principal businesses and business relations of Nippon Steel and major subsidiaries and affiliates are outline below.

Steelmaking and steel fabrication Engineering and construction Design, (267 companies including Nippon Steel construction (25 companies) Corporation) and Sale and Nippon steel Engineering Co., ltd. ONippon Steel & Sumikin Coated Sheet management purchase of on Others Corporation products. consignment ⊙Osaka Steel Co., Ltd. etc. ONippon Steel & Sumikin Metal Products Co., Ltd. ⊙Taihei Kogyo Co., Ltd. Nippon Steel Corporation (Holding Company, Steel Making & Steel Fabrication) ONippon Steel & Sumikin Stainless Steel Processing, Corporation Lease of real Urban development and ONittetsu Steel Pipe Co., Ltd. transportati (11 companies) Nippon Steel Logistics Co., Ltd. on and ⊙Suzuki Metal Industry Co., Ltd. Service and ONippon Steel City Produce, Inc. cargo ONippon Steel & Sumikin Welding Co., Ltd. operational Others handling of ⊚Nippon Steel Drum Co., Ltd. outsourcing raw ONippon Steel Blast Furnace Slag Cement materials, Co., Ltd. products. ONittetsu Cement Co., Ltd. etc., on Chemicals ONittetsu Elex Co., Ltd. consignmen Sale and (17 companies) ONittetsu Finance Co., Ltd. purchase of ⊙Nittetsu Tokai Steel Wire Co., Ltd. products, etc. ONippon Steel Chemical Co., ONippon Steel Transportation Co., Ltd. Ltd. ONS Preferred Capital Limited Others ©The Siam United Steel (1995) Company Limited ⊚PT PELAT TIMAH NUSANTARA TBK. OSiam Nippon Steel Pipe Co., Ltd. ONippon Steel U.S.A., Inc. ONippon Steel Australia Pty. Limited New Materials OGodo Steel Ltd. (8 companies) Sales and OTopy Industries, Limited purchase of ⊙Nippon Steel Materials Co., OSanyo Special Steel Works Ltd. products. Ltd. ONS United Kaiun Kaisya,Ltd. etc Others ONippon Denko Co., Ltd. ONichia Steel Works Ltd ONippon Steel Trading Co., Ltd. ONippon Coke & Engineering Co., Ltd. OJapan Casting & Forging Corp. OKrosaki Harima Corporation System System solutions Geostr Corporation development, ODaiwa Can Company (17 companies) maintenance and OSanko Metal Industrial Co., Ltd. administration on ONS Solutions Corporation OSanyu Co., Ltd. consignment OUsinas Siderurgicas De Minas Gerais Others S.A. -USIMINAS OBaosteel-NSC/Arcelor Mittal Automotive Sale and Steel Sheets Co., Ltd. purchase of ○UNIGAL Ltda. products, etc. OCompanihia Nipo-Brasileira De Pelotizacao OGuangzhou Pacific Tinplate Co., Ltd.

(Note) Of the subsidiaries owned by Nippon Steel at the end of this consolidated term (March 31, 2011), the companies for which their stocks are listed (or publicly-traded) on any of the domestic stock exchanges are as follows:

Company name

Osaka Steel Co., Ltd.

Taihei Kogyo Co., Ltd. Suzuki Metal Industry Co., Ltd. NS Solutions Corporation

Stock exchange where listed First Section of the Tokyo Stock Exchange; First Section of the Osaka Securities Exchange

First Section of the Tokyo Stock Exchange Second Section of the Tokyo Stock Exchange First Section of the Tokyo Stock Exchange

3. Management Policy

Company fundamental business policy, management indicators and targets, and medium- and long-term business strategy

No material changes in policy have been implemented since the announcement on April 28, 2010, of the financial results statement for fiscal 2009, ended March 31, 2010.

These disclosure materials are available online at the following websites.

Nippon Steel Corporation Homepage (English)

http://www.nsc.co.jp/en/index.html

Tokyo Stock Exchange Listed Company Search Web Page (English)

http://www.tse.or.jp/english/listing/companies/index_e.html

Current Issues

The global economy is expected to continue in a general recovery trend amid lingering risk of economic downturns in Europe and the United States, ongoing strong inflationary pressure in developing emerging countries, and other concerns.

The Japanese economy has been deeply affected by the Great East Japan Earthquake, and domestic manufacturing operations have slowed substantially. When the current situation of limited manufacturing capability is resolved, however, the Japanese economy should begin recovering supported by the brisk economic activity overseas and spurred by domestic reconstruction demand. At the same time, the slow pace of recovery in the manufacturing industry, the deeply affected corporate and household sector psychology, prolonging anxiety over the status of the nuclear reactor situation, and other concerns have created a strong lingering sense of uncertainty.

Overseas, demand in Asia can be expected to lead ongoing brisk worldwide demand for steel. The earthquake and tsunami caused direct damage to production equipment throughout the manufacturing industry and also impaired value chains, created an electric power shortage, and created circumstances whose impact is being felt in production activities in Japan as well as overseas. Many of our corporate customers have been forced to curtail their production operations.

We believe production activity will begin to gradually normalize after production facilities are restored and expect domestic steel demand to move toward recovery. The Nippon Steel Group is dedicated to contributing to Japan's recovery. While putting our maximum effort into restoring the facilities and operations of the Group, we are also committed to our responsibility to supply the steel materials needed for restoration and reconstruction efforts and to our customers to reestablish their production operations. In these ways, we intend to contribute fully to Japan's economic recovery.

In addition to the above, we plan to implement various measures in fiscal 2011, the final year of our Medium-Term Management Plan. The measures will focus on restructuring our manufacturing capabilities and our equipment and operational foundations with a focus on safety, advancing our technologies and other steps to fortify our competitiveness, developing our global strategies, and implementing responses to global environmental and energy issues. We are also improving the business operations of the organization and promoting companywide human resource development to enhance our ability for swift and accurate responses to issues that arise from the changing business environment.

In addition, incidents during the year, including a failure to prevent quality flaws from occurring in some galvanized pipe products, have brought to our attention the need to further strengthen and improve the organization and operation of our quality control systems.

The Nippon Steel Group constantly strives to earn the trust of the market and society and will continue to comply with all laws and regulations as well as thoroughly conduct risk management for safety, environmental, disaster, and other risks.

In considering the integration of our entire business with Sumitomo Metal Industies, Ltd., we will aim to become a truly world-leading comprehensive steel manufacturer in the highly competitive global business environment, and proceed to realize the integration. Both companies will accelerate their global strategies and realize a level of competitiveness which is globally outstanding in all aspects, including technology, quality, and cost, by combining their respective resources that each has built up, and generate synergies through consolidation of the superiority area in their respective businesses. We believe that these measures would enable to better respond to the needs of customers both in Japan and overseas and desire to contribute to further development of the Japanese and global economy and improvement of global society.

4. Consolidated Finacial Statements

(1) Consolidated Balance Sheets

		Millions of yen
ASSETS	March 31, 2010	March 31, 2011
-		
Current assets:	5 0.40 5	
Cash and bank deposits	78,197	72,760
Notes and accounts receivable	457,804	459,906
Marketable securities	12,723	10,186
Inventories	854,763	929,284
Deferred tax assets	108,971	76,261
Other	133,867	163,629
Less: Allowance for doubtful accounts	(4,161)	(1,453)
Total current assets	1,642,168	1,710,575
Fixed assets:		
Tangible fixed assets:		
Buildings and structures	489,884	499,951
Machinery and equipment	957,530	906,273
Land	321,670	326,602
Lease assets	9,842	9,409
Construction in progress	99,423	76,146
	1,878,351	1,818,384
Intangible fixed assets		
Patents and utility rights	14,257	21,137
Software	6,631	19,986
Goodwill	25,161	20,779
Lease assets	819	707
	46,870	62,611
Investments and others:		
Investments in securities	1,272,033	1,223,810
Deferred tax assets	30,210	47,265
Other	137,098	143,209
Less: Allowance for doubtful accounts	(4,353)	(4,994)
	1,434,988	1,409,289
Total fixed assets	3,360,210	3,290,285

Total assets	5,002,378	5,000,860

Millions of yen

		Millions of yen
LIABILITIES	March 31, 2010	March 31, 2011
Current liabilities:	440.077	457.502
Notes and accounts payable	449,877	476,592
Short-term loans and portion of long-term loans	304,743	310,150
due within one year	70,000	22.000
Commercial paper	78,000	32,000
Current portion of lease liability	3,019	2,969
Accrued expenses	239,583	237,247
Allowance for losses on construction contracts	3,522	4,504
Provision for loss on disaster	-	19,131
Other	291,341	275,743
Total current liabilities	1,370,087	1,358,338
Long-term liabilities :		
Bonds and notes	364,958	385,065
Long-term loans	626,910	602,480
Lease liability(excluding current portion)	6,132	5,185
Deferred tax liabilities	83,904	49,190
Accrued pension and severance costs	141,995	155,760
Allowance for retirement benefits of directors	141,773	133,700
and corporate auditors	4,603	4,705
Reserve for repairs to blast furnaces	28,772	21 002
Other	39,336	21,983
Other	39,330	37,224
Total long-term liabilities	1,296,614	1,261,596
Total liabilities	2,666,701	2,619,935
NET ASSETS		
Shareholders' equity:		
Common stock	419,524	419,524
Capital surplus	114,345	114,553
Retained earnings	1,441,248	1,522,786
Less: Treasury stock, at cost	(262,004)	(262,524)
Less. Heastily stock, at cost	1,713,114	1,794,340
	1,/13,114	1,/94,340
Accumulated other comprehensive income:		
Unrealized gains on available-for-sale securities	158,364	104,783
Deferred hedge income (loss)	(1,846)	(3,099)
Unrealized gains on revaluation of land	10,759	11,523
Foreign currency translation adjustments	(36,010)	(46,748)
Ç Ç	131,267	66,459
Minority interest in consolidated subsidiaries	491,294	520,126
Total net assets	2,335,676	2,380,925
T. 4.1 P.1 P.2	5 000 250	# 000 020
Total liabilities and net assets	5,002,378	5,000,860

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

① Consolidated Statements of Income

		Millions of yen
	Fiscal 2009	Fiscal 2010
Operating revenues :		
Net sales	3,487,714	4,109,774
Cost of sales	3,156,497	3,624,987
Gross margin	331,216	484,787
Selling, general and administrative expenses	299,211	319,181
Operating profit	32,005	165,605
Non-operating profit and loss :		
Non-operating profit :		
Interest and dividend income	16,656	16,116
Equity in net income of unconsolidated	24.756	77,918
subsidiaries and affiliates	34,756	77,918
Other	26,170	42,257
	77,583	136,292
Non-operating loss :		
Interest expenses	19,803	18,355
Other	77,952	57,205
	97,755	75,561
Ordinary profit	11,833	226,335
Special profit and loss :		
Special profit :		
Gain on sales of tangible fixed assets	5,809	-
·	5,809	-
Special loss:		
Loss on impairment of fixed assets	-	11,416
Loss on valuation of investments in securities	-	5,820
Loss on disaster	-	23,720
Penalty	6,400	-
	6,400	40,958
Income before income taxes and minority interest	11,242	185,377
Income taxes - current	52,440	48,740
Income taxes - deferred	(36,396)	27,466
Income before minority interest	-	109,171
Minority interest in net income of consolidated subsidiaries	6,728	15,972
Net income (loss)	(11,529)	93,199

②Consolidated Statements of Comprehensive Income

		Millions of yen
	Fiscal 2009	Fiscal 2010
Net income before minority interests	-	109,171
Other comprehensive income		
Unrealized gains on available-for-sale securities	-	(53,740)
Deferred hedge income (loss)	-	199
Unrealized gains on revaluation of land	-	874
Foreign currency translation adjustments	-	(4,603)
Equivalent share of gain/loss to equity method affiliates	-	(10,517)
Total other comprehensive income	-	(67,787)
Comprehensive income	-	41,383
(breakdown)		
Comprehensive income attributable to parent shareholder	-	27,133
Comprehensive income attributable to minority shareholders	=	14.250

(3) Consolidated Statements of Changes in Net Assets

		Millions of yen
	Fiscal 2009	Fiscal 2010
Owners' equity:		
Common stock:		
Balance at the beginning of the period	419,524	419,524
Changes during current period:		
Total current changes	-	-
Balance at the end of the period	419,524	419,524
Capital surplus:		
Balance at the beginning of the period	114,333	114,345
Changes during current period:		
Disposal of treasury stock	12	207
Total current changes	12	207
Balance at the end of the period	114,345	114,553
Retained earnings:		
Balance at the beginning of the period	1,458,622	1,441,248
Changes during current period:		
Cash dividends	(6,303)	(9,454)
Net income(loss)	(11,529)	93,199
Increase(decrease) due to the change in the number of consolidated companies	116	(949)
Increase(decrease) due to reversal of unrealized gains on revaluation of land	341	(1,257)
Total current changes	(17,373)	81,537
Balance at the end of the period	1,441,248	1,522,786
Treasury stock, at cost:		
Balance at the beginning of the period	(262,152)	(262,004)
Changes during current period:		
Acquisition of treasury stock	(56)	(42)
Disposal of treasury stock	51	141
Increase(decrease) due to the change in the number of consolidated companies	153	(619)
Total current changes	147	(519)
Balance at the end of the period	(262,004)	(262,524)
Total shareholders' equity:		
Balance at the beginning of the period	1,730,328	1,713,114
Changes during current period:		
Cash dividends	(6,303)	(9,454)
Net income(loss)	(11,529)	93,199
Acquisition of treasury stock	(56)	(42)
Disposal of treasury stock	63	348
Increase(decrease) due to the change in the number of consolidated companies	270	(1,568)
Increase(decrease) due to reversal of unrealized gains on revaluation of land	341	(1,257)
Total current changes	(17,213)	81,225
Balance at the end of the period	1,713,114	1,794,340
Accumulated other comprehensive income:		
Unrealized gains on available for-sale securities:		
Balance at the beginning of the period	22,665	158,364
Changes during current period:		
Net changes of items other than shareholders' equity	135,699	(53,581)
Total current changes	135,699	(53,581)
Balance at the end of the period	158,364	

		Millions of yen
	Fiscal 2009	Fiscal 2010
Deferred hedge income (loss):		
Balance at the beginning of the period	(1,149)	(1,846)
Changes during current period:		
Net changes of items other than shareholders' equity	(696)	(1,252)
Total current changes	(696)	(1,252)
Balance at the end of the period	(1,846)	(3,099
Unrealized gains on revaluation of land:		
Balance at the beginning of the period	11,187	10,759
Changes during current period:		
Net changes of items other than shareholders' equity	(428)	763
Total current changes	(428)	763
Balance at the end of the period	10,759	11,523
Foreign currency translation adjustments:		
Balance at the beginning of the period	(94,348)	(36,010
Changes during current period:	((= 0,0 = 0
Net changes of items other than shareholders' equity	58,338	(10,737
Total current changes	58,338	(10,737
Balance at the end of the period	(36,010)	(46,748
Total accumulated other comprehensive income:		
Balance at the beginning of the period	(61,645)	131,267
Changes during current period:	(01,010)	101,20
Net changes of items other than shareholders' equity	192,913	(64,808)
Total current changes	192,913	(64,808
Balance at the end of the period	131,267	66,459
linority interest in consolidated subsidiaries:		
Balance at the beginning of the period	506,126	491,294
Changes during current period:	300,120	1,2,2,
Net changes of items other than shareholders' equity	(14,832)	28,831
Total current changes	(14,832)	28,831
Balance at the end of the period	491,294	520,126
otal net assets:		
Balance at the beginning of the period	2,174,809	2,335,676
Changes during current period:		, ,
Cash dividends	(6,303)	(9,454
Net income(loss)	(11,529)	93,199
Acquisition of treasury stock	(56)	(42
Disposal of treasury stock	63	348
Increase(decrease) due to the change in the number of consolidated companies	270	(1,568
Increase(decrease) due to reversal of unrealized gains on revaluation of land	341	(1,257)
Net changes of items other than shareholders' equity	178,081	(35,976)
Total current changes	160,867	45,248
Balance at the end of the period	2,335,676	
Balance at the one of the period	2,333,070	2,380,925

(4) Consolidated Statements of Cash-Flows

		Millions of yen
	Fiscal 2009	Fiscal 2010
Cash flows from operating activities:		_
Income before income taxes and minority interests	11,242	185,377
Adjustments to reconcile net income to net cash provided		
by operating activities:		
Depreciation and amortization	284,092	291,587
Interest and dividend income (accrual basis)	(16,656)	(16,116)
Interest expense (accrual basis)	19,803	18,355
Exchange loss(gain) on foreign currency transactions	8,348	6,131
Amortization of goodwill	3,631	1,623
Equity in net (income) loss of unconsolidated subsidiaries and affiliates	(34,756)	(77,918)
Loss (gain) on sales of investments in securities	(1,046)	(782)
Loss on impairment of fixed assets	-	11,416
Loss on valuation of investments in securities	-	5,820
Loss on disposal of tangible and intangible fixed assets	9,013	6,834
Gain on sales of tangible and intangible fixed assets	(5,809)	(8,770)
Changes in allowance for doubtful accounts	(2,275)	(4,266)
Changes in notes and accounts receivable	27,319	14,735
Changes in inventories	178,618	(64,782)
Changes in notes and accounts payable	(10,414)	8,337
Other	35,541	35,111
Interest and dividend income (cash basis)	18,101	27,886
Interest expense (cash basis)	(19,911)	(18,453)
Income taxes (cash basis)	(67,176)	(52,626)
Net cash provided by operating activities	437,668	369,500
Cash flows from investing activities:		
Acquisition of investments in securities	(88,634)	(31,850)
Proceeds from sales of investments in securities	17,662	3,230
Acquisition of tangible and intangible fixed assets	(339,773)	(315,843)
Proceeds from sales of tangible and intangible fixed assets	11,877	14,598
Other	(13,958)	4,082
Net cash used in investing activities	(412,827)	(325,781)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans	(67,063)	(33,118)
Net increase (decrease) in commercial paper	(70,000)	(46,000)
Proceeds from long-term loans	125,087	101,778
Payments of long-term loans	(67,367)	(84,490)
Proceeds from issuance of bonds and notes	39,861	35,000
Redemption of bonds and notes	(43,266)	(15,000)
Payments for purchase of treasury stock	(179)	(40)
Cash dividends	(6,303)	(9,454)
Other	9,245	4,082
Net cash provided by (used in) financing activities	(79,985)	(47,244)
Effect of exchange rate changes on cash and cash equivalents	7,246	(2,811)
Net increase (decrease) in cash and cash equivalents	(47,897)	(6,336)
Cash and cash equivalents at beginning of the year	128,390	80,470
Increase (decrease) from the change in the number of	(22)	2,123
companies consolidated		<u> </u>
Cash and cash equivalents at end of year	80,470	76,256

(5) Notes to the Presumption of Going Concerns

None

(6) Basic Material Items for the Preparation of the Consolidated Financial Statements

Accounting standards for major provisions

Provision for loss on disaster

To provide for expenditures and losses incurred by restoration of assets, etc., that were damaged by the Great East Japan Earthquake, the Company has made a provision for the estimated amount of expenditures and losses at the end of fiscal 2010 ended March 31, 2011.

Please note that aside from the "(1) Accounting standards for major provisions," there have been no material changes since the disclosure in the Company's most recent Securities Report (Yuka Shoken Hokokusho), submitted on June 24, 2010, and, accordingly, this information has been omitted.

(7) Change in the Basic Material Items for the Preparation of the Consolidated Financial Statements

- 1. Changes accompanying revisions in accounting principles:
 - 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).

2. Changes other than those in "1." Above: None

(8) Notes to the Consolidated Financial Statements

① Consolidated Statement of Comprehensive Income

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

	(Millions of yen)
Consolidated comprehensive income for the fiscal year immediately preceding the fiscal year ended March 31, 2011	,
Comprehensive income attributable to parent shareholder	181,725
Comprehensive income attributable to minority shareholders	8,323
Total	190,049
Other consolidated comprehensive income for the fiscal year immediately preceding the fiscal year ended March 31, 2011	
Unrealized gains on available-for-sale securities	133,119
Deferred earnings on hedges	(-)2
Unrealized gains on revaluation of land	(-)89
Foreign currency translation adjustments	30,196
Equivalent share of gain/loss to equity-method affiliates	31,626
Total	194,850

2 Segment Information

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

1) Information of business segments

	Reporting segment								
	Steelmaking and steel fabrication	Engineering and construction	Urban development	Chemicals	New materials	System solutions	Total	Adjustments	Consolidated
Net sales									
Sales to external customers	2, 783, 807	278, 210	75, 260	172, 442	58, 757	119, 236	3, 487, 714	_	3, 487, 714
Intersegment sales or transfers	39, 386	53, 694	4, 813	6, 970	41	32, 998	137, 904	(137, 904)	_
Total	2, 823, 193	331, 905	80, 073	179, 412	58, 799	152, 234	3, 625, 619	(137, 904)	3, 487, 714
Operating profit(loss)	(20, 589)	31, 655	2, 937	10, 431	444	10, 732	35, 613	(3, 607)	32, 005
Total assets	4, 379, 862	256, 916	191, 985	147, 021	36, 668	133, 218	5, 145, 673	(143, 294)	5, 002, 378
Depreciation	270, 394	2, 964	1, 779	7, 948	2, 480	2, 166	287, 733	(3, 640)	284, 092
Capital expenditure	319, 470	7, 690	1, 048	5, 508	3, 886	3, 797	341, 401	(12, 044)	329, 356

Notes: Changes in accounting principles

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 fiscal year ending March 31, 2010. (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.

As a result of this change, net sales in the Engineering and Construction segment were ¥6,824 million higher, and in the System Solutions segment were ¥864 million higher. In addition, operating profit in the Engineering and Construction segment were ¥864 million higher, and in the System Solutions segment were ¥120 million higher than they would have been prior to the change. The effect of these changes for other segments was not material.

2) Overseas Sales

(Millions of yen, %)

	Asia	North America and other areas	Total
Overseas sales	813,606	290,904	1,104,510
Net sales			3,487,714
% of net sales	23.3	8.3	31.7

Notes:

- 1. Division by country or region is based on geographical proximity.
- 2. Main country and regional divisions other than Japan:

Asia: China, South Korea, Taiwan, and Thailand

North America and other areas: U.S.A.

3. Overseas sales are defined as sales made by the Company and its consolidated subsidiaries in countries or regions outside Japan.

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

1) Summary of reporting segment

Nippon Steel Corporation is a company engaged in the steelmaking and steel fabrication businesses, and acts as the holding company for its business segment companies, which are engaged in the engineering and construction, urban development, chemicals, new materials, and system solutions businesses. Each business segment company shares the management strategy of the Nippon Steel Group, while conducting its business activities independently from and in parallel with other Group members. These six business segments are reporting segments.

Reporting segment	Principal businesses
Steelmaking and steel fabrication	Manufacturing and marketing of steel products
Engineering and construction	Manufacturing and marketing of industrial machinery and equipment as well as steel structures, performance of construction work under contract, waste processing and recycling, and supplying electricity, gas, and heat
Urban development	Buying, selling, and renting real estate
Chemicals	Manufacturing and marketing of coal-based chemical products, petrochemicals, and electronic materials
New materials	Manufacturing and marketing of materials for semiconductors and electronic parts, carbon fiber and composite products, and products that apply technologies for metal processing and joining
System solutions	Computer systems engineering and consulting services

2) Method for calculating the sales, income (loss), assets, liabilities, and other items for reporting

segments

The accounting methods for the reporting business segments are generally those set forth in "Material Items Which Form the Basis for Preparation of the Consolidated Financial Statements." Figures for income of reporting segments are on an Ordinary Profit basis, and liabilities are the balance of interest-bearing liabilities. Please note that inter-segment sales are based on prices employed in transactions with third parties.

3) Information on the amounts of sales, income (loss), assets, liabilities, and other items for reporting segments

(Millions of yen)

	Reporting segment								
	Steelmaking and steel fabrication	Engineering and construction	Urban development	Chemicals	New materials	System solutions	Total	Adjustments	Consolidated
Net sales									
Sales to external customers	3, 432, 700	223, 763	81, 553	187, 242	60, 795	123, 719	4, 109, 774	_	4, 109, 774
Inter-segment sales or transfers	40, 795	31, 177	5, 003	6, 653	93	35, 988	119, 711	(119, 711)	-
Total	3, 473, 495	254, 941	86, 556	193, 896	60, 888	159, 708	4, 229, 485	(119, 711)	4, 109, 774
Segment income (loss) <ordinary profit=""></ordinary>	181, 968	14, 883	9, 273	13, 244	2, 111	11, 332	232, 814	(6, 478)	226, 335
Segment assets	4, 429, 784	220, 512	182, 735	144, 957	39, 611	132, 704	5, 150, 305	(149, 444)	5, 000, 860
Segment liabilities <interest-bearing debt=""></interest-bearing>	1, 228, 362	1, 391	92, 011	17, 693	14, 146	1, 552	1, 355, 157	(17, 306)	1, 337, 851
Other items									
Depreciation and amortization	280, 695	3, 417	1, 530	8, 135	2, 819	2, 338	298, 936	(7, 348)	291, 587
Amortization of goodwill	1, 148	52	66	1	188	166	1, 623	-	1, 623
Interest income	2, 660	94	4	5	4	235	3, 005	(258)	2, 746
Interest expenses	16, 829	19	1, 452	139	120	74	18, 637	(282)	18, 355
Equity in net income (loss) of unconsolidated subsidiaries and affiliates	76, 159	285	217	1, 188	-	(20)	77, 831	86	77, 918
Balance of investments in equity method companies	496, 735	517	2, 339	12, 884	_	22	512, 500	(1, 934)	510, 565
Increase (decrease) in tangible/intangible fixed assets (net investment)	268, 833	5, 366	1, 130	5, 661	5, 134	7, 082	293, 208	(5, 972)	287, 236

4) Information of net sales by geographical area

(Millions of yen)

Ionan	Oversees			Total
Japan	Overseas	Asia	Other	Total
2,704,409	1,405,365	1,024,664	380,700	4,109,774

Note: Sales information is based on the geographical location of customers, and it is classified by region.

(Additional information)

Beginning with the fiscal year ended March 31, 2011, "Accounting Standard for Disclosures about Segments

of an Enterprise and Related Information" (ASBJ Statement No. 17) and the "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20) have been applied.

③ Per Share Information

(Yen)

	Fiscal 2009 (April 1, 2009 – March 31, 2010)	Fiscal 2010 (April 1, 2010—March 31, 2011)
Net assets per share	293.19	295.84
Net income (loss) per share	(1.83)	14.82
Net income per share after full dilution	_	14.51

Regarding consolidated net income per share after full dilution for Fiscal 2009, although there are some latent shares, since the Company reported a net loss per share, no figures for net income per share after have been disclosed.

Notes: Basis for calculations

1. Net income (loss) per share and net income per share after full dilution

(Yen)

	Fiscal 2009 (April 1, 2009 — March 31, 2010)	Fiscal 2010 (April 1, 2010—March 31, 2011)
Net income per share		
Net income (loss)	(11,529) Million	93,199 Million
Value not attributed to common shares	— Million	— Million
Net income (loss) attributed to common shares	(11,529) Million	93,199 Million
Average number of outstanding common shares during the period	6,290,728,166 Million	6,290,266,349 Million
Net income per share after full dilution		
Net income adjustment value	— Million	3,983 Million
Portion of minority interest	— Million	3,983 Million
Portion of interest on investments accounted for by equity method	— Million	— Million
Increase in number of outstanding common shares	— Shares	405,405,405 Shares
Portion of euroyen preferred securities with exchange rights	— Shares	405,405,405 Shares
Summary of latent shares not included in the computation of net income per share after full dilution, since these securities are not dilutive	_	_

2. Net assets per share

(Yen)

	End of fiscal 2009 (March 31, 2010)	End of fiscal 2010 (March 31, 2011)
Total net assets	2,335,676 Million	2,380,925 Million
Amounts deducted from total net assets	491,294 Million	520,126 Million
Portion of minority interest	491,294 Million	520,126 Million
Net assets at fiscal year-end applicable to common shares	1,844,382 Million	1,860,799 Million
Number of common shares at fiscal year-end used in calculating net assets per share	6,290,789,304 Shares	6,289,788,081 Shares

5. Non-Consolidated Finacial Statements

(1) Non-Consolidated Balance Sheets

A CONTINUE	16 1 21 2010	Millions of yen
ASSETS	March 31, 2010	March 31, 2011
Current assets :		
Cash and bank deposits	23,996	17,468
Notes and accounts receivable	113,606	139,121
Inventories	551,907	617,222
Deferred tax assets	71,500	35,800
Other	92,213	106,226
Less: Allowance for doubtful accounts	(4,637)	(968)
Total current assets	848,587	914,871
Fixed assets :		
Tangible fixed assets:		
Buildings and structures	327,683	336,204
Machinery and equipment	743,927	712,759
Land	181,813	181,613
Lease assets	2,519	2,983
Construction in progress	59,339	39,910
	1,315,283	1,273,470
Intangible fixed assets:		
Patents and utility rights	514	487
Software	4,823	16,212
Lease assets	48	86
	5,387	16,786
Investments and others:		
Investments in securities	720,611	632,413
Investments in subsidiaries and affiliates	615,293	639,591
Other	85,039	88,262
Less: Allowance for doubtful accounts	(3,910)	(3,671)
	1,417,033	1,356,596
Total fixed assets	2,737,704	2,646,854

Total assets	3,586,291	3,561,725

Millions of yen

		Millions of yen
LIABILITIES	March 31, 2010	March 31, 2011
Current liabilities :		
Notes and accounts payable	179,823	193,476
Short-term loans and portion of long-term loans	177,023	175,470
due within one year	356,098	424,821
Commercial paper	78,000	32,000
Convertible bonds due within one year	-	300,000
Current portion of lease liability	738	708
Accrued expenses	220,840	244,603
Provision for loss on disaster		13,000
Other	127,171	98,265
Total current liabilities	962,671	1,306,875
Long-term liabilities :		
Bonds and notes	364,958	384,965
Convertible bonds	300,000	-
Long-term loans	493,701	480,051
Lease liability(excluding current portion)	1,963	2,486
Deferred tax liabilities	80,100	18,900
Accrued pension and severance costs	69,479	71,318
Reserve for repairs to blast furnaces	28,080	21,783
Other	14,187	15,111
Total long-term liabilities	1,352,471	994,616
Total liabilities	2,315,143	2,301,492
NET ASSETS		
Shareholders'equity:		
Common stock	419,524	419,524
Capital surplus	114,099	114,094
Retained earnings:		
Special tax purpose reserve	89,050	87,005
Accumlated earnings carried forward	764,674	806,684
-	853,724	893,689
Less: Treasury stock, at cost	(257,971)	(258,000)
	1,129,377	1,169,308
Valuation and translation adjustments :		
Unrealized gains on available-for-sale securities	140,250	90,470
Deferred hedge income (loss)	1,520	454
	141,770	90,924
Total net assets	1,271,147	1,260,233
Total liabilities and net assets	3,586,291	3,561,725

(2) Non-Consolidated Statements of Income

		Millions of yen
	Fiscal 2009	Fiscal 2010
Operating revenues :		
Net sales	2,152,171	2,708,406
Cost of sales	2,072,511	2,496,731
Gross margin	79,660	211,674
Selling, general and administrative expenses	142,470	154,017
Operating profit(loss)	(62,810)	57,657
Non-operating profit and loss:		
Non-operating profit :		
Interest and dividend income	21,901	61,590
Other	15,874	23,384
	37,776	84,974
Non-operating loss :		
Interest expenses	22,082	21,883
Other	47,882	40,558
	69,964	62,441
Ordinary profit(loss)	(94,998)	80,191
Special profit and loss:		
Special profit :		
Gain on sales of tangible fixed assets	5,560	-
	5,560	-
Special loss:		
Loss on valuation of investments in securities	-	5,820
Loss on disaster		14,650
	-	20,471
Income(loss) before income taxes	(89,438)	59,719
Income taxes - current	3,100	1,100
Income taxes - deferred	(34,900)	9,200
Net income(loss)	(57,638)	49,419

(3) Non-Consolidated Statements of Changes in Net Assets

						N	Millions of yen
	Common stock	Capital surplus	Special tax purpose resereve	Accumlated earnings carried forward	Treasury stock, at cost	Unrealized gains on available-for- sale securities	Deferred hedge income (loss)
Balance at March 31, 2009	419,524	114,104	91,569	826,096	(257,934)	15,053	420
Withdrawal of special tax purpose reserve			(12,055)	12,055			
Reserve of special tax purpose reserve			9,536	(9,536)			
Cash dividends				(6,303)			
Net income for fiscal year 2009				(57,638)			
Acquisition of treasury stock					(53)		
Disposal of treasury stock		(5)			16		
Net change due to demerger				-			
Other change for fiscal year 2009(net)						125,196	1,099
Total change for fiscal year 2009	-	(5)	(2,519)	(61,422)	(37)	125,196	1,099
Balance at March 31, 2010	419,524	114,099	89,050	764,674	(257,971)	140,250	1,520

						N	Millions of yen
	Common stock	Capital surplus	Special tax purpose resereve	Accumlated earnings carried forward	Treasury stock, at cost	Unrealized gains on available-for- sale securities	Deferred hedge income (loss)
Balance at March 31, 2010	419,524	114,099	89,050	764,674	(257,971)	140,250	1,520
Withdrawal of special tax purpose reserve			(6,416)	6,416			
Reserve of special tax purpose reserve			4,371	(4,371)			
Cash dividends				(9,454)			
Net income for fiscal year 2010				49,419			
Acquisition of treasury stock					(40)		
Disposal of treasury stock		(4)			11		
Net change due to demerger				-			
Other change for fiscal year 2010(net)						(49,780)	(1,066)
Total change for fiscal year 2010	-	(4)	(2,045)	42,010	(28)	(49,780)	(1,066)
Balance at March 31, 2011	419,524	114,094	87,005	806,684	(258,000)	90,470	454

(4)	Notes to	the	Presumption	of Going	Concerns
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None

(Billions of yen)

Change from

the previous Forecasts

+ 9.7

+ 0.6

+ 6.3

+ 0.1

- 1.9

-0.3

Results of Fiscal 2010 (Year ended March 31, 2011)

Overview of Profitability, Etc. (Consolidated)

	2010FY	1st half	2nd half	3Q	4Q	3Q⇒4Q	2009FY	2009FY ⇒ 2010FY		Previous Forecasts (Released on Jan. 28, 2011)
Net sales	4,109.7	2,022.0	2,087.6	1,003.1	1,084.5	+ 81.4	3,487.7	+ 622.0		4,100.0
Operating profit	165.6	118.1	47.4	33.9	13.5	- 20.4	32.0	+ 133.6	.	165.0
Ordinary profit	226.3	134.8	91.4	53.5	37.9	- 15.6 ^{×2}	11.8	+ 214.5	※ 1	220.0
Non-consolidated profit (loss)	80.1	60.8	19.3	12.4	6.8	- 5.6	(94.9)	+ 175.0		80.0
Special profit (loss)	(40.9)	(7.2)	(33.7)	(0.1)	(33.5)	- 33.4	(0.5)	- 40.4		
Net income (loss)	93.1	71.0	22.1	33.4	(11.2)	- 44.6	(11.5)	+ 104.6		95.0
Net income (loss) per share (¥)	14.8	11.3	3.5	5.3	(1.8)	- 7.1	(1.8)	+ 16.6		15.1
Interest-bearing debt	1,337.8						1,383.7	- 45.9		

<Factors Influencing Performance>

D/E ratio

(1) Nippon Steel Corporation	2010FY				2009FY	2009FY	Previous
	2010F1	1st half	2nd half	4Q	2009F1	2009F1 ⇒ 2010FY	Forecasts (Released
Consolidated crude steel output volume (10,000 tons)	3,492	1,735	1,757	889	2,992	+ 500	3,470
(Non-consolidated)	(3,247)	(1,617)	(1,630)	(826)	(2,750)	(+ 496)	(3,230)
Steel materials shipment volume (10,000 tons)	3,135	1,559	1,576	810	2,709	+ 426	3,140
Steel materials price (¥1,000/ton)	81.7	82.8	80.6	79.7	75.4	+ 6.3	82
Exchange rate (¥/\$)	86	90	82	82	92	+ 6	87

0.72

Crude steel output volume (10,000 tons)	11,077	5,542	5,535	2,768	9,645	+ 1,432
Steel consumption (10,000 tons) *1	6,091	3,006	3,084	1,530	5,712	+ 379
(In manufacturing industries)	(4,087)	(2,027)	(2,060)	(1,030)	(3,728)	(+ 359)
<(% of manufacturing)>	<67%>	<67%>	<67%>	<67%>	<65%>	<+2%>
Plain carbon steel consumption (10,000 tons)	4/842	2,390	2/452	1/216	4,608	+/234
In construction	/1,872	914	958	467	1,868	/+4
In manufacturing	2,970	1,476	1,494	749	2,740	+ 230
Speciality steel consumption (10,000 tons)	1,249	616	632	314	1,104	+ 145

%1Analysis of Y−O−Y change in consolidated ordinary profit (+¥214.5 billion)

Change from the Y-O-Y change previous

Change in Consolidated Ordinary Profit	+ 215.0	+ 6.0
1. Ferrous materials business	+ 211.0	+ 7.0
(1) Non-consolidated	+ 175.0	~
①Manufacturing shipment volume up 4.26 million tons (27.09 million tons to 31.35 million tons)	+ 110.0	~
②Selling prices and composition of sales	+ 270.0	\sim
③Raw materials prices	- 470.0	~
4 Cost improvement	+ 100.0	~
⑤Inventory valuation change	+ 135.0	~
6Other	+ 30.0	~
(2) Group companies	+ 36.0	+ 7.0
2. Non-ferrous materials business	- 1.0	+ 1.0
3. Eliminations	+ 5.0	- 2.0

(Reference) Segment Information

0.75

						(Bill	ions of yen)
	2010FY				2009FY	2009FY ⇒	Previous Forecasts (Released
		1st half	2nd half	4Q		2010FY	on Jan. 28,
Net sales	41,097	20,220	20,876	10,845	34,877	+ 6,220	41,000
Steelmaking and	34,734	17,186	17,548	8,954	28,232	+ 6,502	34,500
Engineering and	2,549	1,236	1,312	760	3,319	- 770	2,700
Urban	865	387	477	318	800	+ 65	900
Chemicals	1,938	944	994	491	1,794	+ 144	2,000
New materials	608	309	299	148	587	+ 21	600
System solutions	1,597	737	859	505	1,522	+ 75	1,600
Elimination	(1,197)	(580)	(616)	(332)	(1,379)	+ 182	(1,300)

- 0.03

Operating profit(loss)	2,263	1,348	914	379	118	+ 2,145	2,200
Steelmaking and	1,819	1,176	643	207	(285)	+ 2,104	1,750
Engineering and	148	70	78	57	292	- 144	150
Urban	92	42	50	25	17	+ 75	90
Chemicals	132	49	83	38	91	+ 41	120
New materials	21	15	6	5	5	+ 16	20
System solutions	113	44	69	42	111	+ 2	120
Elimination	(64)	(48)	(16)	2	(115)	+ 51	(50)

※2 Analysis of 3Q-0-4Q change in consolidated ordinary profit (Billions of yen)

. Ferrous materials business	- 23
(1) Non-consolidated	- 6.
①Manufacturing shipment volume up 0.44 million tons (0.766 million tons to 8.10 million tons)	+ 10.
②Selling prices and composition of sales	
③Raw materials prices	- 20.
4 Cost improvement	+ 7.
⑤Inventory valuation change	
6Other	- 3.
(2) Group companies	- 17.
. Non-ferrous materials business	+ 6.
. Eliminations	+ 1.

Special profit and loss:

ı			
ı		Consolidated	Non-
ı		Consolidated	consolidated
ı		(40.9)	(20.4)
ı	Loss on disaster	(23.7)	(14.6)
ı	Loss on impairment of fixed assets	(11.4)	-
ı	Loss on valuation of investments in securities	(5.8)	(5.8)

[Dividends]

As announced at the time of the announcement of financial results for the third quarter of fiscal 2010 (January 28, 2011), the Company plans to recommend at the ordinary general meeting of shareholders that fiscal 2010 year-end cash dividends be set at ¥3.00 per share.

Losses resulting from the Great East Japan Earthquake and status of repairs and reconstruction

<Status of damage from the Great East Japan Earthquake and subsequent repairs and reconstruction>

「Kamaishi Steelworks」

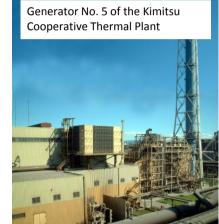
- Following the earthquake, a portion of the steelworks were inundated, and production has been suspended, but production and shipments of wire resumed on April 13.
- The Company's other steelworks and Group companies are providing backup production and shipments.
- The Company's port facilities were damaged, and the Company is aiming for repairs and reconstruction at an early date.
- Electric power plants (As an independent power producer (IPP), the Company supplies electricity on a wholesale basis to Tohoku Electric Power under contract for 136,000 kW.) are now being inspected, and resumption of operation is expected in the first part of July.

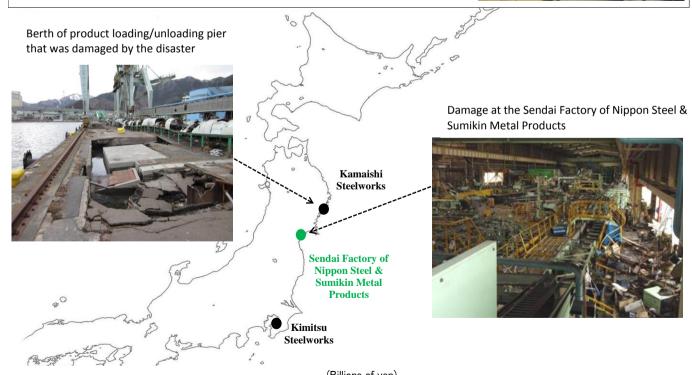
Sendai Factory of Nippon Steel & Sumikin Metal Products J

- The entire plant was inundated by the tsunami and production has been suspended.
- Major damage to production equipment. In addition, inventories were severely damaged.
- Aiming to restart production on certain facilities during the first half of fiscal 2011, and repair/restoration work is in progress.

「Kimitsu Steelworks」

- Iron-source processes recovered pre-earthquake production levels quickly.
- With supplies of electricity in the Kanto area constrained, will raise capacity utilization to 100% of Company waste heat recovery power generation facilities (approved output of 191,000 kW) and the Kimitsu Cooperative Thermal Power Plant (joint investment with Tokyo Electric Power, approved output of 1 million kW), currently supplying maximum power (480,000kW) to Tokyo Electric Power.
- In production stages after rolling, in view of the power shortage, we are continuing to give consideration to power conservation, etc.





(B	llions of yen)	
	2010FY	
Loss on disaster	23.7	NSC:14.6, Nippon Steel & Sumikin Metal:5.8, Others:3.3
(1) Cost of repairing/restoring production facilities, etc.	17	
(2) Lost and damaged inventory assets	4	
(3) Other costs incurred due to the damage from the disaster	3	

Forecasts of Consolidated Financial Results for Fiscal 2011

Fiscal 2011 Forecast

Nippon Steel is not in a position to formulate reasonably accurate estimates or forecasts at this time. This is in part becau se the full impact of the Great East Japan Earthquake is not clear. In addition, however, the Company is still engaged in negotiations with its suppliers of core raw materials to set prices for the second quarter of fiscal 2011 onward. Also, the Company is currently ne gotiating with its corporate customers to adjust steel product prices to better reflect the substantial price rises of core materials in the first quarter of fiscal 2011.

The performance forecast for fiscal 2011, has, therefore, regrettably not been finalized. The Company plans to announce a for ecast as soon as it is able to formulate reasonably accurate assumptions.

(Reference) Situation Regarding the Strengthening of the Company's Consolidated Management

■Business Consolidation/Strengthening of the Management Base

Time	Company Name	Details
June 2009	Suzuki Metal Industry, Haldex Garphyttan AB (Sweden)	Conversion to consolidated subsidiary
July 2009	Sumikin & Nippon Stainless Steel Pipe Co., Ltd.	ntegration of the the arc-welded stainless steel pipe and tube businesses of Sumitomo Metal Industries, Ltd., with those of the Company
Dec. 2009	PT Latinusa (Indonesia)	Conversion to consolidated subsidiary
Apr. 2010	NIPPON STEEL ELECTRICAL STEEL Co.,Ltd.	Management merger of three consolidated subsidiaries engaged in magnetic steel plate processing business (Nittetsu Denji Techno Corp., Hirohata Denjiko Center Co., Ltd., and Kyusyu Electrical Steel Services Co., Ltd.)
Apr. 2010	MATSUBISHI METAL INDUSTRY CO ,LTD.	Merger of Matsubishi Metal Industries Co., Ltd., and New Sankoseisen Ltd.
Jun. 2010	Nippon Denko Co., Ltd.	Conversion to equity-method affiliate
Oct. 2010	NS United Kaiun Kaisha,Ltd.	Merger of Nippon Steel Shipping Co.,Ltd., and Shinwa Kaiun Kaisha, Ltd.
Oct. 2010	Taihei Kogyo Co., Ltd.	Conversion to consolidated subsidiary

■ Other Previously Announced Projects

- Strengthening the Automotive Steel Pipe Business in Indonesia—Capital Increase in and Capacity Increase by P.T. Indonesia Nippon Steel Pipe (Announced in
- Nippon Steel and Kobe Steel Commence Joint Business for Recycling Steel Mill Dust into Direct Reduced Iron (Annouced in May 2010)
- · A New Company, NS HI-PARTS CORPORATION, Was Established for Thin, Light Structural Steel (Announced in July 2010)
- A New Plant for Production of Steel Pipe Piles and Steel Pipe Sheet Piles in Vietnam (Announced in July 2010)
- Nippon Steel & Sumikin Stainless Steel Corporation Launches World's First Sn-Added Ferritic Stainless Steel Grades, the "FW Series" (Announced in July 2010)
- · Nippon Steel Signs Global Basis Long-Term Joint Technical Collaboration Agreement with Australia's BlueScope Steel for Coated Steel Products for the Building and Construction Market (Announced in July 2010)

 Nippon Steel Acquires Interests in Foxleigh Coal Mine in Australia (Announced in August 2010)
- Established Volume Production System for New-Type Copper Bonding Wire (EX 1) that Realizes Major Reductions in Usage of Precious Metals and Cuts Costs in Semiconductor Packages (Announced in September 2010)
- · Nippon Steel and Ternium Sign Definitive Agreements to Establish a Joint Venture in Mexico for the Manufacturing and Sale of Hot-Dip Galvanized and Galvannealed Steel Sheets (Announced in October 2010)
- Realignment of the Light Structural Steel Business by Nippon Steel & Sumikin Metal Products and Komatsugawa Koki (Announced in October 2010)
- Our Automotive Steel Pipe Business Development in India (Announced in October 2010)
- Promotion of a Mozambique Coking Coal Development Project by the Nippon Steel Group (Announced in October 2010)
- Revision of Usiminas Investment Expansion Plan (Announced in November 2010)
- Made Nishimura Koki a Subsidiary (Announced in November 2010)
- Investment in Cold Rolling Manufacturing and Sales Company in Nigeria (Announced in December 2010)
- Nippon Steel & Sumikin Stainless Steel Corporation Markets NSSC® FW2, the Second FW Series of Resource-Saving, Corrosion-Resistance Stainless Steel Using World-First Technology – 40% Reduction in Rare Metals through the Use of Tin (Sn) (Announced in December 2010)
 • Established a Joint Venture between Nippon Steel & Sumikin Metal Products and Nippon Steel Trading in China for Processing of Construction Materials (Announced in December 2010)
- · Concluded an Agreement with Tata Steel to Form a Joint Venture for Manufacturing and Sales of Cold Rolled Steel for Use in Automobile Manufacturing (Announced in January 2011)
- · Commencement of Consideration of Business Integration of Nippon Steel and Sumitomo Metal Industries (Announced in February 2011)
- · New Shareholders' Agreement Regarding Usiminas among the Principal Shareholders of Usiminas (Nippon Usiminas, Mitsubishi Corporation, and Metal One) (Announced in February 2011)

 • Additional Purchase of an Interest in the Integra Coal Joint Venture in Australia (Announced in March 2011)
- JFE Steel, Nippon Steel, Sojitz, JOGMEC, POSCO, and NPS Form Japan-Korea Partnership Group to Invest in Brazilian Producer of Niobium, a Critical Alloying Element for High-Grade Steel Products (Announced in March 2011)

 • Upgraded the New Delhi Liaison Office to Subsidiary Status. Established NIPPON STEEL (India) Co., Ltd.(New Delhi).
- · Construction of a Hot-dip Galvanizing Plant and Establishment of a Manufacturing and Sales Company in Thailand (Announced in April 2011)
- · Commencement of Consideration of Majority Share Acquisition in Nippon EGalv Steel Sdn. Bhd. (N-EGALV) to Make that Company a Subsidiary (Announced in
- Expanded Production Capacity at Continuous Casting Powder Plant of Chinese Subsidiary of Nippon Steel & Sumikin Metal Products (Announced in April 2011)
- Krosaki Harima Corporation Acquired Shares of India's TATA REFRACTORIES LIMITED (Making It a Subsidiary) (Announced in April 2011)
- · Established a Tinplate Manufacturing and Sales Company with Wuhan Steel (Group) (Announced in April 2011)
- · Concluded a Mutual Licensing Agreement with Cree Inc. of the United States for SiC Single Crystal Wafers (Announced in April 2011)
- Increased the Production Capacity for SiC Single Crystal Wafers of Nippon Steel Materials, Threefold (Announced in April 2011)
- Reached Basic Agreement on Integration of the Coil Center Business (Announced in April 2011)

Recent Quarterly Operating Results

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

▲ 6.72

[▲5.7%]

Net income

Net income per share

20.67

▲ 4.70

[4.6%]

▲ 11.42

[▲3.6%]

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

							1
			1	0.1			Fiscal 2010
	1st quarter	2nd quarter	1st half	3rd quarter 0ct. 2010-Dec. 2010	4th quarter Jan. 2011-Mar. 2011	2nd half Oct. 2010-Mar. 2011	A 0010 H 0011
	Apr. 2010-June. 2010 Voillion	July 2010-Sep. 2010 ¥billion	Apr. 2010-Sep. 2010 Voillion	Vot. 2010-Dec. 2010	Jan. 2011-Mar. 2011 Wbillion	Vot. 2010-Mar. 2011	Apr. 2010-Mar. 2011 Vbillion
Sales	970. 6	1, 051. 4	2, 022. 0	1, 003. 1	1, 084. 5	2, 087. 6	4, 109. 7
Steelmaking and steel fabrication	824. 5	894. 0	1, 718. 6	859. 4	895. 4	1, 754. 8	3, 473. 4
Engineering and construction	58. 9	64. 6	123. 6	55. 2	76. 0	131. 2	254. 9
Urban development	18. 7	19. 9	38. 7	15. 9	31.8	47. 7	86. 5
Chemicals	45. 9	48. 4	94. 4	50. 2	49. 1	99. 4	193. 8
New materials	14. 7	16. 2	30. 9	15. 1	14. 8	29. 9	60. 8
System solutions	33. 9	39. 7	73. 7	35. 4	50. 5	85. 9	159. 7
Adjustment	(26. 3)	(31. 7)	(58. 0)	(28. 3)	(33. 2)	(61. 6)	(119. 7)
Operating profit	51.0	67. 0	118. 1	33. 9	13.5	47. 4	165. 6
operating profit	[5.3%]	[6.4%]	[5.8%]	[3.4%]	[1.2%]	[2.3%]	[4.0%]
Ordinary profit	61.8	72. 9	134. 8	53. 5	37. 9	91.4	226. 3
ordinary profit	[6.4%]	[6.9%]	[6.7%]	[5.3%]	[3.5%]	[4.4%]	[5.5%]
Steelmaking and	56. 4	61.2	117. 6	43. 5	20. 7	64. 3	181.9
steel fabrication	[6.8%]	[6.9%]	[6.8%]	[5.1%]	[2.3%]	[3.7%]	[5.2%]
Engineering and	2. 6	4. 3	7. 0	2. 1	5. 7	7.8	14. 8
construction	[4.5%]	[6. 7%]	[5.7%]	[3.9%]	[7.5%]	[6.0%]	[5.8%]
	1.9	2. 2	4. 2	2. 5	2. 5	5. 0	9. 2
Urban development	[10.3%]	[11.4%]	[10.9%]	[15.9%]	[8.0%]	[10.6%]	[10.7%]
Oh '	1. 7	3. 1	4. 9	4. 4	3. 8	8. 3	13. 2
Chemicals	[3.9%]	[6.5%]	[5.2%]	[8.8%]	[7.9%]	[8.4%]	[6.8%]
	0. 7	0. 7	1. 5	0.0	0.5	0. 6	2. 1
New materials	[5.2%]	[4.6%]	[4.9%]	[0.3%]	[3.8%]	[2.0%]	[3.5%]
	1.9	2. 4	4. 4	2. 7	4. 2	6. 9	11. 3
System solutions	[5.7%]	[6.2%]	[6.0%]	[7.6%]	[8.3%]	[8.0%]	[7.1%]
Adjustment	(3.5)	(1. 2)	(4. 8)	(1. 8)	0. 2	(1. 6)	(6. 4)
1	26. 8	44. 2	71. 0	33. 4	▲ 11.2	22. 1	93, 1
Net income	[2.8%]	[4.2%]	[3.5%]	[3.3%]	[▲1.0%]	[1.1%]	[2.3%]
Net income per share	4, 26	7. 03	¥ 11, 29	¥ 5. 32	m ▲ 1.79	⊞ 3. 52	14. 82

Forecast for fiscal 2010 (data released o Jan. 28, 2011) Apr. 2010-Mar. 2011 4, 150. 0 3, 500. 0 270.0 90.0 190.0 70.0 160.0 (130.0) 210.0 [5.1%] 250.0 [6.0%] 215.0 [6.1%] 14.0 [5.2%] 6.0 [6.7%] 10.0 [5.3%] 2.0 [2.9%] 12.0 [7.5%] (9.0)130.0 [3.1%]

]
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	Fiscal 2009
	Apr. 2009-June. 2009	July 2009-Sep. 2009	Apr. 2009-Sep. 2009	Oct. 2009-Dec. 2009	Jan. 2010-Mar. 2010	Oct. 2009-Mar. 2010	Apr. 2009-Mar. 201
Sales	¥billion 745. 0	¥billion 828. 2	¥billion 1, 573. 3	Ybillion 911.8	¥billion 1, 002. 4	¥billion 1, 914. 3	¥billion 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	▲ 18.0	▲ 71.4	39. 7	63. 6	103. 4	32.0
operating profit	[▲7. 2%]	[▲2.2%]	[▲4.5%]	[4.4%]	[6.3%]	[5.4%]	[0.9%]
Ordinary profit	▲ 56.6	▲ 30.2	▲ 86.9	43. 3	55. 4	98. 7	11.8
ordinary profit	[▲7.6%]	[▲3.7%]	[▲5.5%]	[4.8%]	[5.5%]	[5. 2%]	[0.3%]
Steelmaking and	▲ 65.8	▲ 39.4	▲ 105.2	33. 1	43. 5	76. 6	▲ 28.5
steel fabrication	[▲11.4%]	[▲5.8%]	[▲8.4%]	[4.4%]	[5.4%]	[4.9%]	[▲1.0%]
Engineering and	8. 1	3. 7	11. 9	7. 1	10. 1	17. 2	29. 2
construction	[9. 2%]	[5.7%]	[7.7%]	[9.3%]	[10.1%]	[9.8%]	[8.8%]
Urban development	0. 7	1. 6	2. 4	1.4	▲ 2. 1	▲ 0.6	1.7
urban development	[3.6%]	[7.3%]	[5. 5%]	[10.6%]	[▲9.3%]	[▲1.9%]	[2. 1%]
Chemicals	2. 5	2. 2	4. 7	2. 4	1. 9	4. 4	9.1
Griemicais	[6. 7%]	[4.5%]	[5.5%]	[5.4%]	[4.2%]	[4.8%]	[5. 1%]
	▲ 0.0	▲ 0.0	▲ 0.1	▲ 0.1	0.8	0. 6	0.5
New materials	[▲0.8%]	[▲0.1%]	[▲0.4%]	[▲0.9%]	[5.7%]	[2.4%]	[1.0%]
Contain and the	2. 0	2. 2	4. 2	1.5	5. 3	6. 8	11.1
System solutions	[6.3%]	[5.9%]	[6.1%]	[4.6%]	[10.8%]	[8.4%]	[7.3%]
Adjustment	(4. 3)	(0.6)	(4. 9)	(2. 2)	(4. 2)	(6.5)	(11. 5)
Net income	▲ 42.2	▲ 29.5	▲ 71.8	25. 9	34. 3	60. 3	▲ 11.5
net income		l .		i .	1		I

4. 12

[2.8%]

5. 46

[3.4%]

9. 59

[3.2%]

[•0.3%]

▲ 1.83

^{[]:} Return on sales

^() in "Adjustment" row indicate negative numbers

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 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	27.66	27.68	55.35	110.77

2. Inventory Volume

Att	he end of:	Inventory at manufacturers and distributors (million tons)	Inventory /shipment ratio (%)	Rolled sheets *1 (million tons)	H-flange beams *2 (million tons)
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)	3.45	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)	3.52	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	(124.0)	3.75	0.149
Dec.	2010	5.16	(138.2)	3.82	0.149
Jan.	2011	5.18	(130.6)	3.87	0.160
Feb.	2011	5.13	(132.4)	3.74	0.175

^{*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	8.11	16.26	32.18

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	8.89	17.57	34.92

(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	8.26	16.30	32.47

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	8.10	15.76	31.35

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	79.7	80.6	81.7

7. Export Ratio of Steel Products (Value basis)

(%)

				1			
	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	40.9	40.4	40.4

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	82	82	86

9. Unrealized Gains on Available-for-Sale Securities

(billion yen)

			(**************************************
	2010FY	2009FY	difference
Consolidated	175.8 (104.7)	265.7 (158.3)	-89.9 (-53.6)
Non-consolidated	151.7(90.4)	235.3(140.2)	-83.6 (-49.8)
Nikkei 225	9,755yen	11,090yen	[-1.335yen]

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

10. Amount of Capital Expenditure and Depreciation

·Capital Expenditure

(billion yen)

	2010FY	2009FY
Consolidated	290.0	330.0
Non-consolidated	210.0	270.0

Depreciation

(billion yen)

	2010FY	2009FY
Consolidated	291.5	284.0
Non-consolidated	220.1	213.6