Flash Report Consolidated Basis Results for the First Half of Fiscal 2011 (April 1, 2011—September 30, 2011)

October 26, 2011

Company name: Stock listing: Code number: URL: Representative: Contact: Telephone: Scheduled date to submit Securities Report: Scheduled date to pay dividends Preparation of supplemental explanatory materials: Holding of quarterly financial results meeting: Nippon Steel Corporation Tokyo, Osaka, Nagoya, Sapporo, Fukuoka stock exchanges 5401 http://www.nsc.co.jp/en/index.html Shoji Muneoka, Representative Director and President Nozomu Takahashi, General Manager, Public Relations Center 81-3-6867-2130 November 11, 2011 November 29, 2011 Yes Yes (for investment analysts)

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

1. Consolidated Financial and Operating Results through the First Half of Fiscal 2011 (April 1, 2011—September 30, 2011)

(1) Consolidated Operating Results (Accumulated)

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

| | Net sales | | Operating profit | | Ordinary profit | | Net income | |
|---------------------------|-----------------|------|------------------|--------|-----------------|--------|-----------------|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| First half of Fiscal 2011 | 2,027,801 | 0.3 | 64,406 | (45.5) | 94,211 | (30.1) | 48,775 | (31.3) |
| First half of Fiscal 2010 | 2,022,079 | 28.5 | 118,111 | | 134,868 | | 71,047 | — |

(For reference) Comprehensive income: First half of Fiscal 2011 ¥ (24,593) million (_ %)

First half of Fiscal 2010 ¥ (18,778) million ($_$ %)

| | Net income per share | Net income per share after full dilution |
|---------------------------|-------------------------|--|
| | Yen | Yen |
| First half of Fiscal 2011 | 7.75 | 7.58 |
| First half of Fiscal 2010 | 11.29 | 10.91 |

(2) Consolidated Financial Results

| | Total assets | Net assets | Ratio of shareholders' equity to total assets |
|---|-----------------|---------------------|---|
| | Millions of yen | Millions of yen | % |
| First half of Fiscal 2011 | 4,881,413 | 2,329,043 | 37.1 |
| Fiscal 2010 | 5,000,860 | 2,380,925 | 37.2 |
| $(\mathbf{F} \mathbf{c} \mathbf{c} \mathbf{c}$ | | 10011 111011051 111 | |

(For reference) Shareholders' equity: First half of Fiscal 2011 ¥ 1,811,051 million

Fiscal 2010 ¥ 1,860,799 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 2010 | — | 0.00 | — | 3.00 | 3.00 | |
| Fiscal 2011 | — | 1.50 | | | | |
| Fiscal 2011 (Forecast) | | | _ | | _ | |

Note: Whether the dividend forecast under review has been revised: No

Note: 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 2011 (April 1, 2011—March 31, 2012)

| (Percentage figures ar | e changes from | the same period of | the previous fiscal year.) |
|------------------------|----------------|--------------------|----------------------------|
|------------------------|----------------|--------------------|----------------------------|

| | Net sales | | Operating profit | | Ordinary profit | |
|-------------|-----------------|-----|------------------|--------|-----------------|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Fiscal 2011 | 4,200,000 | 2.2 | 130,000 | (21.5) | 180,000 | (20.5) |

| | Net income | Net income per share | |
|-------------|-------------------|----------------------|-------|
| | Millions of yen % | | Yen |
| Fiscal 2011 | 85,000 | (8.8) | 13.51 |

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

Note: Please see the section "2. Consolidated Forecasts Qualitative Information" on page 4 for the Company's full-year forecast figures.

4. Others

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

(2) Adoption of special accounting methods for the preparation of quarterly consolidated financial statements: Yes Note: This indicates whether special accounting methods were applied for the preparation of the quarterly consolidated financial statements.

(3) Changes in accounting principles, changes in accounting estimates, and retrospective restatements

(a) Changes in accounting principles accompanying revisions in accounting standards: None

- (b) Changes other than those in (a) above: None
- (c) Changes in accounting estimates: None
- (d) Retrospective restatements: None

Note: This indicates whether there were changes in accounting principles, changes in accounting

estimates, and retrospective restatements for the preparation of the quarterly consolidated financial statements.

(4) Number of shares issued (common shares)

| (a) Number of shares issued at the end | of the period (including treasury stock) |
|--|--|
| First half of Fiscal 2011 | 6,806,980,977 shares |
| Fiscal 2010 | 6,806,980,977 shares |

| (b) Number of treasury stock at | the end of the period |
|---------------------------------|-----------------------|
| First half of Fiscal 2011 | 517,285,523 shares |
| Fiscal 2010 | 517,192,896 shares |

| (c) Average number of shares is | ssued during the term |
|---------------------------------|-----------------------|
| First half of Fiscal 2011 | 6,289,748,284 shares |
| First half of Fiscal 2010 | 6,290,428,923 shares |

* Status of Performance of Quarterly Review Procedures

This quarterly flash report is exempt from the quarterly review procedures based on Japan's Financial Instruments and Exchange Law. At the time when this quarterly flash report was disclosed, the quarterly review procedures based on the Financial Instruments and Exchange Law had not been completed.

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

The forward-looking statements included in this flash report are based on the assumptions, forecasts, and plans of the Company as of the date on which this document is made public. The Company's actual results may differ substantially from such statements due to various risks and uncertainties.

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1. Qualitative Information and Financial Review

Global and Domestic Economic Conditions in the First Half of Fiscal 2011

The global economy continued its overall gradual recovery trend in the first half of the fiscal year driven by the economic expansion of emerging countries, particularly in Asia. However, the pace of expansion slowed due to underlying factors, which included the rekindling of bad-debt issues in the European and U.S. financial markets and growing inflationary pressure in the emerging economies.

The Japanese economy rebounded from the setback caused by the Great East Japan Earthquake but was deeply impacted by the unstable economic conditions overseas and the persisting historic highs of the yen.

Performance Review by Business Segment in the First Half of Fiscal 2011

In these conditions, the Nippon Steel Group companies implemented measures to respond to the changing environment in their respective fields and to improve their earnings performances.

| | | | | (Billions of yen) |
|-----------------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| | Net | Sales | Ordinar | y Profit |
| | First half of fiscal 2011 | First half of fiscal 2010 | First half of fiscal 2011 | First half of fiscal 2010 |
| Steelmaking and steel fabrication | 1,751.6 | 1,718.6 | 74.2 | 117.6 |
| Engineering and construction | 96.7 | 123.6 | 0.1 | 7.0 |
| Urban development | 27.9 | 38.7 | 4.0 | 4.2 |
| Chemicals | 101.0 | 94.4 | 7.3 | 4.9 |
| New materials | 28.6 | 30.9 | 0.5 | 1.5 |
| System solutions | 76.2 | 73.7 | 5.3 | 4.4 |
| Total | 2,082.1 | 2,080.1 | 91.7 | 139.7 |
| Adjustment | (54.3) | (58.0) | 2.4 | (4.8) |
| Consolidated total | 2,027.8 | 2,022.0 | 94.2 | 134.8 |

Overview of operating performance by business segment

Steelmaking and steel fabrication

Total crude steel production volume in Japan amounted to 53.3 million tons in the first half of the fiscal year, a decline of 2.0 million tons from the second half of the previous fiscal year. The main factor in the decline was diminished demand due to the slowed production activity following the Great East Japan Earthquake, particularly in the manufacturing industry, and the ongoing strong yen, which is prompting

customers to shift manufacturing bases to overseas. The Company's steel material shipment volume also inevitably declined.

In addition, the brisk steel demand overseas is tightening the supply and demand balance for raw materials and leading to the development of supply-side monopolies for raw materials. The result is higher contractual prices for iron ore and coal and sharply rising prices for the materials used in our production processes.

The Company is responding to these circumstances by continuing to implement measures to cut costs to the bare minimum and seeking the understanding of its customers as it revises the prices of its steel materials. In the first half of fiscal 2011, the steelmaking and steel fabrication business recorded net sales of ¥1,751.6 billion and an ordinary profit of ¥74.2 billion.

Engineering and construction

In the engineering and construction business, Nippon Steel Engineering Co., Ltd., continues to face a severe order environment in Japan and overseas. The company is conducting meticulous risk management of projects currently under way and is focused on improving its cost structure. Noting that the majority of project sales are concentrated in the second half of the fiscal year, the engineering and construction business recorded net sales of ¥96.7 billion and an ordinary profit of ¥0.1 billion in the first half of fiscal 2011.

Urban development

Nippon Steel City Produce, Inc., suffered a slump in condominium market sales after the Great East Japan Earthquake but signs of recovery are appearing as time passes. Vacancy rates remained at a high level in the rental building market, with the exception of large-scale highly functional structures in urban centers. The urban development business ultimately recorded net sales of ¥27.9 billion and an ordinary profit of ¥4.0 billion in the first half of fiscal 2011.

Chemicals

Nippon Steel Chemical Co., Ltd., strived to boost revenue and leverage the improving conditions in the chemical products market to make up for the impact on sales from the Great East Japan Earthquake and declining sales volumes for epoxy resins for electronic materials. As a step to reinforce the operating base of the aromatics business in its Oita plant, we established NS Styrene Monomer Co., Ltd., a joint venture

with Showa Denko K.K. on August 1, 2011. In the first half of fiscal 2011, the chemicals business recorded net sales of ¥101.0 billion and an ordinary profit of ¥7.3 billion.

New materials

Nippon Steel Materials Co., Ltd., faced overall sluggish demand in the semiconductor market and posted declining sales in its core electronic materials business segment and for carbon fiber products for public works projects in the basic industrial materials and components business segment. Sales rose in the energy and environment-related materials and components business on growing demand in the Asia region for metal substrates for catalytic converters. The new materials business recorded net sales of ¥28.6 billion and an ordinary profit of ¥0.5 billion for the first half of fiscal 2011.

Systems solutions

NS Solutions Corporation continued advancing its business structural reform aimed at enhancing its abilities to expand orders and sales and improve profitability. The company continued to focus on developing the cloud computing services business* by expanding its service menu, reinforcing its operational services, and progressing with the construction of its next-generation, high-specification data center. The system solutions business recorded for the first half of fiscal 2011 net sales of ¥76.2 billion and an ordinary profit of ¥5.3 billion.

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

Sales and Income in the First Half of Fiscal 2011

The Company recorded consolidated net sales of ¥2,027.8 billion, operating profit of ¥64.4 billion, ordinary profit of ¥94.2 billion, and net income of ¥48.7 billion for the first half of fiscal 2011.

2. Consolidated Forecast Qualitative Information

The global economy is showing signs of moving into a downtrend as the overall recovery momentum are being slowed by the deepening federal deficits and consequent financial market turbulence in Europe and the United States along with slowing economic expansion in the developing countries due to monetary tightening and other factors. Uncertainty is also rapidly gathering in Japan's economic outlook amid stalling economic growth overseas, the yen persisting at historically high levels, the potential for prolonged electric power restrictions in the country, and the potential impact from the flooding in Thailand.

In this operating environment, we believe domestic demand for steel will be boosted by the full recovery from the supply chain disruptions and other repercussions from the earthquake and tsunami. At the same time, however, domestic steel inventories remain at extremely high levels.

Overseas, we anticipate weakening steel demand in eastern Asia and deteriorating conditions in the steel market owing to factors that include rapid economic deceleration in Europe and the United States, slowing economic growth of emerging countries, and rising production output and export volumes by steel mills in China and South Korea.

Nippon Steel is responding to this operating environment and the obstinately strong yen by continuing to closely monitor domestic and overseas steel supply and demand trends and by attentively controlling production levels to match actual demand conditions. The Company is continuing efforts to maximize cost structure efficiency while seeking the understanding of its corporate customers as it conducts cordial negotiations regarding its steel product prices.

Based on this outlook, the Company anticipates a consolidated ordinary profit decline of \$8.0 billion in the second half compared with the first half. The Company's consolidated results forecast for the full fiscal year of 2011 are net sales of \$4,200.0 billion, operating profit of \$130.0 billion, ordinary profit of \$180.0 billion, and net income of \$85.0 billion.

Basic Profit Distribution Policy and First Half (Interim) Dividend Distribution

Nippon Steel's basic profit distribution policy is to pay dividends from distributable funds at the end of the first half (interim) and second half (year-end) of the fiscal year in consideration of the consolidated operating results and such factors as capital requirements for investment and other activities aimed at raising corporate value and performance prospects while also considering the financial structure of the Company on a consolidated and non-consolidated bases. 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.

In accordance with the basic profit distribution policy described above, the Company has set a first-half (interim) dividend payment level of \$1.5 per share, representing a consolidated payout ratio of 19.3%.

The Company plans to announce its plan for the year-end dividend when announcing its earnings results for the third quarter of the fiscal year.

Business Integration with Sumitomo Metal Industries

Nippon Steel and Sumitomo Metal Industries, Ltd., announced that they entered into a Master Integration Agreement on September 22, 2011, with intent to integrate their businesses on October 1, 2012. The integrated company is to be called Nippon Steel & Sumitomo Metal Corporation.

The objective of the business integration is to make a thorough effort to seek synergies by combining their respective advanced resources that each has built up, and by consolidating the superior areas of their respective businesses. The companies will also accelerate the implementation of business structure reform by such means as pursuing greater efficiency in domestic production bases and expanding overseas businesses. Through realization of these of these objectives at an early stage, the companies aim to be "the Best Steelmaker with World-Leading Capabilities" by boosting competitiveness in all areas including scale, cost, technology and customer service. The integrated company will advance the global development of its steel business, utilize its world-leading technologies, enhance cost-competitiveness, and implement other measures with aiming to realize synergies of around 150 billion yen per year starting approximately three years after the Business Integration.

Through maximization of the potential of steel as a fundamental industrial material by utilizing worldleading technology and manufacturing know-how, the integrated company will desire to support the development of customers in and outside Japan, as well as contribute to further growth of the Japanese and global economies and improvement of global society.

3. Others

- (1) Changes in the state of material subsidiaries during the first half of fiscal 2011: None
- (2) Adoption of special accounting methods for the preparation of quarterly consolidated financial statements:

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

(3) Changes in accounting principles, changes in accounting estimates, and retrospective restatements for the preparation of the quarterly consolidated financial statements: None

(Supplementary Information)

For accounting changes and error corrections made after the beginning of the first quarter, the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24) have been applied.

4. Consolidated Finacial Statements

Nippon Steel Corporation (5401) First Half, Fiscal Year 2011

(Millions of yen) ASSETS March 31, 2011 September 30, 2011 **Current assets :** Cash and bank deposits 72,760 71,848 Notes and accounts receivable 459,906 403,526 Inventories 929,284 993,782 Other 250,077 243,824 Less: Allowance for doubtful accounts (1,453)(566) **Total current assets** 1,710,575 1,712,414 Fixed assets : Tangible fixed assets : Buildings and structures 499,951 494,297 Machinery and equipment 880,409 837,458 Other 438,022 495,171 1,818,384 1,826,928 Intangible fixed assets 62,611 68,065 Investments and others : Investments in securities 1,223,810 1,047,083 Other 190,474 232,085 Less: Allowance for doubtful accounts (4,994)(5,164) 1,409,289 1,274,004 Total fixed assets 3,290,285 3,168,998

(1) Consolidated Balance Sheets

| 10tal assets 5,000,800 4,001,415 | Total assets | 5,000,860 | 4,881,413 |
|----------------------------------|--------------|-----------|-----------|
|----------------------------------|--------------|-----------|-----------|

| Short-term loans and portion of long-term loans due within one year 31 Commercial paper 32 Bonds due within one year 32 Accrued income taxes and enterprise taxes 2 Reserve 2 Other 45 Total current liabilities 1,35 Long-term liabilities : 38 Bonds and notes 38 Long-term loans 66 Accrued pension and severance costs 15 Reserve 2 Other 29 Total long-term liabilities 1,26 Total long-term liabilities 1,26 Total long-term liabilities 2,61 NET ASSETS 26 Shareholders' equity : 2 Common stock 41 Capital surplus 11 Retained earnings 1,52 Less: Treasury stock, at cost (26) Unrealized gains on available-for-sale securities 10 Deferred hedge income (loss) (21) Unrealized gains on revaluation of land 11 Foreign currency translation adjustments (44) <th>011</th> <th>(Millions of yen)</th> | 011 | (Millions of yen) |
|---|---------|------------------------|
| Notes and accounts payable 47 Short-term loans and portion of long-term loans due within one year 31 Commercial paper 32 Bonds due within one year 32 Accrued income taxes and enterprise taxes 2 Reserve 22 Other 45 Total current liabilities 1,33 Long-term liabilities : 38 Bonds and notes 38 Long-term liabilities : 38 Long-term liabilities : 36 Corg-term liabilities : 38 Long-term liabilities : 38 Long-term liabilities : 38 Long-term liabilities : 38 Cong-term liabilities : 38 Long-term liabilities : 39 Other 29 Total long-term liabilities 1,26 Total long-term liabilities 2,61 NET ASSETS 31 Shareholders' equity : 41 Common stock 41 Capital surplus 11 Retained earnings 1,52 Less: Treasury stock, at cost (26) </th <th>011</th> <th>September 30, 2011</th> | 011 | September 30, 2011 |
| Short-term loans and portion of long-term loans due within one year 31 Commercial paper 32 Bonds due within one year 32 Accrued income taxes and enterprise taxes 2 Reserve 2 Other 45 Total current liabilities 1,35 Long-term liabilities : 1,35 Bonds and notes 38 Long-term liabilities : 38 Long-term loans 66 Accrued pension and severance costs 15 Reserve 2 Other 5 Total long-term liabilities 1,26 Total long-term liabilities 1,26 Total long-term liabilities 2,61 NET ASSETS 11 Retained earnings 1,52 Less: Treasury stock, at cost (26) Inrealized gains on available-for-sale securities 10 Deferred hedge income (loss) (2 Unrealized gains on revaluation of land 11 Foreign currency translation adjustments (44) | | |
| Short-term loans and portion of long-term loans due within one year 31 Commercial paper 32 Bonds due within one year 32 Accrued income taxes and enterprise taxes 2 Reserve 2 Other 45 Total current liabilities 1,35 Long-term liabilities : 1,35 Bonds and notes 38 Long-term liabilities : 38 Long-term loans 66 Accrued pension and severance costs 15 Reserve 2 Other 5 Total long-term liabilities 1,26 Total long-term liabilities 1,26 Total long-term liabilities 2,61 NET ASSETS 11 Retained earnings 1,52 Less: Treasury stock, at cost (26) Inrealized gains on available-for-sale securities 10 Deferred hedge income (loss) (2 Unrealized gains on revaluation of land 11 Foreign currency translation adjustments (44) | 76,592 | 463,482 |
| Commercial paper 3 Bonds due within one year 2 Accrued income taxes and enterprise taxes 2 Reserve 2 Other 45 Total current liabilities 1,35 Long-term liabilities : 1,35 Bonds and notes 38 Long-term liabilities : 8 Bonds and notes 38 Long-term loans 60 Accrued pension and severance costs 15 Reserve 2 Other 2 Other 2 Other 2 Other 2 Total long-term liabilities 1,26 Total long-term liabilities 2,61 NET ASSETS 2 Shareholders' equity : 2 Common stock 41 Capital surplus 11 Retained earnings 1,52 Less: Treasury stock, at cost (26) Unrealized gains on available-for-sale securities 10 Deferred hedge income (loss) 30 Unrealized gains on revaluation of land 11 | 10,150 | 310,591 |
| Bonds due within one year Accrued income taxes and enterprise taxes 2 Accrued income taxes and enterprise taxes 2 Reserve 2 Other 45 Total current liabilities 1,35 Long-term liabilities : 38 Bonds and notes 38 Long-term loans 60 Accrued pension and severance costs 15 Reserve 2 Other 2 Other 2 Other 2 Other 2 Other 2 Other 2 Total long-term liabilities 1,26 Total long-term liabilities 2,61 NET ASSETS 2 Shareholders' equity : 2 Common stock 41 Capital surplus 11 Retained earnings 1,52 Less: Treasury stock, at cost (26) Accumulated other comprehensive income: 2 Unrealized gains on available-for-sale securities 10 Deferred hedge income (loss) 30 Unrealized gains on revalua | 32,000 | 50,000 |
| Accrued income taxes and enterprise taxes 2 Reserve 2 Other 49 Total current liabilities 1,33 Long-term liabilities : 38 Bonds and notes 38 Long-term liabilities : 38 Bonds and notes 38 Long-term liabilities : 38 Reserve 38 Other 2 Other 2 Other 2 Other 2 Total long-term liabilities 1,26 Total long-term liabilities 2,61 NET ASSETS 2 Shareholders' equity : 2 Common stock 41 Capital surplus 11 Retained earnings 1,52 Less: Treasury stock, at cost (26) Unrealized gains on available-for-sale securities 10 Deferred hedge income (loss) (3) Unrealized gains on revaluation of land 11 Foreign currency translation adjustments (44) | - | 5,000 |
| Reserve 2 Other 49 Total current liabilities 1,35 Long-term liabilities : 38 Bonds and notes 38 Long-term loans 60 Accrued pension and severance costs 15 Reserve 2 Other 2 Total long-term liabilities 1,26 Total long-term liabilities 2,61 NET ASSETS 2 Shareholders' equity : 2 Common stock 41 Capital surplus 11 Retained earnings 1,52 Less: Treasury stock, at cost (26) Accumulated other comprehensive income: 2 Unrealized gains on available-for-sale securities 10 Deferred hedge income (loss) (3) Unrealized gains on revaluation of land 11 Foreign currency translation adjustments (44) | 24,783 | 22,010 |
| Total current liabilities 1,35 Long-term liabilities : 38 Bonds and notes 38 Long-term loans 60 Accrued pension and severance costs 15 Reserve 2 Other 2 Total long-term liabilities 1,26 Total long-term liabilities 2,61 NET ASSETS 2 Shareholders' equity : 2 Common stock 41 Capital surplus 11 Retained earnings 1,52 Less: Treasury stock, at cost (266) Unrealized gains on available-for-sale securities 10 Deferred hedge income (loss) (3) Unrealized gains on revaluation of land 11 Foreign currency translation adjustments (44) | 23,636 | 13,37 |
| Long-term liabilities : 38 Bonds and notes 38 Long-term loans 60 Accrued pension and severance costs 15 Reserve 2 Other 2 Total long-term liabilities 1,26 Total long-term liabilities 2,61 NET ASSETS 2 Shareholders' equity : 2,61 Common stock 41 Capital surplus 11 Retained earnings 1,52 Less: Treasury stock, at cost (26) Vurealized gains on available-for-sale securities 10 Deferred hedge income (loss) (3) Unrealized gains on revaluation of land 11 Foreign currency translation adjustments (44) | 91,175 | 444,75′ |
| Bonds and notes 38 Long-term loans 60 Accrued pension and severance costs 15 Reserve 2 Other 2 Total long-term liabilities 1,26 Total liabilities 2,61 NET ASSETS 2 Shareholders' equity : 2 Common stock 41 Capital surplus 11 Retained earnings 1,52 Less: Treasury stock, at cost (266) Unrealized gains on available-for-sale securities 10 Deferred hedge income (loss) (26) Unrealized gains on revaluation of land 11 Foreign currency translation adjustments (44) | 58,338 | 1,309,227 |
| Long-term loans 60 Accrued pension and severance costs 15 Reserve 2 Other 2 Total long-term liabilities 1,26 Total liabilities 2,61 NET ASSETS 2 Shareholders' equity : 2 Common stock 41 Capital surplus 111 Retained earnings 1,52 Less: Treasury stock, at cost (26) Unrealized gains on available-for-sale securities 10 Deferred hedge income (loss) (26) Unrealized gains on revaluation of land 11 Foreign currency translation adjustments (44) | | |
| Accrued pension and severance costs 15 Reserve 2 Other 2 Total long-term liabilities 1,26 Total liabilities 2,61 NET ASSETS 2 Shareholders' equity : 41 Common stock 41 Capital surplus 111 Retained earnings 1,52 Less: Treasury stock, at cost (262 Unrealized gains on available-for-sale securities 10 Deferred hedge income (loss) (3 Unrealized gains on revaluation of land 1 Foreign currency translation adjustments (44) | 85,065 | 420,069 |
| Reserve 2 Other 9 Total long-term liabilities 1,26 Total liabilities 2,61 NET ASSETS 2 Shareholders' equity : 41 Common stock 41 Capital surplus 11 Retained earnings 1,52 Less: Treasury stock, at cost (266) Virealized gains on available-for-sale securities 10 Deferred hedge income (loss) (3 Unrealized gains on revaluation of land 1 Foreign currency translation adjustments (44) | 02,480 | 572,527 |
| Other 9 Total long-term liabilities 1,26 Total liabilities 2,61 NET ASSETS 2,61 NET ASSETS 41 Common stock 41 Capital surplus 11 Retained earnings 1,52 Less: Treasury stock, at cost (263 Unrealized gains on available-for-sale securities 10 Deferred hedge income (loss) (3 Unrealized gains on revaluation of land 1 Foreign currency translation adjustments (44) | 55,760 | 155,693 |
| Total long-term liabilities 1,26 Total liabilities 2,61 NET ASSETS 2 Shareholders' equity : 41 Common stock 41 Capital surplus 11 Retained earnings 1,52 Less: Treasury stock, at cost (262 Unrealized gains on available-for-sale securities 10 Deferred hedge income (loss) (3 Unrealized gains on revaluation of land 1 Foreign currency translation adjustments (44) | 26,689 | 24,700 |
| Total liabilities 2,61 NET ASSETS 2 Shareholders' equity : 41 Common stock 41 Capital surplus 11 Retained earnings 1,52 Less: Treasury stock, at cost (262 1,79 1,79 Accumulated other comprehensive income: 10 Unrealized gains on available-for-sale securities 10 Deferred hedge income (loss) (4 Unrealized gains on revaluation of land 1 Foreign currency translation adjustments (44 | 91,599 | 70,151 |
| NET ASSETS Shareholders' equity : Common stock 41 Capital surplus 11 Retained earnings 1,52 Less: Treasury stock, at cost (262) 1,79 1,79 Accumulated other comprehensive income: 10 Unrealized gains on available-for-sale securities 10 Deferred hedge income (loss) (3 Unrealized gains on revaluation of land 1 Foreign currency translation adjustments (44) | 61,596 | 1,243,142 |
| Shareholders' equity : 41 Common stock 41 Capital surplus 11 Retained earnings 1,52 Less: Treasury stock, at cost (26) 1,79 (26) Accumulated other comprehensive income: 10 Unrealized gains on available-for-sale securities 10 Deferred hedge income (loss) (3) Unrealized gains on revaluation of land 11 Foreign currency translation adjustments (44) | 19,935 | 2,552,370 |
| Common stock41Capital surplus11Retained earnings1,52Less: Treasury stock, at cost(2631,79Accumulated other comprehensive income:1,79Unrealized gains on available-for-sale securities10Deferred hedge income (loss)(3Unrealized gains on revaluation of land1Foreign currency translation adjustments(44 | | |
| Capital surplus11Retained earnings1,52Less: Treasury stock, at cost(2621,79Accumulated other comprehensive income:1,79Unrealized gains on available-for-sale securities10Deferred hedge income (loss)(3Unrealized gains on revaluation of land1Foreign currency translation adjustments(44 | | |
| Retained earnings 1,52 Less: Treasury stock, at cost (262 1,79 1,79 Accumulated other comprehensive income: 1,79 Unrealized gains on available-for-sale securities 10 Deferred hedge income (loss) (3 Unrealized gains on revaluation of land 1 Foreign currency translation adjustments (44 | 19,524 | 419,524 |
| Less: Treasury stock, at cost (262) 1,79 1,79 Accumulated other comprehensive income: 10 Unrealized gains on available-for-sale securities 10 Deferred hedge income (loss) (32) Unrealized gains on revaluation of land 11 Foreign currency translation adjustments (44) | 14,553 | 114,550 |
| 1,79 Accumulated other comprehensive income: Unrealized gains on available-for-sale securities 10 Deferred hedge income (loss) (1) Unrealized gains on revaluation of land 11 Foreign currency translation adjustments | 22,786 | 1,552,839 |
| Unrealized gains on available-for-sale securities10Deferred hedge income (loss)(1Unrealized gains on revaluation of land1Foreign currency translation adjustments(4 | 94,340 | (262,541) 1,824,373 |
| Unrealized gains on available-for-sale securities10Deferred hedge income (loss)(1Unrealized gains on revaluation of land1Foreign currency translation adjustments(4 | | |
| Deferred hedge income (loss)(3Unrealized gains on revaluation of land1Foreign currency translation adjustments(4 | 04,783 | 19,55 |
| Unrealized gains on revaluation of land1Foreign currency translation adjustments(4) | (3,099) | (4,517 |
| Foreign currency translation adjustments (4 | 11,523 | (4,517) |
| | 6,748) | (39,856 |
| | 66,459 | (13,322 |
| Minority interest in consolidated subsidiaries 52 | 20,126 | 517,991 |
| Total net assets2,38 | 80,925 | 2,329,043 |
| Total liabilities and net assets 5,00 | 00,860 | 4,881,413 |

| Consolidated Statements of Operations | | (Millions of yen) |
|--|---------------|-------------------|
| | First half of | First half of |
| | fiscal 2010 | fiscal 2011 |
| Operating revenues : | | |
| Net sales | 2,022,079 | 2,027,801 |
| Cost of sales | 1,746,231 | 1,799,067 |
| Gross margin | 275,847 | 228,733 |
| Selling, general and administrative expenses | 157,736 | 164,326 |
| Operating profit | 118,111 | 64,406 |
| Non-operating profit and loss : | | |
| Non-operating profit : | | |
| Interest | 1,243 | 1,636 |
| Dividend income | 6,673 | 6,313 |
| Equity in net income of unconsolidated | 27 407 | 22.202 |
| subsidiaries and affiliates | 37,407 | 32,382 |
| Other | 19,039 | 27,473 |
| | 64,363 | 67,806 |
| Non-operating loss : | | |
| Interest expense | 9,211 | 8,948 |
| Other | 38,394 | 29,054 |
| | 47,606 | 38,002 |
| Ordinary profit | 134,868 | 94,211 |
| Special loss : | | |
| Loss on impairment for fixed assets | 7,227 | - |
| Loss on sales of investment securities | - | 7,440 |
| | 7,227 | 7,440 |
| Income before income taxes and minority interest | 127,641 | 86,770 |
| Income taxes - current and deferred | 45,037 | 30,728 |
| Income before minority interest | 82,603 | 56,041 |
| Minority interest in net income of consolidated subsidiaries | 11,555 | 7,266 |
| Net income | 71,047 | 48,775 |

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

| Consolidated Statements of Comprehensive Income | | (Millions of yen) |
|---|---------------------------|------------------------------|
| | First half of fiscal 2010 | First half of fiscal 2011 |
| Income before minority interest | 82,603 | 56,041 |
| Other comprehensive income | | |
| Unrealized gains (losses) on available-for-sale securities | (71,132) | (83,345) |
| Deferred hedge income (loss) | (3,675) | (1,184) |
| Unrealized gains (losses) on revaluation of land | 874 | - |
| Foreign currency translation adjustments | (13,466) | (3,566) |
| Share of other comprehensive income of associates accounted for using equity method | (13,979) | 7,461 |
| Total other comprehensive income (loss) | (101,379) | (80,635) |
| Comprehensive income (loss) | (18,778) | (24,593) |
| attribute to | | |
| Comprehensive income attribute to owners of the parent | (28,881) | (30,977) |
| Comprehensive income attribute to minority interests | 10,103 | 6,383 |

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

None

(4) Information on Depreciation and amortization

Depreciation and amortization for the first half of the fiscal year (including intangible fixed assets amortization other than goodwill) is as follows:

| | | (Millions of yen) |
|-------------------------------|-----------------------------------|-----------------------------------|
| | For the first half of fiscal 2010 | For the first half of fiscal 2011 |
| Depreciation and amortization | 139,335 | 135,166 |

(5) Consolidated Segment Information

(Information about segment sales, profit (loss))

| First half of fiscal | 2010 (April 1, | 2010 to Sept | ember 30, 20 | <u>10)</u> | | | | (1 | Millions of yen) |
|---|---|------------------------------------|----------------------|------------|------------------|------------------|-----------|------------|------------------|
| | | | | | | | | | |
| | Steelmaking and steel fabrication | Engineering and construction | Urban development | Chemicals | New materials | System solutions | Total | Adjustment | Consolidated |
| Sales to external customers | 1,718,648 | 123,644 | 38,764 | 94,447 | 30,945 | 73,727 | 2,080,178 | (58,099) | 2,022,079 |
| Segment profit (loss) <ordinary profit=""></ordinary> | 117,665 | 7,002 | 4,208 | 4,935 | 1,509 | 4,415 | 139,737 | (4,868) | 134,868 |

(Information about segment sales, profit (loss))

| First half of fiscal | irst half of fiscal 2011 (April 1, 2011 to September 30, 2011) | | | | | | | | | | | |
|---|--|------------------------------------|----------------------|-----------|------------------|------------------|-----------|------------|--------------|--|--|--|
| | | | | | | | | | | | | |
| | Steelmaking and steel fabrication | Engineering and construction | Urban development | Chemicals | New materials | System solutions | Total | Adjustment | Consolidated | | | |
| Sales to external customers | 1,751,610 | 96,769 | 27,947 | 101,054 | 28,603 | 76,213 | 2,082,198 | (54,396) | 2,027,801 | | | |
| Segment profit (loss) <ordinary profit=""></ordinary> | 74,255 | 170 | 4,043 | 7,337 | 594 | 5,325 | 91,727 | 2,483 | 94,211 | | | |

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

None

Recent Quarterly Operating Results

Fiscal 2011 (April 1, 2011 to March 31, 2012)

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

| | , 2011 to March 31 | , =•1=/ | | | | FISCAI 2010 (April | | , 2011/ | | | | |
|-----------------------------------|-------------------------|--------------------|---------------------|--------------------------|-----------------------------|-------------------------|-------------------------|---------------------|---------------------|---------------------|-------------------------|-------------------------|
| $\overline{\ }$ | | I | 1 | | Forecast for fiscal 2011 | | I | 1 | | 1 | 1 | Fiscal 2010 |
| | 1st quarter | 2nd quarter | 1st half | Forecast for 2nd half | | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | |
| | Apr.2011-June.2011 | July 2011-Sep.2011 | Apr. 2011-Sep. 2011 | Oct.2011-Mar.2012 | Apr.2011-Mar.2012 | Apr. 2010-June. 2010 | July 2010-Sep. 2010 | Apr. 2010-Sep. 2010 | Oct. 2010-Dec. 2010 | Jan. 2011-Mar. 2011 | Oct. 2010-Mar. 2011 | Apr. 2010-Mar. 2011 |
| | ¥billion | Ybillion | ¥billion | ¥billion | ¥billion | ¥billion | ¥billion | ¥billion | ¥billion | ¥billion | ¥billion | ¥billion |
| Sales | 985.5 | 1, 042. 2 | 2, 027. 8 | 2, 172. 2 | 4, 200. 0 | 970. 6 | 1, 051. 4 | 2, 022. 0 | 1, 003. 1 | 1, 084. 5 | 2, 087. 6 | 4, 109. 7 |
| Steelmaking and steel fabrication | 851.9 | 899. 6 | 1, 751. 6 | 1, 798. 4 | 3, 550. 0 | 824. 5 | 894. 0 | 1, 718. 6 | 859. 4 | 895. 4 | 1, 754. 8 | 3, 473. 4 |
| Engineering and construction | 44. 0 | 52. 6 | 96. 7 | 153. 3 | 250. 0 | 58. 9 | 64. 6 | 123. 6 | 55. 2 | 76. 0 | 131. 2 | 254. 9 |
| Urban development | 12.7 | 15. 1 | 27. 9 | 47. 1 | 75. 0 | 18. 7 | 19. 9 | 38. 7 | 15. 9 | 31. 8 | 47. 7 | 86. 5 |
| Chemicals | 48.3 | 52. 7 | 101.0 | 109. 0 | 210. 0 | 45. 9 | 48.4 | 94. 4 | 50. 2 | 49. 1 | 99. 4 | 193. 8 |
| New materials | 14. 2 | 14. 3 | 28.6 | 36.4 | 65. 0 | 14. 7 | 16. 2 | 30. 9 | 15. 1 | 14. 8 | 29. 9 | 60. 8 |
| System solutions | 36. 2 | 39.9 | 76. 2 | 88.8 | 165. 0 | 33. 9 | 39. 7 | 73. 7 | 35. 4 | 50. 5 | 85. 9 | 159. 7 |
| Adjustment | (22. 0) | (32. 3) | (54. 3) | (60. 7) | (115. 0) | (26. 3) | (31. 7) | (58.0) | (28.3) | (33. 2) | (61.6) | (119. 7) |
| Or constinue and fit | 38. 5 | 25. 8 | 64. 4 | 65.6 | 130. 0 | 51.0 | 67. 0 | 118. 1 | 33. 9 | 13. 5 | 47.4 | 165. 6 |
| Operating profit | 【3.9%】 | 【2.5%】 | 【3.2%】 | [3.0%] | 【3.1%】 | [5.3%] | [6.4%] | 【5.8%】 | 【3.4%】 | 【1.2%】 | 【2.3%】 | 【4.0%】 |
| Ordinary profit | 57.0 | 37. 1 | 94. 2 | 85. 8 | 180. 0 | 61.8 | 72. 9 | 134. 8 | 53. 5 | 37. 9 | 91.4 | 226. 3 |
| orumary prorre | 【5.8%】 | 【3.6%】 | 【4.6%】 | 【3.9%】 | 【4.3%】 | [6. 4%] | 【6.9%】 | 【6.7%】 | [5.3%] | 【3.5%】 | 【4.4%】 | [5. 5%] |
| Steelmaking and | 48.5 | 25. 6 | 74. 2 | 60. 8 | 135. 0 | 56.4 | 61.2 | 117.6 | 43. 5 | 20. 7 | 64. 3 | 181.9 |
| steel fabrication | 【5.7%】 | 【2.9%】 | 【4. 2%】 | 【3.4%】 | 【3.8%】 | [6. 8%] | [6.9%] | [6.8%] | 【5.1%】 | 【2.3%】 | 【3.7%】 | 【5. 2%】 |
| Engineering and | 0. 2 | ▲ 0.1 | 0.1 | 12. 4 | 12.5 | 2. 6 | 4. 3 | 7.0 | 2. 1 | 5. 7 | 7. 8 | 14. 8 |
| construction | [0.5%] | 【▲0.1%】 | [0.2%] | 【8.1%】 | 【5.0%】 | 【4.5%】 | [6.7%] | 【5.7%】 | 【3.9%】 | 【7.5%】 | [6.0%] | [5.8%] |
| Urban development | 2.3 | 1.7 | 4.0 | 3. 0 | 7.0 | 1.9 | 2. 2 | 4. 2 | 2. 5 | 2. 5 | 5. 0 | 9. 2 |
| | 【18.0%】 | 【11.5%】 | 【14.5%】 | [6.4%] | [9.3%] | 【10.3%】 | 【11.4%】 | 【10.9%】 | 【15.9%】 | [8.0%] | 【10.6%】 | 【10.7%】 |
| Chemicals | 3.6 | 3.6 | 7.3 | 6. 2 | 13.5 | 1.7 | 3. 1 | 4. 9 | 4.4 | 3.8 | 8. 3 | 13. 2 |
| Uncilit cars | 【7.5%】 | 【7.0%】 | 【7.3%】 | [5. 7%] | 【6.4%】 | 【3.9%】 | [6. 5%] | 【5. 2%】 | [8.8%] | 【7.9%】 | [8.4%] | [6.8%] |
| New materials | 0. 2 | 0. 2 | 0.5 | 1.5 | 2.0 | 0. 7 | 0. 7 | 1.5 | 0.0 | 0.5 | 0. 6 | 2. 1 |
| New materials | 【2.1%】 | 【2.1%】 | 【2.1%】 | 【4.1%】 | 【3.1%】 | 【5. 2%】 | 【4.6%】 | [4.9%] | [0.3%] | 【3.8%】 | 【2.0%】 | 【3.5%】 |
| System solutions | 2.9 | 2. 4 | 5. 3 | 7. 2 | 12.5 | 1.9 | 2.4 | 4.4 | 2. 7 | 4. 2 | 6. 9 | 11.3 |
| System SUTULIONS | [8. 0%] | 【6.1%】 | 【7.0%】 | 【8.1%】 | 【7.6%】 | [5. 7%] | [6.2%] | [6.0%] | 【7.6%】 | [8.3%] | [8. 0%] | 【7.1%】 |
| Adjustment | (0.9) | 3.4 | 2. 4 | (4. 9) | (2.5) | (3. 5) | (1.2) | (4.8) | (1.8) | 0. 2 | (1.6) | (6. 4) |
| + | 29.0 | 19.6 | 48. 7 | 36.3 | 85.0 | 26.8 | 44. 2 | 71.0 | 33. 4 | ▲ 11.2 | 22. 1 | 93. 1 |
| Net income | [3.0%] | 【1.9%】 | 【2.4%】 | 【1.7%】 | [2.0%] | [2.8%] | 【4. 2%】 | 【3. 5%】 | [3.3%] | 【▲1.0%】 | 【1.1%】 | [2.3%] |
| Net income per share | ¥ 4. 63 | ¥ 3. 13 | * 7. 75 | ¥ 5. 77 | ¥ 13. 51 | ¥ 4. 26 | ¥ 7. 03 | ¥ 11. 29 | ¥ 5. 32 | × ▲ 1.79 | ¥ 3. 52 | ¥ 14. 82 |

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

Nippon Steel Corporation Code Number: 5401 Listings: Tokyo, Osaka, Nagoya, Sapporo and Fukuoka Stock Exchanges Contact: Nozomu Takahashi, General Manager, Public Relations Center-Tel: 81-3-6867-2130

Supplementary Information on the Financial Result for the First Half of Fiscal 2011

Japanese Steel Industry

1. Crude Steel Production

(million tons)

| | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|--------|-------------|-------------|----------|-------------|-------------|----------|--------|
| 2010FY | 28.07 | 27.36 | 55.42 | 27.66 | 27.70 | 55.37 | 110.79 |
| 2011FY | 26.37 | 26.94 | 53.31 | | | | |

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) |
|----------------|------|---|-------------------------------------|------------------------------------|-------------------------------------|
| Dec. | 2009 | 4.79 | (132.9) | 3.42 | 0.229 |
| Jan. | 2010 | 4.79 | (130.5) | 3.51 | 0.215 |
| Feb. | 2010 | 4.84 | (133.3) | 3.52 | 0.200 |
| Mar. | 2010 | 4.75 | (108.0) | 3.42 | 0.180 |
| Apr. | 2010 | 4.83 | (127.8) | 3.50 | 0.182 |
| May | 2010 | 4.99 | (126.7) | 3.63 | 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 | (125.2) | 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 | (132.7) | 3.74 | 0.175 |
| Mar. | 2011 | 5.09 | (126.0) | 3.83 | 0.183 |
| Apr. | 2011 | 5.38 | (155.6) | 4.04 | 0.188 |
| May | 2011 | 5.63 | (154.9) | 4.20 | 0.206 |
| June | 2011 | 5.60 | (141.9) | 4.21 | 0.215 |
| July | 2011 | 5.43 | (139.7) | 4.18 | 0.206 |
| Aug. | 2011 | 5.62 | (152.2) | 4.35 | 0.193 |
| | | | | | |

*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) |
|--------|-------------|-------------|----------|-------------|-------------|--------------|----------------|
| | | | | | | | 1 |
| | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
| 2010FY | 7.77 | 8.14 | 15.92 | 8.15 | 8.11 | 16.26 | 32.18 |
| 2011FY | 7.76 | 8.03 | 15.79 | | | Approx.15.80 | Approx.31.60 |

4. Crude Steel Production

(Consolidated basis)

(million tons)

| | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|--------|-------------|-------------|----------|-------------|-------------|--------------|--------------|
| 2010FY | 8.63 | 8.72 | 17.35 | 8.68 | 8.89 | 17.57 | 34.92 |
| 2011FY | 8.30 | 8.31 | 16.61 | | | Approx.16.70 | Approx.33.30 |

(Non-consolidated basis)

(million tons)

| | | | | | | | 1 |
|--------|-------------|-------------|----------|-------------|-------------|--------------|--------------|
| | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
| 2010FY | 8.00 | 8.17 | 16.17 | 8.04 | 8.26 | 16.30 | 32.47 |
| 2011FY | 7.75 | 7.78 | 15.53 | | | Approx.15.50 | Approx.31.00 |

5. Steel Products Shipment

(million tons)

| | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|--------|-------------|-------------|----------|-------------|-------------|--------------|--------------|
| 2010FY | 7.76 | 7.84 | 15.59 | 7.66 | 8.10 | 15.76 | 31.35 |
| 2011FY | 7.40 | 7.28 | 14.68 | | | Approx.15.00 | Approx.29.70 |

6. Average Price of Steel Products

(thousands of yen / ton)

| | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|--------|-------------|-------------|----------|-------------|-------------|-----------|-----------|
| 2010FY | 79.1 | 86.4 | 82.8 | 81.4 | 79.7 | 80.6 | 81.7 |
| 2011FY | 85.8 | 89.8 | 87.8 | | | Approx.88 | Approx.88 |

7. Export Ratio of Steel Products (Value basis)

| , <u> </u> | | | | | | | (%) |
|------------|-------------|-------------|----------|-------------|-------------|-----------|-----------|
| | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
| 2010FY | 42.5 | 38.7 | 40.5 | 39.8 | 40.9 | 40.4 | 40.4 |
| 2011FY | 41.9 | 40.1 | 41.0 | | | Approx.38 | Approx.39 |

8. Foreign Exchange Rate

(¥/US\$)

| | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|--------|-------------|-------------|----------|-------------|-------------|-----------|-----------|
| 2010FY | 93 | 86 | 90 | 83 | 82 | 82 | 86 |
| 2011FY | 82 | 78 | 80 | | | Approx.80 | Approx.80 |

9. Unrealized Gains on Available-for-Sale Securities

| | | | (billion yen) |
|--------------|--------------------|---------------|----------------|
| | 1st half of 2011FY | 2010FY | difference |
| Consolidated | 32.8(19.5) | 175.8 (104.7) | -142.9 (-85.2) |
| Nikkei 225 | [8,700yen] | [9,755yen] | [-1,055yen] |

* Figures in parentheses were after adopting deferred tax accounting.

10. Amount of Capital Expenditure and Depreciation

| •Capital Expenditure | (billion yen) | |
|----------------------|--------------------|---------------|
| | 2011FY (estimated) | 2010FY |
| Consolidated | 265.0 | 290.0 |
| Non-consolidated | 180.0 | 210.0 |
| •Depreciation | | (billion yen) |
| | 2011FY (estimated) | 2010FY |
| Consolidated | 285.0 | 291.5 |
| Non-consolidated | 215.0 | 220.1 |