

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2009

Company Name: Nisshin Steel Co., Ltd.

URL: <http://www.nisshin-steel.co.jp/>

Code Number: 5407 (Tokyo, Osaka, Nagoya, and Fukuoka stock exchanges)

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Scheduled Interim Dividend Payment Date: November 26, 2008

1. Highlights of Consolidated Results for the Second Quarter of the Fiscal Year Ending March 31, 2009

(1) Consolidated Operating Results (Cumulative) (Rounded down to the nearest millions of yen)

(The percentage figures represent the change from the same period last year)

	Net sales		Operating income		Income before special items		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2Q of FY ending March 31, 2009	354,931	-	23,108	-	22,260	-	13,066	-
2Q of FY ended March 31, 2008	332,024	10.2	38,112	63.3	38,662	76.3	22,981	67.3

	Net income per share	Fully diluted net income per share
	Yen	Yen
2Q of FY ending March 31, 2009	14.43	-
2Q of FY ended March 31, 2008	25.13	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2Q of FY ending March 31, 2009	840,333	350,041	41.0	380.27
FY ended March 31, 2008	818,310	361,463	43.5	393.01

(Reference) Shareholders' equity and valuation and translation adjustments:

2Q of FY ending March 31, 2009: 344,410 million yen

FY ended March 31, 2008: 356,015 million yen

2. Dividends

(Record date)	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2008	-	4.00	-	6.00	10.00
FY ending March 31, 2009	-	4.00			
FY ending March 31, 2009 (Forecast)			-	-	-

Note: Revision of dividend forecasts in the quarter (Y/N): No

The Company has left the year-end dividend forecast undecided at this time.

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2009

(Percentages presented refer to changes compared with the previous full-year results, respectively)

	Net sales		Operating income		Income before special items		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	685,000	5.5	36,000	(38.4)	31,000	(43.1)	18,000	(43.9)	19.87

Note: Revision of consolidated forecasts in the quarter (Y/N): Yes

4. Other

- (1) Changes in major subsidiaries during the period under review: None
 (2) Adoption of simplified accounting methods or special accounting methods for quarterly financial statements: Yes
 Note: For detailed information, refer to "Qualitative Information, Financial Statements, and Etc." "4. Others" on Page 5.
 (3) Changes in accounting policies and accounting title and classification for quarterly financial statements

- (i) Changes due to revision of accounting standards, etc.: Yes
 (ii) Changes other than (i) above: Yes

Note: For detailed information, refer to "Qualitative Information, Financial Statements, and Etc." "4. Others" on Page 5.

- (4) Total number of shares issued (Common stock)

- (i) Total number of shares issued at term end (Includes treasury stock)

2Q of FY ending March 31, 2009: 994,500,174 shares
 FY ended March 31, 2008: 994,500,174 shares

- (ii) Total treasury stock at term end

2Q of FY ending March 31, 2009: 88,793,391 shares
 FY ended March 31, 2008: 88,640,050 shares

- (iii) Average number of shares issued and outstanding during the period (Cumulative period to the quarter)

2Q of FY ending March 31, 2009: 905,810,290 shares
 2Q of FY ended March 31, 2008: 914,528,970 shares

Explanation on Appropriate Use of Performance Forecasts and Other Remarks

(Notations on Forward-looking Statements)

The performance forecasts and other forward-looking statements in these materials are based on certain assumptions deemed rational by the Company at this point in time, and actual performance may differ significantly because of such factors as dramatic changes in the economic conditions or product demand in major markets (Japan, Asia, etc.), substantial variations in the prices of fuel and raw materials, steep fluctuations in foreign exchange rates, and major changes in capital markets.

Nisshin Steel has decided not to project the amount of the year-end dividend for the FY ending March 31, 2009 at the present time, given the many uncertain factors that may influence business performance beginning with the future trends in fuel and raw materials prices. The Company will promptly disclose the dividend projection when that becomes possible.

(Others)

From this fiscal year the Nisshin Steel Group has applied Accounting Standard for Quarterly Financial Statements (Accounting Standards Board of Japan (ASBJ) Statement No. 12 dated March 14, 2007) and Implementation Guidance for Accounting Standards for Quarterly Financial Statements (ASBJ Guidance No. 14 dated March 14, 2007), and prepared consolidated quarterly financial statements in accordance with the Quarterly Consolidated Financial Statements Regulations.

(Reference)**Non-Consolidated Forecasts for the Fiscal Year Ending March 31, 2009**

(Percentages presented refer to changes compared with the previous full-year results, respectively)

	Net sales		Operating income		Income before special items		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	535,000	2.4	28,000	(47.4)	25,000	(49.3)	15,000	(50.5)	16.56

Note: Revision of non-consolidated forecasts in the quarter (Y/N): Yes

[Qualitative Information, Financial Statements, and Etc.]

1. Qualitative Information Regarding Consolidated Operating Results

During the first half of the fiscal year ending March 31, 2009 (the six months from April 1 to September 30, 2008), rising commodity prices stemming from rapid appreciation in the price of fuel and raw materials, along with financial instability arising from the subprime loan crisis in the United States, led to a sense of stagnation in the global economy. The Japanese economy, which had been growing steadily up to this point, also began to gradually show signs of a slowdown.

In these circumstances, Nisshin Steel and its Group companies implemented proactive measures to respond to substantial fluctuations in the prices of such materials as iron ore and coal, which continued their significant rise as noted in the previous year. We streamlined operations across the entire organization, cut costs and invested in technology and equipment to allow for more efficient utilization of raw materials. We also took steps as a Group to enhance profitability, negotiating with customers to revise sales prices to reflect the increased cost of raw material that could not be absorbed by the Group, and focusing on differentiating ourselves with unique, highly profitable products.

The consolidated results for the second (April to September of 2008) quarter of the fiscal year ending March 31, 2009 were net sales of ¥354,931 million, operating income of ¥23,108 million, income before special items of ¥22,260 million, and net income of ¥13,066 million.

2. Qualitative Information Regarding Consolidated Financial Position

Total assets at the end of the subject first half amounted to ¥840,333 million, up ¥22,023 million from the end of the previous fiscal year (March 31, 2008). This was due mainly to increases in notes and accounts receivable of ¥37,843 million and inventories of ¥18,049 million, exceeding decreases in investments in securities of ¥34,861 million arising from a decline in unrealized gains on securities held.

Total liabilities amounted to ¥490,291 million, up ¥33,444 million from the end of the previous fiscal year. This was due mainly to an increase in interest-bearing debt of ¥33,676 million.

Net assets at the end of the subject first half amounted to ¥350,041 million, down ¥11,421 million from the end of the previous fiscal year. This was due mainly to first-half net income of ¥13,066 million, offset by a decline in the unrealized gain on available-for-sale securities of ¥21,746 million, and cash dividends of ¥5,435 million.

3. Qualitative Information Regarding Consolidated Performance Forecast

We expect that the turmoil in the global financial markets will inevitably have a substantial bearing on the economies of the United States and other countries. Japan, for one, is bound to feel the impact on its export industries, which have been the drivers for the economy up to this point. Apprehension regarding the future has risen sharply, particularly in the automotive and building sectors, which account for the majority of our demand. The Nisshin Steel Group will seek to maximize its corporate value through an accurate understanding of the rapidly changing business environment, allowing it to steadily implement measures to secure immediate earnings, and pursue strategies aimed at realizing sustainable growth.

Consequently, the Nisshin Steel Group has revised the consolidated performance forecasts previously released on July 31, 2008 considering such management environment, future company programs and other factors.

4. Others

(1) Changes in major subsidiaries during the period under review : None

(2) Adoption of simplified accounting methods or special accounting methods for quarterly consolidated financial statements:

- Special accounting methods for quarterly financial statements
(Tax expenses)

Tax expenses are derived from cumulative quarterly income before income taxes multiplied by estimated yearly effective rate of income tax expense. Provision for income taxes includes both current income taxes and changes in deferred income taxes.

(3) Changes in accounting policies and accounting title and classification for quarterly financial statements:

(i) Effective from the period under review, the Nisshin Steel Group is applying Accounting Standard for Quarterly Financial Statements (Accounting Standards Board of Japan (ASBJ) Statement No. 12 dated March 14, 2007) and Implementation Guidance for Accounting Standards for Quarterly Financial Statements (ASBJ Guidance No. 14 dated March 14, 2007), and preparing consolidated quarterly financial statements in accordance with the Quarterly Consolidated Financial Statements Regulations.

(ii) Prior to the period under review, inventory assets held for regular sales were valued at cost primarily using the weighted average method or the moving average method. As the Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9 dated July 5, 2006) have come into effect from the first quarter of the year ending March 31, 2009, these inventory assets are now valued at cost primarily using the weighted average method or the moving average method in which inventories' book value reflects the decrease in their value due to their decrease in profitability, if any.

This change decreased income before provision for income taxes by ¥3,735 million relative to what it would have been had the previous method been used.

(iii) Prior to the period under review, finance lease transactions which do not involve the transfer of ownership rights were accounted for with the methods for rental transactions. The Accounting Standard for Lease Transactions (ASBJ Statement No. 13 dated March 30, 2007) and the Guidance on Accounting Standard for Lease Transactions (ASBJ Guidance No. 16 dated March 30, 2007) may be applied to consolidated quarterly financial statements from April 1, 2008. Effective from the period under review, Nisshin Steel has adopted such standard and guidance, and finance leases which do not involve the transfer of ownership rights with initial lease dates beginning after the application of the standard and guidance are accounted for with the method for regular purchase and sale transactions. Such lease assets are depreciated with the straight-line method, adopting the lease period as the useful life and assuming a residual value of zero.

The effects of these changes on the Nisshin Steel Group's income are minimal.

5. Quarterly Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	September 30, 2008	March 31, 2008		September 30, 2008	March 31, 2008
(ASSETS)			(LIABILITIES)		
Current assets	371,062	315,374	Current liabilities	280,956	284,583
Cash on hand in banks	16,942	18,171	Notes and accounts payable	116,275	106,633
Notes and accounts receivable	131,172	93,328	Short-term loans	71,098	79,375
Inventories	184,581	166,532	Commercial paper	30,000	39,000
Other current assets	38,834	37,749	Current portion of bonds	10,000	10,000
Allowance for doubtful accounts	(468)	(407)	Provisions	668	799
			Other current liabilities	52,913	48,774
Fixed assets	469,270	502,935	Long-term liabilities	209,335	172,263
Property, plant and equipment	266,224	265,789	Bonds	60,000	40,000
Machinery, equipment and vessels	121,539	123,395	Long-term debt	81,219	50,265
Other	144,684	142,394	Employees' retirement benefits	34,042	34,201
Intangible assets	10,664	11,378	Reserve for rebuilding furnaces	10,882	10,156
Investments and long-term receivables	192,382	225,768	Other provisions	869	1,089
Investments in securities	158,391	193,253	Other	22,320	36,549
Other	34,572	33,224	Total liabilities	490,291	456,847
Allowance for doubtful accounts	(582)	(709)			
			(NET ASSETS)		
			Shareholders' equity	297,234	289,630
			Common stock	79,913	79,913
			Additional paid-in capital	49,893	49,893
			Retained earnings	193,324	185,678
			Treasury stock, at cost	(25,896)	(25,854)
			Valuation and translation adjustments	47,176	66,384
			Unrealized gain on available-for-sale securities	46,336	68,083
			Deferred loss on hedges	(630)	(1,120)
			Adjustment on revaluation of land	238	253
			Foreign currency translation adjustment	1,231	(831)
			Minority interests in consolidated subsidiaries	5,631	5,447
			Total net assets	350,041	361,463
Total assets	840,333	818,310	Total liabilities and total net assets	840,333	818,310

(2) Consolidated Statement of Income

(Millions of yen)

	2Q of FY ending March 31, 2009 (April 1, 2008 to September 30, 2008)
Net sales	354,931
Cost of sales	305,940
Gross profit	48,991
Selling, general and administrative expenses	25,883
Operating income	23,108
Other income	5,846
Interest income	189
Dividend income	2,697
Equity in earnings of unconsolidated subsidiaries and affiliates	2,398
Foreign exchange gain	66
Other	494
Other expenses	6,694
Interest expense	1,591
Service cost of temporarily transferred employees	1,907
Loss on devaluation of investments in securities	1,573
Other	1,622
Income before special items	22,260
Special item, income and gain	42
Gain on sale and disposition of properties	42
Special item, expense and loss	425
Loss on sale and disposition of properties	425
Income before provision for income taxes	21,877
Provision for income taxes	8,570
Minority interests in earnings of consolidated subsidiaries	239
Net income	13,066

Effective from the period under review, the Nisshin Steel Group is applying Accounting Standard for Quarterly Financial Statements (Accounting Standards Board of Japan (ASBJ) Statement No. 12 dated March 14, 2007) and Implementation Guidance for Accounting Standards for Quarterly Financial Statements (ASBJ Guidance No. 14 dated March 14, 2007), and preparing consolidated quarterly financial statements in accordance with the Quarterly Consolidated Financial Statements Regulations.

(3) Notes regarding the assumptions of going concerns
Not Applicable

(4) Notes when there are outstanding changes in the amount of shareholders' equity
Not Applicable

(Reference)**Previous 2nd Quarter Consolidated Statement of Income (Summary)**2nd Quarter of the Fiscal Year Ended March 31, 2008 (April 1, 2007 to September 30, 2007)

(Millions of yen)

	2Q of FY ended March 31, 2008 (April 1, 2007 to September 30, 2007)
Net sales	332,024
Cost of sales	268,554
Gross profit	63,469
Selling, general and administrative expenses	25,356
Operating income	38,112
Other income	5,508
Interest income	345
Dividend income	2,550
Equity in earnings of unconsolidated subsidiaries and affiliates	1,628
Other	984
Other expenses	4,959
Interest expense	1,215
Service cost of temporarily transferred employees	2,263
Foreign exchange loss	673
Other	805
Income before special items	38,662
Special item, income and gain	60
Gain on sale of properties	60
Special item, expense and loss	742
Loss on sale and disposition of properties	742
Income before provision for income taxes	37,981
Provision for income taxes:	
Current	12,185
Deferred	2,454
Minority interests in earnings of consolidated subsidiaries	359
Net income	22,981

(Reference)

Quarterly Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	September 30, 2008	March 31, 2008		September 30, 2008	March 31, 2008
(ASSETS)			(LIABILITIES)		
Current assets	312,319	260,303	Current liabilities	234,544	242,502
Cash on hand in banks	12,807	13,630	Notes and accounts payable	77,292	69,404
Notes and accounts receivable	93,590	57,201	Short-term loans	63,843	72,245
Inventories	161,847	147,812	Commercial paper	30,000	39,000
Other current assets	44,092	41,673	Current portion of bonds	10,000	10,000
Allowance for doubtful accounts	(18)	(14)	Provisions	668	799
Fixed assets	433,885	471,187	Other current liabilities	52,739	51,053
Property, plant and equipment	237,598	237,318	Long-term liabilities	200,258	161,335
Machinery, equipment and vessels	114,851	116,941	Bonds	60,000	40,000
Other	122,747	120,376	Long-term debt	79,500	46,800
Intangible assets	7,392	7,807	Employees' retirement benefits	29,308	29,421
Investments and long-term receivables	188,894	226,062	Reserve for rebuilding furnaces	10,882	10,156
Investments in securities	122,286	159,962	Other Provisions	395	597
Other	66,763	66,255	Other	20,171	34,359
Allowance for doubtful accounts	(156)	(156)	Total liabilities	434,803	403,837
			(NET ASSETS)		
			Shareholders' equity	265,982	260,990
			Common stock	79,913	79,913
			Additional paid-in capital	49,893	49,893
			Retained earnings	162,072	157,038
			Treasury stock, at cost	(25,896)	(25,854)
			Valuation and translation adjustments	45,419	66,663
			Unrealized gain on available-for-sale securities	46,020	67,785
			Deferred loss on hedges	(601)	(1,122)
			Total net assets	311,401	327,653
Total assets	746,204	731,491	Total liabilities and total net assets	746,204	731,491

Note: These balance sheets were prepared based on the Quarterly Financial Statements Regulations, but are not required to be reviewed by independent accountants.

(2) Non-Consolidated Statement of Income

(Millions of yen)

	2Q of FY ending March 31, 2009 (April 1, 2008 to September 30, 2008)
Net sales	280,150
Cost of sales	242,704
Gross profit	37,446
Selling, general and administrative expenses	18,976
Operating income	18,470
Other income	5,373
Interest income	126
Dividend income	5,034
Foreign exchange gain	57
Other	154
Other expenses	6,454
Interest expense	1,387
Service cost of temporarily transferred employees	1,907
Loss on devaluation of investments in securities	1,573
Other	1,586
Income before special items	17,388
Special item, expense and loss	405
Loss on sale and disposition of properties	405
Income before provision for income taxes	16,983
Provision for income taxes	6,513
Net income	10,469

Note: This statement of income was prepared based on the Quarterly Financial Statements regulations, but is not required to be reviewed by independent accountants.

(Presentation Materials)

I. Financial Results for the Second Quarter of the Fiscal Year ending March 31, 2009

1. Results of Operations

(Billions of yen)

	2Q of FY ending March 31, 2009	2Q of FY ended March 31, 2008	Difference	2Q of FY ending March 31, 2009	Difference
	Actual a	Actual b	a-b	Current Forecast c	a-c
Net sales	354.9	332.0	22.9	350.0	4.9
Operating income	23.1	38.1	(15.0)	20.0	3.1
Income before special items	22.2	38.6	(16.4)	21.5	0.7
Net income	13.0	22.9	(9.9)	12.5	0.5
Net income per share (Yen)	14.43	25.13	(10.70)	13.80	0.63
Unrealized holding gains on inventories	4.0	16.0	(12.0)	8.5	(4.5)

(Of which) Stainless Steel Business Results

Net sales	100.0	120.0	(20.0)
Income before special items	2.5	25.5	(23.0)
Unrealized holding gains on inventories	(4.5)	14.5	(19.0)

2. Othe Information(Non-Consolidated)

	2Q of FY ending March 31, 2009	2Q of FY ended March 31, 2008	Difference
Crude steel production (1,000tons)	2,039	2,027	12
Of which, stainless steel	297	311	(14)
Sales volume (1,000 tons)	1,981	1,941	40
Average sales price of steel products (¥1,000/ton)	143	140	3
Export ratio (monetary basis, %)	21	16	5
Export exchange rate (¥/US\$)	106	120	14 (Yen appreciation)
Excess of imports over exports (US\$ million)	773	812	(39)

3. Income Before Special Items Differential Breakdown
2Q of FY ended March 31, 2008 vs 2Q of FY ending March 31, 2009

Item	Amount (billions of yen)	Breakdown	Of which, stainless steel
2Q of FY ended March 31, 2008	38.6		25.5
Sales related	14.5		(16.0)
Purchasing price	(29.5)	Nickel19.0, Iron ore(12.0), Coke and PCI(18.5), Chromium(6.0), Oil and gas(7.5)	9.0
Cost improvement, etc.	(1.4)	Rationalization3.6, Exchange rate9.0, Depreciation(1.5), Subsidiaries2.5, Change in estimated useful lives(0.5), Unrealized holding gains on inventories(12.0)	(16.0)
Total	(16.4)		(23.0)
2Q of FY ending March 31, 2009	22.2		2.5

4. Interim dividend
• ¥4 per share (Payout ratio : 28%)

5. Balance Sheet (Summary)

			(Billions of yen)		
Debit		As of	Credit		As of
		March 2008			March 2008
Cash on hand and in banks	16.9	(1.2)	Interest-bearing debt	252.3	+ 33.6
Accounts receivable	131.1	+ 37.8	Other liabilities	237.9	(0.2)
Inventories	184.5	+ 18.0	Total liabilities	490.2	33.4
Other current assets	38.3	+ 1.0	Common stock and additional paid-in capital	129.8	—
Property, plant and equipment	266.2	+ 0.4	Retained earnings	193.3	+ 7.6
Intangible assets	10.6	(0.7)	Treasury stock, at cost	(25.8)	+ 0.0
Investments and long-term receivables	192.3	(33.3)	Valuation and translation adjustments	47.1	(19.2)
			Minority interests	5.6	+ 0.1
			Total net assets	350.0	(11.4)
Total assets	840.3	22.0	Total liabilities and total net assets	840.3	22.0

II. Forecasts of Results of Operations for the Fiscal Year ending March 31, 2009

1. Results of Operations

(Billions of yen)

		FY ending March 31, 2009				FY ended March 31, 2008 Actual	Difference	
		Forecast	Current forecast	Difference			(Amount)	(%)
				(Amount)	(%)			
Consolidated	Net sales	685.0	750.0	(65.0)	-8.7%	649.4	35.6	5.5%
	Operating income	36.0	37.0	(1.0)	-2.7%	58.4	(22.4)	-38.4%
	Income before special items	31.0	37.0	(6.0)	-16.2%	54.5	(23.5)	-43.1%
	Net income	18.0	22.5	(4.5)	-20.0%	32.1	(14.1)	-43.9%
	Net income per share (Yen)	19.87	24.84	(4.97)	—	35.37	(15.50)	—
Non-consolidated	Net sales	535.0	590.0	(55.0)	-9.3%	522.7	12.3	2.4%
	Operating income	28.0	30.5	(2.5)	-8.2%	53.2	(25.2)	-47.4%
	Income before special items	25.0	30.0	(5.0)	-16.7%	49.3	(24.3)	-49.3%
	Net income	15.0	18.0	(3.0)	-16.7%	30.3	(15.3)	-50.5%
	Net income per share (Yen)	16.56	19.87	(3.31)	—	33.30	(16.74)	—
Unrealized holding gains on inventories		5.0	16.0	(11.0)	—	12.5	(7.5)	—

(Of which) Stainless Steel Business Results

Net sales	170.0	210.0	(40.0)	-19.0%	225.0	(55.0)	-24.4%	
Income before special items	2.5	9.0	(6.5)	-72.2%	32.0	(29.5)	-92.2%	
Unrealized holding gains on inventories		(9.0)	0.0	(9.0)	—	12.5	(21.5)	—

2. Other Information (Non-Consolidated)

	FY ending March 31, 2009 full year (Forecast)	FY ended March 31, 2008 full year (Actual)	Difference
Crude steel production (1,000 tons)	-	4,118	—
Of which, stainless steel	-	636	—
Sales volume (1,000 tons)	3,842	3,933	(91)
Average sales price of steel products (¥1,000/ton)	141	135	6
Export ratio (monetary basis, %)	16	16	0
Export exchange rate (¥/US\$)	103	114	11 (Yen appreciation)
Excess of imports over exports (US\$ million)	1,860	1,412	448

3 . Income Before Special Items Differential Breakdown

FY ended March 31, 2008 (Actual) vs FY ending March 31, 2009 (Forecast)

Item	Amount (billions of yen)	Breakdown	Of which, stainless steel
FY ended March 31, 2008 (Actual)	54.5		32.0
Sales related	46.0		(25.0)
Purchasing price	(83.5)	Nickel30.0, Iron ore(26.0),Coke and PCI(49.5),Cromium(18.5),Oil and gas(11.0)	7.0
Cost improvement, etc.	14.0	Rationalization5.0,Exchange rate21.5,Depreciation(3.0),Subsidiaries3.0,Change in estimated useful lives(1.5),Unrealized holding gains on inventories(7.5)	(11.5)
Total	(23.5)		(29.5)
FY ending March 31, 2009 (Forecast)	31.0		2.5

FY ending March 31, 2009 (Current Forecast) vs FY ending March 31,
2009 (Forecast)

Item	Amount (billions of yen)	Breakdown	Of which, stainless steel
FY ending March 31, 2009 (Current forecast)	37.0		9.0
Sales related	(21.0)		(14.0)
Purchasing price	27.5	Nickel5.0, Iron ore2.0,Cromium3.0,Oil and gas7.0,Scrap4.5	17.0
Cost improvement, etc.	(12.5)	Rationalization1.0,Exchange rate0.5,Subsidiaries(1.5),Unrealized holding gains on inventories(11.0)	(9.5)
Total	(6.0)		(6.5)
FY ending March 31, 2009 (Forecast)	31.0		2.5

[Reference]

Investment and Depreciation (Billions of yen)

	FY ended March 31, 2008 Actual	FY ending March 31, 2009		
		1st half Actual	2nd half Forecast	Total Forecast
Investment	34.0	19.6	27.0	46.6
Depreciation	37.3	19.4	22.3	41.7

Interest-bearing debt and D/E ratio

	March 2008 Actual	June 2008 Actual	September 2008 Actual	March 2009 Forecast
Interest-bearing debt (Billions of yen)	218.6	242.2	252.3	262.3
D/E ratio	0.61	0.68	0.73	0.76