

## Consolidated Financial Results for the Third 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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### 1. Highlights of Consolidated Results for the Third 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	%
3Q of FY ending March 31, 2009	518,506	-	26,947	-	22,245	-	9,973	-
3Q of FY ended March 31, 2008	496,084	5.4	49,295	16.4	47,873	17.6	27,976	12.3

	Net income per share	Fully diluted net income per share
	Yen	Yen
3Q of FY ending March 31, 2009	11.01	-
3Q of FY ended March 31, 2008	30.69	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
3Q of FY ending March 31, 2009	836,814	322,618	37.9	350.07
FY ended March 31, 2008	818,310	361,463	43.5	393.01

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

3Q of FY ending March 31, 2009: 316,993 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)				3.00	7.00

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

The dividends for FY ended March 2008 include memorial dividends of ¥2.00.

The dividends for FY ending March 2009 include memorial dividends of ¥2.00.

### 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	620,000 (4.5)	14,000 (76.1)	7,000 (87.2)	2,000 (93.8)	2.21

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 4.

(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 4.

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

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

3Q 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

3Q of FY ending March 31, 2009: 88,983,806 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)

3Q of FY ending March 31, 2009: 905,727,503 shares

3Q of FY ended March 31, 2008: 911,657,921 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.

(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	470,000 (10.1)	9,000 (83.1)	3,000 (93.9)	0 (100.0)	0.00

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 three quarters of the fiscal year ending March 31, 2009 (the nine months from April 1, 2008 to December 31, 2008), the economy turned up and then went into rapid decline globally, reflecting rising prices for goods stemming from higher fuel and raw material costs and the financial instability originating in the United States.

The steel industry had benefited from strong demand in the automotive and other fields through the first half of the subject fiscal year (April 1 to September 30), but moved quickly to a correction phase in the third quarter (October 1 to December 31), leading to a decline in production volume.

Under these circumstances, the Nisshin Steel Group implemented measures to respond to the substantial rise in prices of raw materials for steel. We expanded and deepened the company-wide streamlining program implemented by the Rationalization and Total Cost Reduction Committee established in April, and with the consent of our customers raised sales prices to cover the portion of the cost increase that could not be absorbed. Further, in response to the rapid changes in the business environment we implemented Group-wide emergency measures, significantly scaling back production and tailoring sales activity to demand.

The consolidated cumulative results for the third quarter of the subject fiscal year (April 1 to December 31) were impacted significantly by the rise in raw material costs. Net sales amounted to ¥518,506 million, with operating income of ¥26,947 million, income before special items of ¥22,245 million, and net income of ¥9,973 million.

In December 2008, the Tokyo District Public Prosecutors Office indicted Nisshin Steel and its employee on suspicion of violation of antitrust laws related to sales of 55% aluminum-zinc alloy coated steel sheets (both prepainted and non-prepainted) to an unspecified number of buyers.

Nisshin Steel deeply apologizes for the concern this has caused its shareholders, customers, and all stakeholders in the Company.

Nisshin Steel appreciates the seriousness of this situation, and in response has established a committee composed of experts from outside the Company to quickly formulate effective, objective and transparent measures to prevent a reoccurrence. Going forward, we will take steps to ensure strict compliance with all laws and regulations, and intend to work to regain public trust as soon as possible.

### **2. Qualitative Information Regarding Consolidated Financial Position**

Total assets at the end of the subject third quarter period amounted to ¥836.8 billion, up ¥18.5 billion from the end of the previous fiscal year (March 31, 2008). This was due mainly to increases in notes and accounts receivable of ¥25.2 billion, inventories of ¥22.4 billion, and cash on hand in banks of ¥19.6 billion, exceeding decreases in investments in securities of ¥50.0 billion arising from a decline unrealized gains on securities held.

Total liabilities amounted to ¥514.1 billion, up ¥57.3 billion from the end of the previous fiscal year. This was due mainly to an increase in interest-bearing debt of ¥80.5 billion.

Net assets at the end of the subject third quarter period amounted to ¥322.6 billion, down ¥38.8 billion from the end of the previous fiscal year. This was due mainly to net income for the third-quarter period from April 1, 2008 to December 31, 2008 of ¥9.9 billion, offset by a decline in the unrealized gain on available-for-sale securities of ¥38.9 billion, and allocation of retained earnings of ¥9.0 billion.

### **3. Qualitative Information Regarding Consolidated Performance Forecast**

The Nisshin Steel Group will continue to develop new markets and pursue initiatives in prospective areas for medium to long-term growth, take steps to control costs, and devote every effort to ensuring profitability. However, the global economic downturn has made the business environment increasing difficult, and we do not anticipate a quick recovery in the demand for steel.

In consideration of current economic conditions, Nisshin Steel has revised its forecast from those announced on October 31, 2008.

#### 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:

- Simplified accounting methods  
(Depreciation of fixed assets)  
Because budgets are compiled based on projections of fixed asset acquisition, sale and disposition each half-year, the fixed asset depreciation expenses are the amounts allocated to the quarter under the concerned budgets.
- 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 ¥9,351 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)	
	December 2008	March 2008
<b>ASSETS</b>		
Current assets		
Cash on hand in banks	37,772	18,171
Notes and accounts receivable	118,593	93,328
Inventories	188,991	166,532
Other current assets	40,107	37,749
Allowance for doubtful accounts	(420)	(407)
Total current assets	385,044	315,374
Fixed assets		
Property, plant and equipment		
Machinery, equipment and vessels, net	114,236	123,395
Other, net	150,605	142,394
Total property, plant and equipment	264,841	265,789
Intangible assets	10,279	11,378
Investments and long-term receivables		
Investments in securities	143,193	193,253
Other	34,059	33,224
Allowance for doubtful accounts	(604)	(709)
Total investments and long-term receivables	176,649	225,768
Total fixed assets	451,769	502,935
Total assets	836,814	818,310
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable	107,562	106,633
Short-term loans	91,566	79,375
Commercial paper	63,000	39,000
Current portion of bonds	10,000	10,000
Provisions	492	799
Other current liabilities	48,883	48,774
Total current liabilities	321,505	284,583
Long-term liabilities		
Bonds	50,000	40,000
Long-term debt	84,583	50,265
Employees' retirement benefits	34,634	34,201
Reserve for rebuilding furnaces	11,062	10,156
Other provisions	892	1,089
Other	11,518	36,549
Total long-term liabilities	192,691	172,263
Total liabilities	514,196	456,847

	(Millions of yen)	
	December 2008	March 2008
<b>NET ASSETS</b>		
Shareholders' equity		
Common stock	79,913	79,913
Additional paid-in capital	49,893	49,893
Retained earnings	186,613	185,678
Treasury stock, at cost	(25,928)	(25,854)
Total shareholders' equity	290,492	289,630
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	29,110	68,083
Deferred loss on hedges	(2,376)	(1,120)
Adjustment on revaluation of land	233	253
Foreign currency translation adjustment	(466)	(831)
Total valuation and translation adjustments	26,501	66,384
Minority interests in consolidated subsidiaries	5,624	5,447
Total net assets	322,618	361,463
Total liabilities and total net assets	836,814	818,310

## (2) Consolidated Statement of Income

(Millions of yen)

	3Q of FY ending March 31, 2009 (April 1, 2008 to December 31, 2008)
Net sales	518,506
Cost of sales	453,605
Gross profit	64,900
Selling, general and administrative expenses	37,953
Operating income	26,947
Other income	
Interest income	274
Dividend income	3,400
Equity in earnings of unconsolidated subsidiaries and affiliates	1,858
Other	624
Total other income	6,159
Other expenses	
Interest expense	2,524
Service cost of temporarily transferred employees	2,862
Foreign exchange loss	2,339
Other	3,133
Total other expenses	10,860
Income before special items	22,245
Special item, income and gain	
Gain on sale and disposition of properties	42
Total gain on sale and disposition of properties	42
Special item, expense and loss	
Loss on sale and disposition of properties	743
Loss on devaluation of investments in securities	3,121
Total special item, expense and loss	3,864
Income before provision for income taxes	18,422
Provision for income taxes	8,209
Minority interests in earnings of consolidated subsidiaries	239
Net income	9,973

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

## 6. Other

### (Significant post-balance sheet events)

#### Acquisition of shares in Acerinox, S.A.

Nisshin Steel, in order to strengthen its relationship with the Spanish stainless steel manufacturer Acerinox, S.A., has completed an additional acquisition of 9,359,000 shares (¥12,970 million) in Acerinox, S.A. giving it a 15% equity stake.

Nisshin Steel plans to make Acerinox, S.A. an equity-method affiliate from the fourth quarter of the fiscal year ending March 31, 2009.

#### 1) Reasons for the Stock Acquisition

Acerinox, S.A. is a Spanish integrated steelmaker engaged in the production and sale of stainless steel. The Acerinox Group is one of the world's largest producers of stainless steel, with manufacturing plants in such countries as the United States and South Africa, in addition to Spain. Nisshin Steel has had a stake in Acerinox, S.A. since its founding in 1970, and building on the positive mutual relationship, which has included technical collaboration with the Acerinox Group on the manufacturing of stainless steel, has continually sought to establish a global network for the stainless steel business.

The current acquisition of shares will further strengthen the relationship between Nisshin Steel and Acerinox, S.A., and through the mutual effective utilization of management resources help to accelerate the global development of the Nisshin Steel Group's stainless steel business.

#### 2) Recent Consolidated Results for Acerinox, S.A. (Fiscal year ended December 31, 2007)

	(Millions of euros)
Net sales	6,901
Operating income	526
Net income before taxes	459
Net income	312
Total assets	4,446
Net assets	2,308

**(Reference)****Previous Third Quarter Consolidated Statement of Income** (Summary)

Third Quarter of the Fiscal Year Ended March 31, 2008 (April 1, 2007 to December 31, 2007)

(Millions of yen)

	3Q of FY ended March 31, 2008 (April 1, 2007 to December 31, 2007)
Net sales	496,084
Cost of sales	408,747
Gross profit	87,337
Selling, general and administrative expenses	38,042
Operating income	49,295
Other income	6,264
Other expenses	7,686
Income before special items	47,873
Special item, income and gain	99
Special item, expense and loss	785
Income before provision for income taxes	47,186
Provision for income taxes:	18,668
Minority interests in earnings of consolidated subsidiaries	542
Net income	27,976

(Presentation Materials)

I. Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2009

1. Results of Operations

(Billions of yen)

	3Q of the FY Ending Mar. 31, 2009 Actual	3Q of the FY Ended Mar. 31, 2008 Actual	Difference	
			Amount	%
Net sales	518.5	496.0	22.4	4.5%
Operating income	26.9	49.2	(22.3)	-45.3%
Income before special items	22.2	47.8	(25.6)	-53.5%
Net income	9.9	27.9	(18.0)	-64.4%
Net income per share (Yen)	11.01	30.69	(19.68)	—
Unrealized holding gains on inventories	0.0	13.5	(13.5)	—

(Of which) Stainless Steel Business Results

Net sales	135.0	173.0	(38.0)	-22.0%
Income before special items	(4.5)	30.0	(34.5)	-115.0%
Unrealized holding gains on inventories	(11.0)	13.0	(24.0)	—

2. Other Information (Non-consolidated)

	3Q of the FY Ending Mar. 31, 2009	3Q of the FY Ended Mar. 31, 2008	Difference
Crude steel production (1,000 tons)	2,975	3,053	(78)
Of which, stainless steel	405	470	(65)
Sales Volume (1,000 tons)	2,871	2,927	(56)
Of which, stainless steel	380	410	(30)
Average sales price of steel products (¥1,000/ton)	142	137	5
Export ratio (monetary basis;%)	18	16	2
Export exchange rate (¥/U.S.\$)	104	117	(13)
Excess of imports over exports (U.S.\$ million)	1,261	1,043	218

3. Income Before Special Items Differential Breakdown

Item	Amount (Billions of yen)	Breakdown	Of which, stainless steel
3Q of the FY Ended Mar. 31, 2008 (Actual)	47.8		30.0
Sales related	33.0	Price difference 35.5, Volume and composition difference (2.5)	(20.5)
Purchasing price	(59.5)	Iron ore (20.0), Coke (33.0), Chromium (12.0), Oil and gas (11.0), Nickels 19.0	6.5
Cost improvement	2.9	Rationalization 3.4, Cost for reduced production (1.5)	1.5
Others	9.5	Exchange rate 13.0, Depreciation (2.0)	2.5
Subsidiaries	3.0		—
Special items	(14.5)	Changes in estimated useful lives (1.0), Unrealized holding gains on inventories (13.5)	(24.5)
Total	(25.6)		(34.5)
3Q of the FY Ending Mar. 31, 2009 (Forecast)	22.2		(4.5)

#### 4. Balance Sheet (Summary)

As of December, 2008

(Billions of yen)

Debit		Vs. March, 2008	Credit	Credit	Vs. March, 2008
Cash on hand and in banks	37.7	+ 19.6	Interest-bearing debt	299.1	+ 80.5
Accounts receivable	118.5	+ 25.2	Other liabilities	215.0	-23.1
Inventories	188.9	+ 22.4	<b>Total liabilities</b>	<b>514.1</b>	<b>57.3</b>
Other current assets	39.6	+ 2.3	Common stock and additional paid-in	129.8	—
Property, plant and equipment	264.8	-0.9	Retained earnings	186.6	+ 0.9
Intangible assets	10.2	-1	Treasury stock, at cost	-25.9	0.0
Investments and long-term receivables	176.6	-49.1	Valuation and translation adjustments	26.5	-39.8
			Minority interests	5.6	+ 0.1
<b>Total assets</b>	<b>836.8</b>	<b>18.5</b>	<b>Total net assets</b>	<b>322.6</b>	<b>-38.8</b>
			<b>Total net liabilities and total net assets</b>	<b>836.8</b>	<b>18.5</b>

#### 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 full year (Current forecast)	Previous forecast (As of Oct. 31, 2008)	Difference		FY Ended March 31, 2008 full year (Actual)	Difference		
			Amount	%		Amount	%	
Control/related	Net sales	620.0	685.0	(65.0)	-9.5%	649.4	(29.4)	-4.5%
	Operating income	14.0	36.0	(22.0)	-61.1%	58.4	(44.4)	-76.1%
	Income before special items	7.0	31.0	(24.0)	-77.4%	54.5	(47.5)	-87.2%
	Net income	2.0	18.0	(16.0)	-88.9%	32.1	(30.1)	-93.8%
	Net income per share (Yen)	0.22	1.99	(1.77)	—	3.54	(3.32)	—
Non-consolidated	Net sales	470.0	535.0	(65.0)	-12.1%	522.7	(52.7)	-10.1%
	Operating income	9.0	28.0	(19.0)	-67.9%	53.2	(44.2)	-83.1%
	Income before special items	3.0	25.0	(22.0)	-88.0%	49.3	(46.3)	-93.9%
	Net income	0.0	15.0	(15.0)	-100.0%	30.3	(30.3)	-100.0%
	Net income per share (Yen)	0.00	16.56	(16.56)	—	33.30	(33.30)	—
Unrealized holding gains on inventories	(0.5)	5.0	(5.5)	—	12.5	(13.0)	—	
(Of which) Stainless Steel Business Results								
Net sales	150.0	170.0	(20.0)	-11.8%	225.0	(75.0)	-33.3%	
Income before special items	(12.0)	2.5	(14.5)	-580.0%	32.0	(44.0)	-137.5%	
Unrealized holding gains on inventories	(11.0)	(9.0)	(2.0)	—	12.5	(23.5)	—	

##### 2. Other Information (Non-consolidated)

	FY Ending Mar. 31, 2009 full year	FY Ended Mar. 31, 2008 full year	Difference
Crude steel production (1,000 tons)	3,773	4,118	(345)
Of which, stainless steel	474	636	(162)
Sales Volume (1,000 tons)	3,418	3,933	(515)
Of which, stainless steel	440	560	(120)
Average sales price of steel products (¥1,000/ton)	138	135	3
Export ratio (monetary basis;%)	17	16	1
Export exchange rate (¥/U.S.\$)	101	114	(13)
Excess of imports over exports (U.S.\$ million)	1,749	1,412	337

### 3. Income Before Special Items Differential Breakdown

#### (1) FY Ending March 31, 2009 Forecast (Previous vs. Current)

Item	Amount (Billions of yen)	Breakdown	Of which, stainless steel
FY Ending Mar. 31, 2009 Forecast (Previous)	31.0		2.5
Sales related	(17.0)	Price difference (1.5), Volume and composition difference (15.5)	(9.5)
Purchasing price	2.5	Iron ore 0.5, Nickles 1.5	1.5
Cost improvement	(1.5)	Rationalization 2.5, Cost for reduced production (5.0)	(3.5)
Others	(0.5)	Exchange rate (2.5), Depreciation 0.5	(1.0)
Subsidiaries	(2.0)		—
Special items	(5.5)	Unrealized holding gains on inventories (5.5)	(2.0)
Total	(24.0)		(14.5)
FY Ending Mar. 31, 2009 Forecast (Current)	7.0		(12.0)

#### (2) FY Ended March 31, 2008 Actual Results vs.

#### FY Ending March 31, 2009 Forecast

Item	Amount (Billions of yen)	Breakdown	Of which, stainless steel
FY Ended Mar. 31, 2008 (Actual)	54.5		32.0
Sales related	29.0	Price difference 47.5, Volume and composition difference (18.5)	(34.5)
Purchasing price	(81.0)	Coke (49.5), Iron ore (25.5), Chromium (18.5), Oil and gas (11.0), Nickels 31.5	8.5
Cost improvement	3.5	Rationalization 7.5, Cost for reduced production (5.0)	2.0
Others	14.5	Exchange rate 19.0, Depreciation (2.5)	4.0
Subsidiaries	1.0		—
Special items	(14.5)	Changes in estimated useful lives (1.5), Unrealized holding gains on inventories (13.0)	(24.0)
Total	(47.5)		(44.0)
FY Ending Mar. 31, 2009 (Forecast)	7.0		(12.0)

#### (3) January–March 2008 Actual vs. January–March 2009 Forecast

Item	Amount (Billions of yen)	Breakdown	Of which, stainless steel
January–March 2008 (Actual)	6.7		2.0
Sales related	(4.0)	Price difference 12.0, Volume and composition difference (16.0)	(14.0)
Purchasing price	(21.5)	Coke (16.5), Iron ore (5.5), Chromium (6.5), Nickels 12.5	2.0
Cost improvement	0.6	Rationalization 4.1, Cost for reduced production (3.5)	0.5
Others	5.0	Exchange rate 6.0, Depreciation (0.5)	1.5
Subsidiaries	(2.0)		—
Special items	0.0	Changes in estimated useful lives (0.5), Unrealized holding gains on inventories 0.5	0.5
Total	(21.9)		(9.5)
January–March 2009 (Forecast)	(15.2)		(7.5)

### 4. Dividends

The planned year-end dividend is ¥3 per share.

(The year-end dividend for the previous fiscal year was ¥4 per share.)

(The interim dividend was ¥4 per share.)

#### (Reference) Change in Interest-Bearing Debt and D/E Ratio

	March 2008 actual	June 2008 actual	September 2008 actual	December 2008 actual	March 2009 forecast
Interest-bearing debt (Billions of yen)	218.6	242.2	252.3	299.1	303.0
D/E ratio	0.61	0.68	0.73	0.94	1.05