

(Presentation Materials)**I Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2010****1. Results of Operations**

(Billions of yen)

	1Q of FY ending March 31, 2010 Actual	1Q of FY ended March 31, 2009 Actual	Difference	
			Amount	%
Net sales	83.9	164.3	(80.4)	-48.9%
Operating income	(42.1)	5.3	(47.4)	-
Income before special items	(45.0)	6.7	(51.8)	-
Net income	(52.5)	3.8	(56.3)	-
Net income per share (Yen)	(58.17)	4.21	(62.38)	-
Unrealized holding gains on inventories	(25.0)	2.0	(27.0)	-

(Of which) Stainless Steel Business Results

Net sales	20.0	50.0	(30.0)	-
Income before special items	(15.0)	0.0	(15.0)	-
Unrealized holding gains on inventories	(14.5)	(3.5)	(11.0)	-

2. Other Information (Non-Consolidated)

	1Q of FY ending March 31, 2010	1Q of FY ended March 31, 2009	Difference
Crude steel production (1,000 tons)	647	1006	(359)
Of which, stainless steel	94	142	(48)
Sales volume (1,000 tons)	589	987	(398)
Of which, stainless steel	88	138	(50)
Average sales price of steel products (¥1,000/ton)	102	133	(31)
Export ratio (monetary basis; %)	21	19	2
Export exchange rate (¥/U.S. \$)	97	105	8(Yen appreciation)
Excess of imports over exports (US\$ million)	196	381	(185)

3. Income Before Special Items Differential Breakdown

(Billions of yen)

(Of which, Stainless steel)

1Q of the FY ended March 31, 2009	6.7	Breakdown	0
Sales related	(26.5)	Price difference (7.5) Volume and composition difference (19.0)	(14.5)
Purchasing price	(2.0)	Coke (9.0), Iron ore (2.5), Nickels 8.0, Oil and gas 1.0	7.0
Cost improvement, etc.	7.8	Rationalization 7.3, Exchange rate 3.0, Cost for reduced production (2.5)	3.5
Subsidiaries	(4.0)		-
Special items	(27.0)	Unrealized holding gains on inventories	(11.0)
Total	(51.7)		(15.0)
1Q of the FY ending March 31, 2010	(45.0)		(15.0)

4. Balance Sheet (Summary)

(Billions of yen)

Debit		Vs.
		March, 2009
Cash on hand and in banks	39.9	0.2
Accounts receivable	45.0	(11.9)
Inventories	147.1	(30.3)
Other current assets	21.4	(3)
Property, plant and equipment	273.2	(1.9)
Investment and long-term receivables	160.3	9.3
Total assets	687.2	(35.0)

Credit		Vs.
		March, 2009
Interest-bearing debt	309.5	23.2
Other liabilities	159.7	(15.5)
Total liabilities	469.3	7.7
Common stock and additional paid-in capital	129.8	-
Retained earnings	93.8	(57.2)
Treasury stock, at cost	(26.4)	(0.0)
Valuation and translation adjustments	15.1	14.5
Minority interests	5.4	(0.0)
Total net assets	217.8	(42.7)
Total liabilities and total net assets	687.2	(35.0)

II Forecasts of Results of Operations for the Fiscal Year Ending March 31, 2010

1. Forecasts of Results of Operations

① 2Q of the FY ending March 31, 2010

(Billions of yen)

		2Q of the FY ending March 31, 2010				2Q of the FY ended March 31, 2009 (Actual)	Vs. current forecast	
		Current forecast	Previous forecast (As of 28 Apr. 2009)	Change			(Amount)	(%)
				(Amount)	(%)			
Consolidated	Net sales	190.0	170.0	20.0	11.8	354.9	(164.9)	-46.5
	Operating income	(55.0)	(45.0)	(10.0)	-	23.1	(78.1)	-
	Income before special items	(62.0)	(50.0)	(12.0)	-	22.2	(84.2)	-
	Net income	(69.0)	(51.0)	(18.0)	-	13.0	(82.0)	-
	Net income per share (Yen)	(76.34)	(56.42)	(19.92)	-	14.43	(90.77)	-
Non-consolidated	Net sales	140.0	-	-	-	280.1	(140.1)	50.0
	Operating income	(55.0)	-	-	-	18.4	(73.4)	-
	Income before special items	(60.0)	-	-	-	17.3	(77.3)	-
	Net income	(67.0)	-	-	-	10.4	(77.4)	-
Unrealized holding gains on inventories		(25.0)	(15.0)	(10.0)	-	4.0	(29.0)	-

(Of which) Stainless Steel Business Results

Net sales	50.0	-	-	-	100.0	(50.0)	-
Income before special items	(18.0)	-	-	-	2.5	(20.5)	-
Unrealized holding gains on inventories	(18.0)	-	-	-	(4.5)	(13.5)	-

Other information (Non-Consolidated)

	2Q of the FY ending March 31, 2010 (Forecast)	2Q of the FY ended March 31, 2009 (Actual)	Difference
Crude steel production (1,000 tons)	1410	2039	(629)
Of which, stainless steel	230	297	(67)
Sales volume (1,000 tons)	1410	1981	(571)
Of which, stainless steel	220	287	(67)
Average sales price of steel products (¥1,000/ton)	99	143	(44)
Export ratio (monetary basis; %)	24	21	3
Export exchange rate (¥/U.S. \$)	99	106	7(Yen appreciation)
Excess of imports over exports (US\$ million)	311	773	(462)

②FY ending March 31, 2010 - full year

		FY ending March 31, 2010 - full year				FY ended March 31, 2009 - full year (Actual)	Vs. current forecast	
		Current forecast	Previous forecast (As of 28 Apr. 2009)	Change			(Amount)	(%)
				(Amount)	(%)			
Consolidated	Net sales	420.0	390.0	30.0	7.7	617.3	(197.3)	(32.0)
	Operating income	(55.0)	(45.0)	(10.0)	-	(7.3)	(47.6)	-
	Income before special items	(62.0)	(50.0)	(12.0)	-	(12.3)	(49.6)	-
	Net income	(69.0)	(51.0)	(18.0)	-	(25.4)	(43.5)	-
	Net income per share (Yen)	(76.34)	(56.42)	(19.92)	-	(28.15)	(48.19)	-
Non-consolidated	Net sales	320.0	-	-	-	477.2	(157.2)	(32.9)
	Operating income	(55.0)	-	-	-	(12.9)	(42.0)	-
	Income before special items	(60.0)	-	-	-	(16.1)	(43.8)	-
	Net income	(67.0)	-	-	-	(26.7)	(40.2)	-
	Net income per share (Yen)	(73.99)	-	-	-	(29.57)	(44.42)	-
Unrealized holding gains on inventories		(25.0)						
Net sales		110.0	-	-	-	150.0	(40.0)	-
Income before special items		(13.0)	-	-	-	(30.0)	17.0	-
Unrealized holding gains on inventories		(16.0)	-	-	-	(28.0)	12.0	-

2. Income before Special Items Differential Breakdown

(Billions of yen) (Of which, Stainless steel)

FY ended March 31, 2009 (Actual)	(12.3)	Breakdown	(30.0)
Sales related	(117.0)	Price difference (80) Volume and composition difference (37)	(31.5)
Purchasing price	48.5	Coke 14.5, Iron ore 8.5, Nickels 11.5 Chromium 2.5, Oil and gas 3.5	17.0
Cost improvement, etc.	29.8	Rationalization 19.3, Exchange rate 15.5, Cost for reduced production (5.0)	19.5
Subsidiaries	(3.5)		-
Special items	(7.5)	Unrealized holding gains on inventories	12.0
Total	(49.7)		17.0
FY ending March 31, 2010 (Forecast)	(62.0)		(13.0)

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

	March 2009 actual	June 2009 actual
Interest-bearing debt (Billions of yen)	286.2	309.5
D/E ratio	1.12	1.46