

(Presentation Materials)

I. Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2010

1. Results of Operations

(Billions of yen)

	3Q of the FY Ending Mar. 31, 2010 Actual	3Q of the FY Ended Mar. 31, 2009 Actual	Difference	
			Amount	%
Net sales	313.6	518.5	(204.9)	-39.5%
Operating income	(50.1)	26.9	(77.0)	—
Income before special items	(58.9)	22.2	(81.1)	—
Net income	(68.8)	9.9	(78.7)	—
Net income per share (Yen)	(76.17)	11.01	(87.18)	—
Unrealized holding gains on inventories	(27.5)	0.0	(27.5)	—

(Of which) Stainless Steel Business Results (Non-consolidated)

Net sales	80.0	135.0	(55.0)	-40.7%
Income before special items	(18.0)	(4.5)	(13.5)	—
Unrealized holding gains on inventories	(13.0)	(11.0)	(2.0)	—

2. Other Information (Non-Consolidated)

	3Q of the FY Ending Mar. 31, 2010	3Q of the FY Ended Mar. 31, 2009	Difference
Crude steel production (1,000 tons)	2,365	2,975	(610)
Of which, stainless steel	388	405	(17)
Sales Volume (1,000 tons)	2,371	2,871	(500)
Of which, stainless steel	350	380	(30)
Average sales price of steel products (¥1,000/ton)	103	142	(39)
Export ratio (monetary basis:%)	20	18	2
Export exchange rate (¥/U.S.\$)	93	104	(11)
Excess of imports over exports (U.S.\$ million)	444	1,261	(817)

3. Income Before Special Items Differential Breakdown

Item	Amount (Billions of yen)	Breakdown	Of which, stainless steel
3Q of the FY Ended Mar. 31, 2009 (Actual)	22.2		(4.5)
Sales related	(109.0)	Price difference (79.0), Volume and composition difference (30.0)	(42.5)
Purchasing price	38.0	Iron ore 5.0, Coke 5.0, Chromium 4.0, Oil and gas 3.5, Nickels	23.0
Cost improvement	25.4	Rationalization 18.0, Exchange rate 6.5, Cost for reduced production (2.0)	8.0
Subsidiaries	(8.0)		—
Special items	(27.5)	Unrealized holding gains on inventories (27.5)	(2.0)
Total	(81.1)		(13.5)
3Q of the FY Ending Mar. 31, 2010 (Forecast)	(58.9)		(18.0)

4. Balance Sheet (Summary)

As of December, 2009			(Billions of yen)		
Debit		Vs. March, 2009	Credit		Vs. March, 2009
Cash on hand and in banks	41.7	2.0	Interest-bearing debt	312.1	25.8
Accounts receivable	68.1	11.1	Other liabilities	164.1	(11.2)
Inventories	126.7	(50.7)	Total liabilities	476.2	14.6
Other current assets	10.4	(10.0)	Common stock and additional paid-in	129.8	—
Property, plant and equipment	267.8	(7.3)	Retained earnings	77.5	(73.5)
Intangible assets	8.3	(3.2)	Treasury stock, at cost	(26.4)	(0.0)
Investments and long- term receivables	147.2	6.4	Valuation and translation adjustments	7.5	(6.9)
			Minority interests	5.7	0.2
Total assets	670.5	51.7	Total net assets	194.2	(66.4)
			Total net liabilities and total net assets	670.5	(51.7)

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

1. Results of Operations

(Billions of yen)

	FY Ending March 31, 2010 full year (Current forecast)	Previous forecast (As of Oct. 30, 2009)	Difference		FY Ended March 31, 2009 full year (Actual)	Difference	
			Amount	%		Amount	%
Consolidated							
Net sales	440.0	440.0	0.0	0.0%	617.3	(177.3)	-28.7%
Operating income	(42.0)	(42.0)	0.0	—	(7.3)	(34.7)	—
Income before special items	(51.0)	(51.0)	0.0	—	(12.3)	(38.7)	—
Net income	(61.0)	(61.0)	0.0	—	(25.4)	(35.6)	—
Net income per share (Yen)	(67.49)	(67.49)	0.00	—	(28.15)	(39.34)	—
Non-consolidated							
Net sales	340.0	340.0	0.0	0.0%	477.2	(137.2)	-28.8%
Operating income	(44.0)	(44.0)	0.0	—	(12.9)	(31.1)	—
Income before special items	(50.0)	(50.0)	0.0	—	(16.1)	(33.9)	—
Net income	(57.0)	(57.0)	0.0	—	(26.7)	(30.3)	—
Net income per share (Yen)	(62.95)	(62.95)	0.00	—	(29.57)	(33.38)	—
Unrealized holding gains on inventories	(24.0)	(21.0)	(3.0)	—	(17.5)	(6.5)	—

(Of which) Stainless Steel Business Results (Non-consolidated)

Net sales	110.0	115.0	(5.0)	-4.3%	150.0	(40.0)	-26.7%
Income before special items	(16.0)	(13.0)	(3.0)	—	(30.0)	14.0	—
Unrealized holding gains on inventories	(11.0)	(9.0)	(2.0)	—	(28.0)	17.0	—

2. Other Information (Non-Consolidated)

	FY Ending Mar. 31, 2010 full year	FY Ended Mar. 31, 2009 full year	Difference
Crude steel production (1,000 tons)	3,320	3,680	(360)
Of which, stainless steel	520	474	46
Sales Volume (1,000 tons)	3,360	3,474	(114)
Of which, stainless steel	470	450	20
Average sales price of steel products (¥1,000/ton)	104	138	(34)
Export ratio (monetary basis:%)	19	17	2
Export exchange rate (¥/U.S.\$)	93	103	(10)
Excess of imports over exports (U.S.\$ million)	670	1,688	(1,018)

3. Income Before Special Items Differential Breakdown

Item	Amount (Billions of yen)	Breakdown	Of which, stainless steel
FY Ending Mar. 31, 2010 Forecast (Previous)	(51.0)		(13.0)
Sales related	3.0	Volume and composition difference 3.0	(1.0)
Purchasing price	0.0	Zinc (0.5), Steel scrap 0.5	0.0
Cost improvement	0.5		0.0
Subsidiaries	(0.5)		—
Special items	(3.0)	Unrealized holding gains on inventories (3.0)	(2.0)
Total	0.0		(3.0)
FY Ending Mar. 31, 2010 Forecast (Current)	(51.0)		(16.0)
FY Ended Mar. 31, 2009 (Actual)	(12.3)		(30.0)
Sales related	(120.5)	Price difference (102.0), Volume and composition difference (18.5)	(48.0)
Purchasing price	52.0	Coke 11.5, Iron ore 8.5, Chromium 7.0, Oil and gas 4.5, Nickels	24.0
Cost improvement	40.3	Rationalization 22.5, Exchange rate 7.0, Cost for reduced production (2.0)	21.0
Subsidiaries	(4.0)		—
Special items	(6.5)	Unrealized holding gains on inventories (6.5)	17.0
Total	(38.7)		14.0
FY Ending Mar. 31, 2010 (Forecast)	(51.0)		(16.0)

4. Dividends

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

[Reference] Change in Interest-Bearing Debt and D/E Ratio

	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10 Forecast
Interest-bearing debt (Billi	286.2	309.5	314.0	312.1	299.0
D/E ratio	1.12	1.46	1.70	1.66	1.52
“ (based on the credit rati	0.97	1.27	1.47	1.44	1.32

※ Hybrid securities that are accepted as capital according to the credit rating by the Japan Credit Rating Agency
(Interest payment deferral provision・Unsecured corporate bond with prepayment provision)

[Reference] Quarterly Operating Results

	FY ending March 31, 2010 (Forecast)						
	1Q	2Q	1st half	3Q	4Q	2nd half	Full year
Net sales	83.9	104.0	187.9	125.7	126.4	252.1	440.0
Operating income	(42.1)	(15.1)	(57.2)	7.1	8.1	15.2	(42.0)
Income before special item	(45.0)	(20.1)	(65.1)	6.2	7.9	14.1	(51.0)
Net income	(52.5)	(21.4)	(73.9)	5.1	7.8	12.9	(61.0)

	FY ended March 31, 2009 (Actual)						
	1Q	2Q	1st half	3Q	4Q	2nd half	Full year
Net sales	164.3	190.6	354.9	163.6	98.8	262.4	617.3
Operating income	5.3	17.8	23.1	3.8	(34.2)	(30.4)	(7.3)
Income before special item	6.7	15.5	22.2	0.0	(34.5)	(34.5)	(12.3)
Net income	3.8	9.2	13.0	(3.1)	(35.3)	(38.4)	(25.4)