

## Supplementary Information for Earnings Projection for Fiscal 2002

(Fiscal years ended March 31)

### 1. Consolidated

(Unit: billions of yen)

Items	FY 2002		Change	FY2001 (Reference)
	Previous Forecast (Nov. 21, 2001)	Current Forecast (Mar. 7, 2002)		
Steel Division	1,160.0	1,160.0	0.0	1,298.4
<i>National Steel</i>	300.9	303.0	2.1	321.2
Engineering Division	470.0	470.0	0.0	448.9
Other Fields	80.0	80.0	0.0	121.8
Eliminations	(50.0)	(50.0)	0.0	(82.0)
<b>Net Sales</b>	1,660.0	1,660.0	0.0	1,787.2
Steel Division	(7.0)	(29.0)	(22.0)	60.1
<i>National Steel</i>	(43.0)	(57.0)	(14.0)	(12.2)
Engineering Division	20.0	20.0	0.0	17.8
Other Fields	5.0	5.0	0.0	6.2
Corporate and Eliminations	(2.0)	(2.0)	0.0	(3.6)
<b>Operating Income (Loss)</b>	16.0	(6.0)	(22.0)	80.5
<b>Other Income (Expenses)</b>	(39.0)	(39.0)	0.0	(37.5)
Net Interest Expenses	(35.0)	(35.0)	0.0	(35.6)
<b>Ordinary Income (Loss)</b> *	(23.0)	(45.0)	(22.0)	43.0
<b>Special Credits and Special Charges</b>	1.0	(57.0)	(58.0)	34.4
<b>Net Income (Loss)</b>	(15.0)	(74.0)	(59.0)	96.9

\* Income (Loss) before Special Credits and Special Charges

### 2. Consolidated Financial Indices

(Unit: billions of yen)

Financial Indices	FY 2002		Change	FY2001 (Reference)
	Previous Forecast (Nov. 21, 2001)	Current Forecast (Mar. 7, 2002)		
<b>ROA</b> *1	0.7%	(0.2%)	(0.9%)	3.1%
<b>Free Cash Flow</b> *2	80.0	50.0	(30.0)	285.4
<b>Outstanding Debt</b>	1,200.0	1,120.0	(80.0)	1,319.1
<b>Total Assets</b>	2,440.0	2,130.0	(310.0)	2,631.1

\*1 ROA = Ordinary Income before Interest Expense / Total Assets (average)

\*2 Free Cash Flow = Operating Cash Flow + Investment Cash Flow

\*3 National Steel filed the petition for reorganization under Chapter 11 of U.S. Bankruptcy Code on March 6.

National Steel's losses will be reflected in NKK's consolidated income statement through the end of this fiscal year, but its year-end assets and liabilities will be removed from NKK's consolidated balance sheet.

However, ROA is calculated with total assets including National Steel's assets.

### 3. Non-consolidated

(Unit: billions of yen)

Items	FY 2002		Change	FY2001 (Reference)
	Previous Forecast (Nov. 21, 2001)	Current Forecast (Mar. 7, 2002)		
<b>Net Sales</b>	960.0	960.0	0.0	1,010.1
<b>Operating Income (Loss)</b>	21.0	15.0	(6.0)	58.7
<b>Other Income (Expenses)</b>	(10.0)	(10.0)	0.0	(11.2)
Net Interest Expenses	(15.0)	(15.0)	0.0	(18.9)
<b>Ordinary Income (Loss)</b>	11.0	5.0	(6.0)	47.4
<b>Net Income (Loss)</b>	0.0	(19.0)	(19.0)	1.5

4. Pro forma [Consolidated results excluding National Steel]

a) Income Statement Unit: billions of yen)

Items	FY 2002
	Current Forecast (Mar. 7, 2002)
<b>Net Sales</b>	1,357.0
<b>Operating Income (Loss)</b>	51.0
<b>Other Income (Expenses)</b>	(31.5)
Net Interest Expenses	(26.9)
<b>Ordinary Income (Loss)</b>	19.5
<b>Special Credits and Special Charges</b>	(34.5)
<b>Net Income (Loss)</b>	(13.6)

b) Financial Indices Unit: billions of yen)

Financial Indices	FY 2002
	Current Forecast (Mar. 7, 2002)
<b>ROA</b>	2.3%
<b>Free Cash Flow</b>	85.0
<b>Outstanding Debt</b>	1,120.0
<b>Total Assets</b>	2,130.0

5. Consolidated Special Credits and Special Charges

(Unit: billions of yen)

Items	FY 2002		Change
	Previous Forecast (Nov. 21, 2001)	Current Forecast (Mar. 7, 2002)	
<b>Special charges related to National Steel</b>		(26.0)	(26.0)
<b>Loss on writedowns of investments in securities</b>	(1.7)	(25.0)	(23.3)
<b>Amortization of transitional obligations for employees' retirement benefits</b>	(14.0)	(14.0)	0.0
<b>Special charge arising from employees' termination benefits</b>	(6.0)	(8.0)	(2.0)
<b>Gain on sales of assets, etc</b>	22.7	16.0	(6.7)
<b>Total</b>	1.0	(57.0)	(58.0)