

CONSOLIDATED FINANCIAL STATEMENTS

April 1, 2008 ~ March 31, 2009

 **Nippon Steel Trading Co., Ltd.**

(note)

All figures included in this financial statements are stated in millions of yen by discarding fractional amounts less than ¥1 million.

Nippon Steel Trading Co., Ltd.
CONSOLIDATED BALANCE SHEETS

As of March 31

(Millions of Yen)

| | 2009 | 2008 |
|---|----------------|----------------|
| Assets: | | |
| Current assets: | | |
| Cash and deposits | 41,647 | 15,788 |
| Notes and accounts receivable-trade | 223,188 | 289,835 |
| Lease receivables and investment assets | 8,475 | - |
| Merchandise and finished goods | 55,826 | 35,790 |
| Deferred tax assets | 1,885 | 1,301 |
| Short-term loans receivable | 7 | 66 |
| Other | 13,179 | 18,101 |
| Allowance for doubtful accounts (Less) | (1,138) | (1,479) |
| Total current assets | 343,070 | 359,405 |
| Noncurrent assets: | | |
| Property, plant and equipment | | |
| Buildings and structures | 5,139 | 5,823 |
| Machinery, equipment and vehicles | 2,245 | 1,970 |
| Tools, furniture and fixtures | 257 | 242 |
| Land | 7,018 | 7,539 |
| Lease assets | 105 | |
| Construction in progress | 733 | 290 |
| | 15,499 | 15,867 |
| Intangible fixed assets: | | |
| Software | 2,618 | 1,567 |
| Goodwill | 140 | 179 |
| Other | 613 | 437 |
| | 3,372 | 2,184 |
| Investments and others: | | |
| Investments securities | 11,410 | 14,253 |
| Long-term loans receivable | 296 | 231 |
| Claims provable in bankruptcy, claims provable in rehabilitation and other | 891 | 562 |
| Deferred tax assets | 689 | 340 |
| Other | 6,753 | 7,188 |
| Allowance for doubtful accounts (Less) | (1,135) | (1,177) |
| | 18,906 | 21,398 |
| Total Noncurrent assets | 37,779 | 39,451 |
| Total assets | 380,849 | 398,856 |

| | (Millions of Yen) | |
|---|-----------------------|-----------------------|
| | <u>2009</u> | <u>2008</u> |
| Liabilities and Net assets | | |
| Currents liabilities: | | |
| Notes and accounts payable-trade | 178,541 | 230,770 |
| Short-term loans payable | 98,654 | 52,335 |
| Current portion of payables | | |
| under fluidity trade receivables | 9,441 | 4,231 |
| Income taxes payable | 2,466 | 4,821 |
| Provision for bonuses | 1,075 | 1,123 |
| Deferred income on installment sales | | - |
| Other | 12,370 | 20,965 |
| | <u>302,550</u> | <u>314,248</u> |
| Total current liabilities | | |
| | 302,550 | 314,248 |
| Noncurrent liabilities | | |
| Long-term loans payable | 15,510 | 27,107 |
| Payables under fluidity trade receivables | 14,697 | 6,608 |
| Provision for retirement benefits | 323 | 310 |
| Provision for loss on guarantees | 548 | 202 |
| Provision for loss on business liquidation | 5 | 187 |
| Other | 2,000 | 2,789 |
| | <u>33,086</u> | <u>37,206</u> |
| Total noncurrent liabilities | | |
| | 33,086 | 37,206 |
| Total liabilities | | |
| | <u>335,636</u> | <u>351,454</u> |
| Net assets: | | |
| Shareholders' equity: | | |
| Capital stock | 8,750 | 8,750 |
| Capital surplus | 8,750 | 8,750 |
| Retained earnings | 27,608 | 24,405 |
| Treasury stock | (51) | (43) |
| | <u>45,057</u> | <u>41,862</u> |
| Total shareholders' equity | | |
| | 45,057 | 41,862 |
| Valuation and transaction adjustments: | | |
| Valuation difference | | |
| on available-for-sale securities | 58 | 1,297 |
| Deferred gains or losses on hedges | 117 | 240 |
| Foreign currency translation adjustment | (3,432) | 194 |
| | <u>(3,256)</u> | <u>1,732</u> |
| Total valuation and transaction adjustments | | |
| | (3,256) | 1,732 |
| Minority interest | | |
| | 3,412 | 3,807 |
| Total net assets | | |
| | <u>45,213</u> | <u>47,401</u> |
| Total liabilities and net assets | | |
| | <u><u>380,849</u></u> | <u><u>398,856</u></u> |

Nippon Steel Trading Co., Ltd.
CONSOLIDATED STATEMENTS OF INCOME

Fiscal Year Ended March 31

| | <u>2009</u> | <u>2008</u> |
|---|---------------|-------------------|
| | | (Millions of Yen) |
| Revenue from operating activities | | |
| Net sales | 1,320,811 | 1,348,801 |
| Cost from operating activities | | |
| Cost of sales | 1,270,563 | 1,299,550 |
| Transfer from deferred income on installment sales | - | 2 |
| Transfer to deferred income on installment sales (Less) | - | - |
| | <u>50,247</u> | <u>49,253</u> |
| Gross profit | | |
| Selling, general and administrative expenses | <u>35,954</u> | <u>33,841</u> |
| Operating income | <u>14,293</u> | <u>15,412</u> |
| Non-operating income | | |
| Interest income | 469 | 406 |
| Dividends income | 227 | 222 |
| Foreign exchange gains | 148 | 249 |
| Rent income | 75 | 80 |
| Equity in earnings of affiliates | 175 | 761 |
| Miscellaneous income | 326 | 868 |
| | <u>1,423</u> | <u>2,589</u> |
| Non-operating expenses: | | |
| Interest expense | 1,989 | 2,031 |
| Other | 701 | 937 |
| | <u>2,691</u> | <u>2,969</u> |
| Ordinary income | 13,024 | 15,032 |
| Extraordinary income: | 43 | 776 |
| Extraordinary loss: | <u>963</u> | <u>757</u> |
| Income before income taxes | 12,105 | 15,052 |
| Income taxes-current | 5,156 | 6,290 |
| Income taxes-deferred | (649) | (101) |
| Minority interests in income | 178 | 722 |
| Net income | 7,419 | 8,140 |

Nippon Steel Trading Co., Ltd.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND OTHERS

(Millions of Yen)

| | Shareholders' equity | | | | | Valuation and translation adjustment | | | Minority interests | Total net assets |
|---|----------------------|-----------------|-------------------|----------------|----------------------------|---|------------------------------------|---|--------------------|------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury stock | Total shareholder's equity | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | | |
| Balance at March 31,2008 | 8,750 | 8,750 | 24,405 | (43) | 41,862 | 1,297 | 240 | 194 | 3,807 | 47,401 |
| Dividends from surplus | | | (1,225) | | (1,225) | | | | | (1,225) |
| Net income | | | 7,419 | | 7,419 | | | | | 7,419 |
| Purchase of treasury stock | | | | (3,007) | (3,007) | | | | | (3,007) |
| Retirement of treasury stock | | (3,000) | | 3,000 | - | | | | | - |
| Transfer to other retained earnings from negative other capital surplus | | 3,000 | (3,000) | | - | | | | | - |
| Change of scope of consolidation | | | 8 | | 8 | | | | | 8 |
| Net changes of items other than shareholders' equity | | | | | | (1,238) | (123) | (3,626) | (395) | (5,383) |
| Total changes of items during the period | - | - | 3,202 | (7) | 3,194 | (1,238) | (123) | (3,626) | (395) | (2,188) |
| Balance at March 31,2009 | 8,750 | 8,750 | 27,608 | (51) | 45,057 | 58 | 117 | (3,432) | 3,412 | 45,213 |

Nippon Steel Trading Co., Ltd.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND OTHERS

(Millions of Yen)

| | Capital stock | Capital surplus | Retained earnings | Treasury stock | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Minority interest |
|--|---------------|-----------------|-------------------|----------------|---|------------------------------------|---|-------------------|
| Balance at March 31,2007 | 8,750 | 8,750 | 16,349 | (34) | 2,738 | 33 | 284 | 3,282 |
| Dividends from surplus | | | (929) | | | | | |
| Net income | | | 8,140 | | | | | |
| Purchase of treasury stock | | | | (8) | | | | |
| Change of scope of consolidation consolidation and equity method | | | 845 | | | | | |
| Net changes of items other than shareholders' equity | | | | | (1,441) | 207 | (89) | 525 |
| Total changes of items during the period | - | - | 8,056 | (8) | (1,441) | 207 | (89) | 525 |
| Balance at March 31,2008 | 8,750 | 8,750 | 24,405 | (43) | 1,297 | 240 | 194 | 3,807 |