Financial Data 2022

NIPPON STEEL TRADING

Contents

NIPPON STEEL TRADING CORPORATION and its Consolidated Subsidiaries

Consolidated Balance Sheet

March 31, 2022

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
ASSETS	2022	2021	2022
CURRENT ASSETS :			
Cash and cash equivalents (Note 15)	¥ 28,818	¥ 55,881	$ 235,465
Receivables (Note 15):			
Trade notes (Note 17)	51,045	51,999	417,071
Trade accounts (Notes 16 and 17)	607,303	472,940	4,962,033
Associated companies	24,603	20,516	201,026
Other	6	195	49
Allowance for doubtful receivables	(1,428)	(1,413)	(11,668)
Inventories (Notes 7 and 16)	200,104	113,143	1,634,975
Advances to suppliers	14,096	10,328	115,175
Prepaid expenses and other current assets	11,445	7,909	93,519
Total current assets	935,995	731,502	7,647,647
PROPERTY, PLANT, AND EQUIPMENT (Notes 8):			
Land	23,962	23,864	195,790
Buildings and structures	46,898	44,905	383,190
Machinery and equipment	43,795	42,117	357,834
Furniture and fixtures	5,341	5,924	43,643
Lease assets	2,532	4,585	20,695
Construction in progress	970	1,193	7,928
Total property, plant, and equipment	123,501	122,590	1,009,082
Accumulated depreciation	(61,750)	(60,843)	(504,542)
Net property, plant, and equipment	61,750	61,747	504,540
INVESTMENTS AND OTHER ASSETS :			
Investment securities (Notes 6, 10, and 15)	30,697	40,610	250,817
Investments in and advances to associated companies (Note 15)	61,011	39,106	498,503
Long-term loans	367	33	3,001
Goodwill (Note 9)	233	326	1,904
Deferred tax assets (Note 13)	2,829	2,478	23,117
Other assets (Note 11)	10,555	10,356	86,240
Allowance for doubtful receivables	(2,998)	(2,875)	(24,502)
Total investments and other assets	102,695	90,036	839,081
TOTAL	¥ 1,100,441	¥ 883,285	$ 8,991,269

See notes to consolidated financial statements.

NIPPON STEEL TRADING CORPORATION and its Consolidated Subsidiaries

Consolidated Balance Sheet

March 31, 2022

LIABILITIES AND EQUITY	Millions of Yen 2022	Millions of Yen 2021	Thousands of U.S. Dollars (Note 1) 2022
CURRENT LIABILITIES :			
Short-term borrowings (Notes 10, 15, and 16)	¥ **158,346**	¥ 79,641	$ **1,293,784**
Current portion of long-term debt (Notes 10, 15, and 16)	**11,562**	8,454	**94,472**
Payables (Note 13):			
Trade notes (Notes 16 and 17)	**10,601**	22,221	**86,618**
Trade accounts (Notes 16 and 17)	**292,933**	226,603	**2,393,444**
Associated companies	**9,557**	6,830	**78,087**
Other	**3,074**	1,746	**25,122**
Current portion of bonds payable (Notes 10 and 15)	**15,000**		**122,559**
Commercial papers (Notes 10 and 15)	**85,000**	46,000	**694,501**
Advances from customers	**22,414**	14,315	**183,143**
Income taxes payable (Note 13)	**9,703**	4,705	**79,287**
Accrued expenses	**13,146**	10,336	**107,418**
Other	**4,490**	6,303	**36,688**
Total current liabilities	**635,831**	427,159	**5,195,130**
LONG-TERM LIABILITIES :			
Bonds payable (Notes 10 and 15)	**65,000**	80,000	**531,089**
Long-term debt (Notes 10, 15, and 16)	**81,878**	86,257	**668,998**
Liability for retirement benefits (Note 11)	**3,911**	4,018	**31,959**
Asset retirement obligations	**173**	217	**1,421**
Deferred tax liabilities (Note 13)	**832**	2,470	**6,803**
Other	**4,613**	5,071	**37,695**
Total long-term liabilities	**156,410**	178,035	**1,277,967**
COMMITMENTS AND CONTINGENT LIABILITIES (Note 18)			
EQUITY (Notes 12, 19 and 20):			
Common stock	**16,389**	16,389	**133,908**
Capital surplus	**54,358**	54,492	**444,138**
Retained earnings	**201,960**	175,270	**1,650,140**
Treasury stock	**(164)**	(158)	**(1,340)**
Accumulated other comprehensive income (loss):			
Unrealized gain on available-for-sale securities	**3,770**	7,184	**30,807**
Deferred gain (loss) on derivatives under hedge accounting	**16**	(71)	**137**
Foreign currency translation adjustments	**5,765**	1,784	**47,103**
Defined retirement benefit plans	**437**	498	**3,577**
Total	**282,534**	255,389	**2,308,473**
Noncontrolling interests	**25,664**	22,701	**209,698**
Total equity	**308,198**	278,090	**2,518,171**
TOTAL	¥ **1,100,441**	¥ 883,285	$ **8,991,269**

See notes to consolidated financial statements.

NIPPON STEEL TRADING CORPORATION and its Consolidated Subsidiaries

Consolidated Statement of Income

March 31, 2022

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2022	2021	**2022**
NET SALES (Note 17)	**¥ 1,865,907**	¥ 1,271,050	**$ 15,245,586**
COST OF SALES (Note 17)	**1,705,635**	1,150,267	**13,936,066**
Gross profit	**160,272**	120,782	**1,309,520**
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES (Notes 9 and 11)	**115,644**	98,420	**944,884**
Operating income	**44,627**	22,361	**364,635**
OTHER INCOME (EXPENSES):			
Interest and dividend income	**1,714**	1,517	**14,006**
Interest expense	**(2,684)**	(2,439)	**(21,931)**
Purchase discount	**629**	426	**5,142**
Gain on sales of investment securities-net (Note 6)	**827**	758	**6,761**
Loss on devaluation of investment securities (Note 6)	**(302)**	(1,366)	**(2,467)**
Impairment losses of fixed assets (Note 8)	**(31)**		**(261)**
Equity in earnings of associated companies	**2,439**	2,559	**19,931**
Gain on change in equity	**3,749**		**30,634**
Gain on sales of property, plant, and equipment		478	
Other-net	**1,132**	678	**9,253**
Other income-net	**7,474**	2,613	**61,070**
INCOME BEFORE INCOME TAXES	**52,102**	24,974	**425,706**
INCOME TAXES (Note 13):			
Current	**14,489**	8,307	**118,384**
Deferred	**(765)**	(537)	**(6,255)**
Total income taxes	**13,723**	7,770	**112,129**
NET INCOME	**38,378**	17,204	**313,576**
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	**2,961**	1,211	**24,193**
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	**¥ 35,417**	¥ 15,992	**$ 289,383**

PER SHARE OF COMMON STOCK (Note 2.t):	Yen		U.S. Dollars (Note 1)
Basic net income	**¥ 1,098.03**	¥ 495.79	**$ 8.97**
Cash dividends applicable to the year	**350.00**	160.00	**2.85**

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

March 31, 2022

	Millions of Yen				Thousands of U.S. Dollars (Note 1)	
		2022		2021		**2022**
NET INCOME	**¥**	**38,378**	¥	17,204	**$**	**313,576**
OTHER COMPREHENSIVE INCOME (LOSS) (Note 19):						
Unrealized loss (gain) on available-for-sale securities		**(3,525)**		5,056		**(28,807)**
Deferred gain on derivatives under hedge accounting		**86**		299		**708**
Foreign currency translation adjustments		**4,515**		(2,040)		**36,894**
Defined retirement benefit plans		**(37)**		1,444		**(305)**
Share of other comprehensive income (loss) in associated companies		**388**		(642)		**3,176**
Total other comprehensive income	**¥**	**1,427**	¥	4,116	**$**	**11,665**
COMPREHENSIVE INCOME	**¥**	**39,806**	¥	21,321	**$**	**325,242**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	**¥**	**36,012**	¥	20,520	**$**	**294,241**
Noncontrolling interests		**3,794**		801		**31,001**

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

March 31, 2022

	Thousands	Millions of Yen		
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus	Retained Earnings
BALANCE, APRIL 1, 2020 (as previously reported)	32,257	¥ 16,389	¥ 54,689	¥ 160,669
Cumulative effect of accounting change				(215)
BALANCE, APRIL 1, 2020 (as restated)	32,257	16,389	54,689	160,454
Net income attributable to owner of the parent				15,992
Cash dividends				(4,355)
Change of scope of equity method				3,089
Effect of change in ownership ratio of an associated company			37	
Change of scope of consolidation			(235)	89
Purchase of treasury stock	(1)			
Disposal of treasury stock			0	
Net change in the year				
BALANCE, MARCH 31, 2021 (APRIL 1, 2021, as previously reported)	32,256	16,389	54,492	175,270
Net income attributable to owner of the parent				35,417
Cash dividends				(8,709)
Effect of change in ownership ratio of an associated company			(134)	
Change of scope of consolidation				(17)
Purchase of treasury stock	(1)			
Disposal of treasury stock			0	
Net change in the year				
BALANCE, MARCH 31, 2022	32,255	¥ 16,389	¥ 54,358	¥ 201,960

	Thousands of U.S. Dollars (Note 1)		
	Common Stock	Capital Surplus	Retained Earnings
BALANCE, MARCH 31, 2021 (APRIL 1, 2021, as previously reported)	$ 133,908	$ 445,234	$ 1,432,065
Net income attributable to owner of the parent			289,383
Cash dividends			(71,165)
Effect of change in ownership ratio of an associated company		(1,099)	
Change of scope of consolidation			(142)
Purchase of treasury stock			
Disposal of treasury stock		0	
Net change in the year			
BALANCE, MARCH 31, 2022	$ 133,908	$ 444,138	$ 1,650,140

See notes to consolidated financial statements.

Millions of Yen

Treasury Stock	Accumulated Other Comprehensive Income (Loss): Unrealized Gain on Available-for-Sale Securities	Deferred Gain (Loss) on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans	Total	Noncontrolling Interests	Total Equity
¥ (153)	¥ 2,168	¥ (371)	¥ 3,989	¥ (940)	¥ 236,440	¥ 18,437	¥ 254,877
					(215)		(215)
(153)	2,168	(371)	3,989	(940)	236,224	18,437	254,662
					15,992		15,992
					(4,355)		(4,355)
					3,089		3,089
					37		37
					(145)		(145)
(5)					(5)		(5)
0					0		0
	5,015	300	(2,204)	1,439	4,550	4,263	8,814
(158)	7,184	(71)	1,784	498	255,389	22,701	278,090
					35,417		35,417
					(8,709)		(8,709)
					(134)		(134)
					(17)		(17)
(6)					(6)		(6)
0					1		1
	(3,413)	88	3,980	(60)	594	2,963	3,558
¥ (164)	¥ 3,770	¥ 16	¥ 5,765	¥ 437	¥ 282,534	¥ 25,664	¥ 308,198

Thousands of U.S. Dollars (Note 1)

Treasury Stock	Accumulated Other Comprehensive Income (Loss): Unrealized Gain on Available-for-Sale Securities	Deferred Gain (Loss) on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans	Total	Noncontrolling Interests	Total Equity
$ (1,294)	$ 58,700	$ (582)	$ 14,579	$ 4,071	$ 2,086,682	$ 185,483	$ 2,272,166
					289,383		289,383
					(71,165)		(71,165)
					(1,099)		(1,099)
					(142)		(142)
(52)					(52)		(52)
5					9		9
	(27,893)	719	32,524	(493)	4,857	24,214	29,072
$ (1,340)	$ 30,807	$ 137	$ 47,103	$ 3,577	$ 2,308,473	$ 209,698	$ 2,518,171

NIPPON STEEL TRADING CORPORATION and its Consolidated Subsidiaries

Consolidated Statement of Cash Flows

March 31, 2022

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2022	2021	**2022**
OPERATING ACTIVITIES:			
Income before income taxes	**¥ 52,102**	¥ 24,974	**$ 425,706**
Adjustments for:			
Income taxes-paid	**(9,588)**	(7,522)	**(78,340)**
Depreciation and amortization	**5,918**	5,782	**48,360**
Equity in earnings of associated companies	**(2,439)**	(2,559)	**(19,931)**
Provision for doubtful receivables	**75**	(260)	**615**
Impairment losses on fixed assets	**31**		**261**
Gain on sales of securities-net	**(827)**	(758)	**(6,761)**
Loss on devaluation of investment securities	**302**	1,366	**2,467**
Gain on sales of property, plant, and equipment-net		(478)	
Gain on change in equity	**(3,749)**		**(30,634)**
Changes in assets and liabilities-net of effects from newly consolidated subsidiaries			
Increase (decrease) in receivables	**(134,554)**	23,353	**(1,099,387)**
Increase (decrease) in inventories	**(93,743)**	16,505	**(765,939)**
Increase (decrease) in payables	**65,874**	(16,259)	**538,237**
Increase (decrease) in liability for retirement benefits	**471**	(1,846)	**3,851**
Loss on termination of retirement benefit plan		51	
Other-net	**7,124**	4,907	**58,209**
Total adjustments	**(165,103)**	22,280	**(1,348,992)**
Net cash provided by (used in) operating activities	**(113,001)**	47,255	**(923,286)**
INVESTING ACTIVITIES:			
Increase in time deposits	**(692)**	(271)	**(5,655)**
Purchases of property, plant, and equipment	**(5,230)**	(5,971)	**(42,733)**
Proceeds from sales of property, plant, and equipment	**167**	1,594	**1,369**
Purchases of intangible assets	**(104)**	(86)	**(854)**
Proceeds from sales of intangible assets	**1**		**9**
Purchases of investment securities	**(2,941)**	(339)	**(24,032)**
Proceeds from sales of investment securities	**4,278**	2,259	**34,954**
Purchases of the shares of companies previously unconsolidated		(2,680)	
Decrease (increase) in short-term loans receivable	**149**	(78)	**1,220**
Payments of long-term loans receivable	**(350)**	(23)	**(2,866)**
Proceeds from long-term loans receivable	**19**	28	**163**
Other-net	**(624)**	(881)	**(5,101)**
Net cash used in investing activities	**(5,327)**	(6,451)	**(43,526)**
FINANCING ACTIVITIES:			
Increase in short-term borrowings-net	**72,538**	749	**592,687**
Proceeds from issuance of commercial papers	**39,000**	(4,000)	**318,653**
Proceeds from long-term debt	**7,000**	25,200	**57,194**
Repayments of long-term debt	**(7,487)**	(25,779)	**(61,173)**
Dividends paid	**(8,708)**	(4,356)	**(71,156)**
Dividends paid to noncontrolling interests	**(699)**	(741)	**(5,712)**
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	**(17)**	(15)	**(139)**
Other-net	**(993)**	(1,049)	**(8,118)**
Net cash used in financing activitie	**100,633**	(9,993)	**822,233**
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	**1,283**	(363)	**10,489**
NET DECREASE (INCREASE) IN CASH AND CASH EQUIVALENTS	**(16,411)**	30,447	**(134,088)**
CASH AND CASH EQUIVALENTS OF NEWLY CONSOLIDATED SUBSIDIARIES, BEGINNING OF YEAR		119	
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**55,881**	25,314	**456,587**
DECREASE IN CASH AND CASH EQUIVALENTS RESULTING FROM CORPORATE DIVISION	**(10,652)**		**(87,033)**
CASH AND CASH EQUIVALENTS, END OF YEAR	**¥ 28,818**	¥ 55,881	**$ 235,465**

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

March 31, 2022

1. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards. Japanese yen figures less than a million yen are rounded down to the nearest million yen, except for per share data.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2021 consolidated financial statements to conform to the classifications used in 2022.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which NIPPON STEEL TRADING CORPORATION (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥122.39 to $1, the rate of exchange at March 31, 2022. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate. U.S. dollar figures less than a thousand dollars are rounded down to the nearest thousand dollars, except for per share data.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation - The consolidated financial statements as of March 31, 2022, include the accounts of the Company and its 76 (92 in 2021) significant subsidiaries (collectively, the "Group").

Under the control and influence concepts, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method.

Investments in 29 (29 in 2021) associated companies are accounted for by the equity method.

Investments in the remaining unconsolidated subsidiaries and associated companies are stated at cost. If the consolidation or equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is also eliminated.

b. Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements - Under Accounting Standards Board of Japan ("ASBJ") Practical Issues Task Force No.18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements," the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements. However, financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or generally accepted accounting principles in the United States of America tentatively may be used for the consolidation process, except for the following items that should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been recorded in equity through other comprehensive income; (c) expensing capitalized development costs of research and development ("R&D"); (d) cancellation of the fair value model of accounting for property, plant, and equipment and investment properties and incorporation of the cost model accounting; and (e) recording a gain or loss through profit or loss on the sale of an investment in an equity instrument for the difference between the acquisition cost and selling price, and recording impairment loss through profit or loss for other-than-temporary declines in the fair value of an investment in an equity instrument, where a foreign subsidiary elects to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument.

c. Unification of Accounting Policies Applied to Foreign Associated Companies for the Equity Method - ASBJ Statement No.16, "Accounting Standard for Equity Method of Accounting for Investments," requires adjustments to be made to conform the associate's accounting policies for similar transactions and events under similar circumstances to those of the parent company when the associate's financial statements are used in applying the equity method, unless it is impracticable to determine such adjustments. In addition, financial statements prepared by foreign associated companies in accordance with either International Financial Reporting Standards or generally accepted accounting principles in the United States of America tentatively may be used in applying the equity method, if the following items are adjusted so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been recorded in equity through other comprehensive income; (c) expensing capitalized development costs if R&D; (d) cancellation of the fair value model of accounting for property, plant, and equipment and investment properties and incorporation of the cost model accounting; and (e) recording a gain or loss through profit or loss on the sale of an investment in an equity instrument for the difference between the acquisition cost and selling price, and recording impairment loss through profit or loss for other-than-temporary declines in the fair value of an investment in an equity instrument, where a foreign associate elects to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument.

d. Cash Equivalents - Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents include time deposits, certificates of deposit and all of which mature or become due within three months of the date of acquisition.

e. Allowance for Doubtful Receivables - The allowance for doubtful receivables is provided principally at an amount computed based on the actual ratio of bad debts in the past, plus the aggregate amount of estimated losses based on an analysis of certain individual receivables.

f. Inventories - Inventories are principally stated as follows:
Steel products are stated at cost determined by the moving-average method or by the specific identification method. Industrial machinery, nonferrous metals, cast and forged steel production, and railway wheels are stated at cost determined by the moving-average method or by the specific

identification method. Textiles are stated at cost determined by the first-in, first-out method or by the specific identification method. Food items are stated at cost determined by the specific identification method.

g. Investment Securities - Marketable and investment securities are classified and accounted for, depending on management's intent, as follows:
Available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. Nonmarketable available-for-sale securities are stated at cost determined by the moving-average method. For other-than-temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

h. Property, Plant, and Equipment - Property, plant, and equipment are stated at cost. Depreciation of property, plant, and equipment of the Company and 55 (67 in 2021) of its consolidated subsidiaries is computed by the straight-line method based on the estimated useful lives of the assets. Depreciation of property, plant, and equipment of 22 (26 in 2021) of its consolidated subsidiaries is computed principally by the declining-balance method based on the estimated useful lives of the assets.

Equipment held for lease is depreciated by the straight-line method over the respective lease periods.

i. Long–Lived Assets - The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

j. Goodwill - Goodwill is amortized on a straight-line basis over five years.

k. Bond Issue Costs - Bond issue costs are charged to income as incurred.

l. Retirement and Pension Plans - The Company and certain consolidated subsidiaries have noncontributory-funded pension plans covering substantially all of their employees. Certain consolidated subsidiaries have severance payment plans for directors and Audit & Supervisory Board members. Actuarial gains and within equity (accumulated other comprehensive income) after adjusting for tax effects and are mainly recognized in profit or loss on a straight-line basis over 11 years or 13 years, no longer than the expected average remaining service period of the employees.

m. Asset Retirement Obligations - An asset retirement obligation ("ARO") is recorded for a legal obligation imposed by either law or contract that results from the acquisition, construction, development, and normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The ARO is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the ARO cannot be made in the period the ARO is incurred, the liability should be recognized when a reasonable estimate of the ARO can be made. Upon initial recognition of a liability for an ARO, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an adjustment to the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

n. Revenue Recognition - The Group recognizes revenue in an amount that reflects the consideration to which it expects to be entitled in exchange for satisfying performance obligations to transfer the goods or services promised in contracts with customers. The nature of performance obligations for each segment and when such obligations are satisfied are as follows:

In Steel segment and Industrial Supply and Infrastructure segment, mainly sell steel products. Revenue from the sale of such products is recognized at a point in time between dispatched goods and transferred the control to the customer (on the dispatch of goods), and shipping date among other things. (We determined the sale of such products has the period between dispatched goods and transferred the control to the customer is a normal period.) In addition, if the transactions in which the role of the Group in providing goods or services to customers was as an agent, the revenue is recognized at the net amount calculated by deducting the amount paid to suppliers from the amount received from the customer.

In Textiles segment, mainly sells textile materials and products. Revenue from the sale of such products is recognized on the transfer to the customer of goods.

In Foodstuffs segment, mainly sells imported meat and aquatic products. Revenue from the sale of such products is recognized on the transfer to the customer of goods. In addition, if the transactions in which the role of the Group in providing goods or services to customers was as an agent, the revenue is recognized at the net amount calculated by deducting the amount paid to suppliers from the amount received from the customer.

o. Leases - In March 2007, the ASBJ issued ASBJ Statement No.13, “Accounting Standards for Lease Transactions,” which revised the previous accounting standard for lease transactions. Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information was disclosed in the notes to the lessee's financial statements. The revised accounting standard permits leases that existed at the transition date and do not transfer ownership of the leased property to the lessee to continue to be accounted for as operating lease transactions.

The Company applied the revised accounting standard effective April 1, 2008. In addition, the Company continues to account for leases that existed at the transition date and that do not transfer ownership of the leased property to the lessee as operating lease transactions.

All other leases are accounted for as operating leases.

p. Income Taxes - The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted income tax rates to the temporary differences.

q. Foreign Currency Transactions - All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the consolidated balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statement of income to the extent that they are not hedged by foreign currency forward contracts.

r. Foreign Currency Financial Statements - The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the consolidated balance sheet date except for equity, which is translated at the historical rate. Differences arising from such translation are shown as “Foreign currency translation adjustments” under accumulated other comprehensive income (loss) in a separate component of equity. Revenue and expense accounts of consolidated foreign subsidiaries are translated into yen at the average exchange rate.

s. Derivatives and Hedging Activities - The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange and interest rates. Derivatives include foreign currency forward contracts, interest rate swaps, and commodity swaps, which are utilized by the Group to reduce foreign currency exchange, interest rate risks, and market price. The Group does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments are classified and accounted for as follows:

(1) All derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statement of income.

(2) For derivatives used for hedging purposes, if such derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

The foreign currency forward contracts and currency options are utilized to hedge foreign currency exposures for imports from overseas suppliers. Trade payables denominated in foreign currencies are translated at the contracted rates if the forward contracts qualify for hedge accounting. Interest rate swaps are utilized to hedge interest rate exposures of short-term borrowings and long-term debt. Commodity swaps are utilized to manage the price fluctuation risk of merchandise. Borrowings denominated in foreign currencies are utilized to hedge foreign currency exposures of securities and Investment in overseas subsidiaries. The swaps that qualify for hedge accounting are measured at market value at the consolidated balance sheet date, and the unrealized gains or losses are deferred until maturity as deferred gain (loss) under hedge accounting in a separate component of equity. Those interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not remeasured at market value, but the differential paid or received under the swap agreements is recognized and included in interest expense or income.

Short-term bank loans are used to fund the Group's ongoing operations and long-term debt, including bank loans are utilized to fund capital investment. Although a portion of such bank loans with floating rates are exposed to market risks from changes in variable interest rates, those risks are mitigated by using derivatives of interest rate swaps.

t. Per Share Information - Basic net income per share is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares stock outstanding for the period, retroactively adjusted for stock splits.
The weighted-average number of shares of common stock used in the computation was 32,255 thousand shares and 32,257 thousand shares for the years ended March 31, 2021 and 2022, respectively.

Diluted net income per share is not disclosed because no potentially dilutive securities have been issued.

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective fiscal years, including dividends to be paid after the end of the year, retrospectively adjusted for stock splits and consolidation.

3. APPLICATION NEW ACCOUNTING STANDARD

a. Revenue Recognition

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year under review, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services. The major changes are as follows:

(1) Revenue recognition relating to agent transactions

The full amount of consideration received from customers was previously recognized as revenue for some transactions, but for transactions in which the role of the Group in providing goods or services to customers was as an agent, the revenue is recognized at the net amount calculated by deducting the amount paid to suppliers from the amount received from the customer.

The change in the accounting policy has been applied retrospectively, in principle. Therefore, the new accounting policy was reflected in the consolidated financial statements for the previous fiscal year; provided, however, that in the retrospective application, the methods set forth in paragraph 85 of the Accounting Standard for Revenue Recognition were applied.

(i) Comparative information is not retrospectively restated for contracts where nearly all the revenue amounts have been recognized prior to the beginning of the previous fiscal year subject to the previous treatment.

(ii) Comparative information is retrospectively restated for the amount of variable consideration included in contracts where nearly all the revenue amounts have been recognized prior to the beginning of the current fiscal year subject to the previous treatment, using the amount when the uncertainty associated with the variable consideration is subsequently resolved.

(iii) Consolidated financial statements for the previous fiscal year are not retrospectively restated for the contracts that began and ended within the previous fiscal year.

In addition, for the previous fiscal year, as a result of this change, and compared with the figures before the retrospective application, net sales decreased by ¥802,190 million, cost of sales decreased by ¥802,275 million, while operating profit, ordinary profit and profit before income taxes each increased by ¥84 million. In addition, because the cumulative effect was reflected in net assets as of the beginning of the previous fiscal year, retained earnings as of the beginning of the previous fiscal year decreased by ¥215 million.

b. Fair Value Measurement

The "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations have been applied from the beginning of the fiscal year under review, and the new accounting policies provided in the Accounting Standard for Fair Value Measurement and relevant ASBJ regulations will be applied going forward in accordance with the transitional treatment stipulated in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). There is no effect on the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES

Investment Securities

a. Carrying amounts

	Millions of Yen	Thousands of U.S. Dollars
	2022	**2022**
Investment securities	¥ **30,697**	$ **250,817**
Investment in and advances to associated companies	**61,011**	**498,503**
Total	¥ **91,709**	$ **749,320**

b. Information on the significant accounting estimate

The Company and its consolidated subsidiaries have securities of customers. Marketable securities are recognized an impairment loss, if the fair value at the end of the current fiscal year is declines by 50% or more of their cost. In case the declining range is about 30~50% of the cost, an impairment loss is recognized considering recoverability in the future. If the amount of non-marketable securities on the financial position significantly declines, an impairment loss is recognized considering its recoverability.

As of the preparation date of the consolidated financial statements, the Company determined that there are no significant impact for the next fiscal year. However, the Company may incur additional losses if there are changes to the condition or the business environment.

5. ADDITIONAL INFORMATION

(Accounting Estimates in Relation to the Impact of the Spread of COVID-19)

The Group bases accounting estimates for impairment loss accounting for non-current assets, and recoverability of deferred tax assets on information available at the time the consolidated financial statements are created, and we assume that the impact of COVID-19 will remain to a certain extent in this consolidated fiscal year and thereafter. However, these assumptions involve uncertainty, and going forward this could have an impact on the Group's financial position, operating results, and cash flow status.

6. INVESTMENT SECURITIES

Investment securities as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Noncurrent:			
Marketable equity securities	**¥ 17,089**	¥ 27,903	**$ 139,629**
Others	**13,608**	12,706	**111,187**
Total	**¥ 30,697**	¥ 40,610	**$ 250,817**

The costs and aggregate fair values of marketable and investment securities at March 31, 2022 and 2021, were as follows:

	Millions of Yen			
March 31, 2022	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	**¥ 13,258**	**¥ 5,096**	**¥ 1,265**	**¥ 17,089**

	Millions of Yen			
March 31, 2021				
Noncurrent:	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 18,692	¥ 10,266	¥ 1,055	¥ 27,903

	Thousands of U.S. Dollars			
March 31, 2022	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	**$ 108,329**	**$ 41,639**	**$ 10,339**	**$ 139,629**

The information for available-for-sale securities that were sold during the years ended March 31, 2022 and 2021, is as follows:

	Millions of Yen		
March 31, 2022	Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Marketable equity securities	**¥ 4,217**	**¥ 989**	**¥ 179**
Other	**135**	**58**	**41**
Total	**¥ 4,353**	**¥ 1,048**	**¥ 220**

	Millions of Yen		
March 31, 2021	Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Marketable equity securities	¥ 2,003	¥ 626	¥ 22
Other	68	43	0
Total	¥ 2,072	¥ 670	¥ 23

March 31, 2022	Thousands of U.S. Dollars Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Marketable equity securities	**$ 34,460**	**$ 8,083**	**$ 1,465**
Other	**1,107**	**481**	**338**
Total	**$ 35,568**	**$ 8,565**	**$ 1,803**

The impairment losses on other available-for-sale equity securities for the years ended March 31, 2022 and 2021, were ¥302 million ($2,467 thousand) and ¥1,366 million, respectively.

7. INVENTORIES

Inventories at March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Merchandise and finished products	**¥ 158,227**	¥ 92,998	**$ 1,292,810**
Work in process	**6,431**	6,866	**52,550**
Raw materials and supplies	**35,445**	13,278	**289,613**
Total	**¥ 200,104**	¥ 113,143	**$ 1,634,975**

8. LONG-LIVED ASSETS

The Group reviewed its long-lived assets for impairment as of March 31, 2022. As a result, the Group recognized an impairment loss of ¥31 million ($261 thousand) for operating assets.

The Company and its consolidated subsidiaries classify fixed assets into groups, at the minimum cash-generating unit level, by the type of the respective business. Certain consolidated subsidiaries classify groups by store. For idle assets, each property is considered to constitute a group.

Due to consecutive operating losses of the unit, the book values of long-lived assets are written down to the recoverable amount, and the amounts are recorded as impairment losses on fixed assets.

The recoverable amounts are calculated based on Net realizable value, and the relevant assets are evaluated based on appraisal value for the year ended March 31, 2022.

There was no impairment loss of long-lilved assets for the year ended March 31, 2021.

9. GOODWILL

Goodwill as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Consolidation goodwill	**¥ 233**	¥ 326	**$ 1,904**
Total	**¥ 233**	¥ 326	**$ 1,904**

Amortization charged to selling, general, and administrative expenses for the years ended March 31, 2022 and 2021, was ¥103 million ($ 843 thousand) and ¥135 million, respectively.

10. SHORT-TERM BORROWINGS, LONG-TERM DEBT, AND BONDS PAYABLE

Short-term borrowings at March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Loans, primarily from banks with interest principally at 0.038% to 4.850% in 2022 and 0.030% to 5.500% in 2021:			
Collateralized			
Unsecured	**¥ 158,346**	¥ 79,641	**$ 1,293,784**
Current portion of bonds payable unsecured 0.150% Japanese yen bonds payable due in 2023	**15,000**		**122,559**
Commercial papers, -0.086% to -0.000% in 2022	**85,000**	46,000	**694,501**
Total	**¥ 258,346**	¥ 125,641	**$ 2,110,844**

Long-term debt at March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Bonds payable			
Unsecured 0.150% Japanese yen bonds payable due in 2023		¥ 15,000	
Unsecured 0.190% Japanese yen bonds payable due in 2024	**¥ 10,000**	10,000	**$ 81,706**
Unsecured 0.290% Japanese yen bonds payable due in 2025	**20,000**	20,000	**163,412**
Unsecured 0.395% Japanese yen bonds payable due in 2028	**15,000**	15,000	**122,559**
Unsecured 0.390% Japanese yen bonds payable due in 2029	**10,000**	10,000	**81,706**
Unsecured 0.950% Japanese yen bonds payable due in 2038	**10,000**	10,000	**81,706**
Loans, primarily from banks and insurance companies with interest principally at 0.275% to 2.000% in 2022 and 0.190% to 2.620% in 2021, due serially through 2022:			
Unsecured	**92,254**	92,391	**753,775**
Obligations under finance leases	**1,186**	2,321	**9,695**
Total	**158,441**	174,712	**1,294,560**
Less current portion	**(11,562)**	(8,454)	**(94,472)**
Long-term debt, less current portion	**¥ 146,878**	¥ 166,257	**$ 1,200,087**

The annual maturities of long-term debt and bonds payable excluding finance leases as of March 31, 2022, were as follows:

Years Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2023	**¥ 26,235**	**$ 214,358**
2024	**24,805**	**202,671**
2025	**30,514**	**249,320**
2026	**22,000**	**179,753**
2027	**26,700**	**218,155**
2028 and thereafter	**42,000**	**343,165**
Total	**¥ 172,254**	**$ 1,407,423**

The carrying amounts of assets pledged as collateral for short-term borrowings and long-term debt at March 31, 2022, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Investment securities	**¥ 1,843**	**$ 15,060**
Total	**¥ 1,843**	**$ 15,060**

As is customary in Japan, the Company maintains deposit balances with banks with which it has bank loans. Such deposit balances are not legally or contractually restricted as to withdrawal.

In addition, the bank borrowings are subject to agreements under which collateral must be given if requested by the lending banks, and certain banks have the right to offset cash deposited with them against any bank loan or obligation that becomes due and, in case of default and certain other specified events, against all other debt payable to the bank concerned. The Company has never received any such request.

11. RETIREMENT AND PENSION PLANS

The Company and certain consolidated subsidiaries have severance payment plans for employees, and certain consolidated subsidiaries have severance payment plans for directors and Audit & Supervisory Board members. Under most circumstances, employees terminating their employment are entitled to retirement benefits determined based on the rate of pay at the time of termination, years of service, and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment from the Company or from certain consolidated subsidiaries and annuity payments from a trustee. Employees are entitled to larger payments if the termination is involuntary, by retirement at the mandatory retirement age, by death, or by voluntary retirement at certain specific ages prior to the mandatory retirement age.

The liability for retirement benefits at March 31, 2022 and 2021, for directors and Audit & Supervisory Board members is ¥512 million ($4,188 thousand) and ¥721 million, respectively.

(1) Defined benefit plan

(a) The changes in defined benefit obligation for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Balance at beginning of year	**¥ 23,485**	¥ 23,023	**$ 191,890**
Current service cost	**1,551**	1,751	**12,673**
Interest cost	**91**	94	**745**
Actuarial difference	**(43)**	251	**(355)**
Benefits paid	**(1,504)**	(1,097)	**(12,294)**
Decrease due to corporate division	**(2,304)**		**(18,831)**
Increase of newly consolidated subsidiaries		823	
Loss on termination of retirement benefit plan		(1,360)	
Balance at end of year	**¥ 21,274**	¥ 23,485	**$ 173,827**

(b) The changes in plan assets for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Balance at beginning of year	¥ 22,277	¥ 19,833	$ 182,024
Expected return on plan assets	365	444	2,988
Actuarial difference	201	2,130	1,650
Contributions from the employer	247	1,020	2,025
Benefits paid	(1,256)	(812)	(10,263)
Decrease due to corporate division	(2,331)		(19,051)
Increase of newly consolidated subsidiaries		1,013	
Loss on termination of retirement benefit plan		(1,350)	
Balance at end of year	¥ 19,505	¥ 22,277	$ 159,373

(c) Reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets for the years ended March 31, 2022 and 2021, is as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Funded defined benefit obligation	¥ 18,391	¥ 21,160	$ 150,266
Plan assets	(19,505)	(22,277)	(159,373)
Total	(1,114)	(1,117)	(9,107)
Unfunded defined benefit obligation	3,396	3,045	27,749
Net liability arising from defined benefit obligation	¥ 2,281	¥ 1,928	$ 18,642

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Liability for retirement benefits	¥ 3,911	¥ 4,018	$ 31,959
Asset for retirement benefits	(1,629)	(2,089)	(13,317)
Net liability arising from defined benefit obligation	¥ 2,281	¥ 1,928	$ 18,642

(d) The components of net periodic benefit costs for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Service cost	¥ 1,239	¥ 1,270	$ 10,128
Interest cost	91	94	745
Expected return on plan assets	(365)	(444)	(2,988)
Recognized actuarial difference	(181)	80	(1,484)
Loss on termination of retirement benefit plan		51	
Pension expenses for which the simplified method is applied	311	480	2,545
Others	127	50	1,039
Net periodic benefit costs	¥ 1,222	¥ 1,583	$ 9,984

(e) Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Actuarial difference	**¥ (53)**	¥ 2,011	**$ (440)**
Total	**¥ (53)**	¥ 2,011	**$ (440)**

(f) Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Unrecognized actuarial difference	**¥ (664)**	¥ (718)	**$ (5,428)**
Total	**¥ (664)**	¥ (718)	**$ (5,428)**

(g) Plan assets

a. Components of plan assets

Plan assets as of March 31, 2022 and 2021, consisted of the following:

	2022	2021
Debt investments	**62%**	61%
Equity investments	**31**	33
Others	**7**	6
Total	**100%**	100%

b. Method of determining the expected rate of return on plan assets

The expected rate of return on plan assets is determined considering the long-term rates of return that are expected currently and in the future from the various components of the plan assets.

(h) Assumptions used for the years ended March 31, 2022 and 2021, were set forth as follows:

	2022	2021
Discount rate	**0.5%**	0.5%
Expected rate of return on plan assets	**2.0**	2.0
Expected rate of future salary increases	**3.5-4.9%**	3.7-5.1%

(2) Defined contribution plan

The estimated amount of contribution to the defined contribution plan was ¥358million ($2,928 thousand), and ¥287 million for the year ended March 31, 2022 and 2021.

12. EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(1) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. Additionally, for companies that meet certain criteria, including (1) having a Board of Directors, (2) having independent auditors, (3) having an Audit & Supervisory Board, and (4) the term of service of the directors being prescribed as one year rather than the normal two-year term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the Company has prescribed so in its articles of incorporation. However, the Company does not meet all the above criteria.

The Companies Act permits companies to distribute dividends in kind (noncash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the Company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(2) Increases/decreases and transfer of common stock, reserve, and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon the payment of such dividends, until the aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus, and retained earnings can be transferred among the accounts within equity under certain conditions upon resolution of the shareholders.

(3) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders, which is determined by a specific formula.

Under the Companies Act, stock acquisition rights are presented as a separate component of equity.

The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

13. INCOME TAXES

The Company and its domestic subsidiaries are subject to a number of different taxes based on income, which, in the aggregate, resulted in an effective normal statutory tax rate of approximately 31% for the years ended March 31, 2022 and 2021, respectively. The consolidated foreign subsidiaries are subject to a number of different taxes based on income at tax rates specific to the rates of each country.

The tax effects of significant temporary differences and tax loss carryforwards that resulted in deferred tax assets and liabilities at March 31, 2022 and 2021, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Deferred Tax Assets:			
Inventories	**¥ 278**	¥ 396	**$ 2,275**
Provision for doubtful receivables	**1,156**	1,045	**9,448**
Excess depreciation	**868**	837	**7,099**
Impairment Loss	**512**	664	**4,190**
Loss on devaluation of investment securities	**235**	602	**1,922**
Loss on devaluation of stock and investments in associated companies	**969**	1,191	**7,919**
Loss on devaluation of golf club membership	**233**	263	**1,903**
Business taxes payable	**603**	356	**4,934**
Accrued bonuses to employees	**1,409**	1,268	**11,514**
Liability for retirement benefits	**663**	679	**5,424**
Tax loss carryforwards	**1,106**	1,429	**9,037**
Elimination of unrealized gain on inventories	**672**	375	**5,498**
Elimination of unrealized gain on property, plant, and equipment	**146**	146	**1,195**
Other	**3,973**	3,587	**32,469**
Less valuation allowance	**(4,277)**	(5,038)	**(34,951)**
Total	**¥ 8,553**	¥ 7,804	**$ 69,883**
Deferred Tax Liabilities:			
Net unrealized gain on available-for-sale securities	**¥ 2,322**	¥ 4,126	**$ 18,978**
Unrealized gains on assets and liabilities of consolidated subsidiaries	**527**	527	**4,312**
Undistributed earnings of foreign subsidiaries	**2,545**	1,938	**20,800**
Asset for retirement benefits	**108**	85	**887**
Differential liability adjustment	**175**	350	**1,430**
Other	**876**	767	**7,159**
Total	**¥ 6,556**	¥ 7,795	**$ 53,569**
Net deferred tax assets (liabilities)	**¥ 1,996**	¥ 8	**$ 16,313**

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statements of income for the years ended March 31, 2022 and 2021, is as follows:

	2022	2021
Normal effective statutory tax rate	**30.6%**	30.6%
Nondeductible expenses	**0.2**	0.4
Effect of taxation on dividends eliminated in consolidation	**3.4**	6.5
Nontaxable gain	**(2.9)**	(5.4)
Tax rate difference at overseas subsidiaries	**(1.3)**	(0.2)
Gain and loss on investments from equity method	**(1.4)**	(3.2)
Variation Allowance	**(3.2)**	1.5
Other-net	**1.1**	0.9
Actual effective tax rate	**26.3%**	31.1%

At March 31, 2022, certain subsidiaries have tax loss carryforwards, which are available to be offset against taxable income of such subsidiaries in future years. These tax loss carryforwards, if not utilized, will expire as follows:

Years Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2023	¥ 268	$ 2,191
2024	266	2,179
2025	185	1,517
2026	354	2,898
2027 and thereafter	2,875	23,496
Total	¥ 3,951	$ 32,283

14. BUSINESS COMBINATIONS

At the Board of Directors meeting held on August 25, 2021, the Company adopted a resolution to conclude an absorption-type company split agreement with Mitsui Bussan I-Fashion Ltd. (“MIF”), which will make MIF the succeeding company of the Textiles business operated by the Company, and concluded the agreement. In accordance with the relevant agreement, an absorption-type company split was executed on January 1, 2022.

a. Overview of transaction

(1) Name and details of business subject to transaction

Textiles business operated by the Textiles Division of the Company.

(2) Date of the business combination

January 1, 2022

(3) Legal form of the business combination

Absorption-type company split where the Company is the splitting company and MIF is the succeeding company (simplified absorption-type company split)

(4) Name of entity after the business combination

MN Inter-Fashion Ltd.

(5) Other items regarding overview of transaction

The alliance is aimed at ①strengthening the foundation of the OEM business, as the Company’s core business, ②creating business opportunities in a new growth field, and ③deepening value provided to customers by promoting collaboration between the Company and Mitsui & Co., Ltd. (“Mitsui & Co.”), centered on integration of the Company’s Textiles business and MIF.

(6) Reasons for determining that this business combination is the formation of a jointly controlled entity

In the formation of this jointly controlled entity, Mitsui & Co., MIF and the Company have concluded a shareholders agreement where these companies jointly control MN Inter-Fashion Ltd., and all of the consideration paid in the business combination is shares with voting rights. Additionally, there is no specific fact that would indicate other controlling relationships. Therefore, the Company has determined that this business combination is the formation of a jointly controlled entity.

b. Overview of accounting treatment to be applied

In accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21) as well as the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10), the Company will account for the business combination as the formation of a jointly controlled entity.

15. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Group policy for financial instruments

The Group utilizes indirect and direct financing, such as bank loans, bonds payable, commercial papers, and liquidation of receivables for working capital including inventory funds and funds of capital investments, positions to secure mobility, reduction of costs, and stable procurement as the basic funding policy. In addition, the Group does not invest for speculative purposes because it does not have cash surplus, and uses minimum necessary imprest funds as short-term deposits. Derivatives are used, not for speculative purposes, but to manage exposure to financial risks as described in (2) below.

(2) Nature and extent of risks arising from financial instruments

Payment terms of receivables, such as trade notes and trade accounts, are typically less than one year. They are exposed to customer credit risk. Although receivables in foreign currencies are exposed to the market risk of fluctuation in foreign currency exchange rates, the position, net of payables, is hedged by using foreign currency forward contracts. Marketable and investment securities, mainly securities of financial institutions or customers and suppliers of the Group, are additionally exposed to the risk of market price fluctuations. Marketable and investment securities in foreign currencies are exposed to the market risk of fluctuation in foreign currency exchange rates.

Payment terms of payables, such as trade notes and trade accounts, are typically less than one year. Although payables in foreign currencies are exposed to the market risk of fluctuation in foreign currency exchange rates, the position, net of receivables, is hedged by using foreign currency forward contracts. Although merchandise that is sold at fixed price is exposed to the risk of market price fluctuations, those risks are hedged by using commodity swaps.

Short-term borrowings and commercial papers are used for the Group's ongoing operations, and long-term debt, such as bank loans, and bonds payable are utilized to fund capital investment. Although a portion of such bank loans with floating rates is exposed to market risks from changes in variable interest rates, those risks are mitigated by using derivatives of interest rate swaps. Although a portion of long-term debt in foreign currency is exposed to market risks of fluctuation in foreign currency exchange rate, those risks are mitigated by using derivatives of currency swaps. Derivatives include foreign currency forward contracts, currency swaps, currency options, interest rate swaps, and commodity swaps, which are used to manage exposure to market risks from changes in foreign currency exchange rates of receivables and payables, from changes in interest rates of bank loans, and from fluctuations in merchandise prices. Please see Note 16 for more details of derivatives.

(3) Risk management for financial instruments

(i) Credit risk management

Credit risk is the risk of economic loss arising from a counterparty's failure to repay or service debt according to the contractual terms. The Company manages its credit risk on the basis of credit management guidelines, which include assessing customers quantitatively and qualitatively by the Credit Control Department to set credit limits. The credit limits are periodically reviewed. The consolidated subsidiaries manage credit risk under similar credit management guidelines.

With respect to derivative transactions, the Company manages its exposure to counterparty risk by limiting its transactions to high-credit-rating financial institutions.

(ii) Market risk management (foreign exchange risk and interest rate risk)

The Company and certain consolidated subsidiaries manage the market risk of fluctuation in foreign currency exchange rates of foreign currency trade receivables and payables principally by using foreign currency forward contracts. In addition, foreign exchange risk is hedged by foreign currency forward contracts when foreign currency trade receivables and payables are expected from forecasted transactions.

Interest rate swaps are used to manage exposure to market risks from changes in interest rates of loan payables.

Marketable and investment securities are managed by monitoring market values and the financial position of issuers periodically, and the Company continuously reviews the status of holding securities by considering its relationship with customers and suppliers of the Group. The loans in foreign currencies are used to manage exposure to the market risk from fluctuation in foreign currency exchange rates of some investment securities in foreign currencies.

Derivative transactions are entered into by the Finance Department under the limits of transactions which are approved at the Board of Directors' meeting based on the internal guidelines that prescribe the limit for each transaction, and the balances of transactions with customers are verified by the Accounting Department. In addition, the consolidated subsidiaries manage derivative transactions based on the Company's internal guidelines.

(iii) Liquidity risk management

Liquidity risk comprises the risk that the Group cannot meet its contractual obligations in full on maturity dates. The Group manages its liquidity risk via the Group's treasury management through its Cash Management System, diversification of financing measures, loans from several financial institutions, and the adjustment for the length of financing from Asset Liability Management. In addition, the Finance Department manages short-term liquidity daily by reviewing the funds, along with renewal of financial planning based on the reports from each section and the Company's subsidiaries.

(4) Fair values of financial instruments

Investments in equity instruments that do not have a quoted market price in an active market are not included in the following table. The fair values of cash and cash equivalents are not disclosed because their maturities are short and the carrying values approximate fair value. Also, please see Note 16 for details of the fair values of derivatives.

(i) Fair value of financial instruments

March 31, 2022	Millions of Yen Carrying Amount	 Fair Value	 Unrealized Gain /Loss
Marketable and investment securities	**¥ 17,089**	**¥ 17,089**	
Investments in unconsolidated subsidiaries and associated companies	**11,333**	**9,790**	**¥ (1,543)**
Total	**¥ 28,423**	**¥ 26,879**	**¥ (1,543)**
Bonds payable	**¥ 80,000**	**¥ 79,064**	**¥ (936)**
Long-term debt	**81,878**	**83,031**	**1,152**
Total	**¥ 161,878**	**¥ 162,095**	**¥ 216**
Derivative transactions			
for which hedge accounting is not applied	**¥ (35)**	**¥ (35)**	
for which hedge accounting is applied	**861**	**861**	
Total	**¥ 826**	**¥ 826**	

March 31, 2021	Millions of Yen Carrying Amount	 Fair Value	 Unrealized Gain /Loss
Marketable and investment securities	¥ 27,903	¥ 27,903	
Investments in unconsolidated subsidiaries and associated companies	10,513	7,786	¥ (2,727)
Total	¥ 38,417	¥ 35,690	¥ (2,727)
Bonds payable	¥ 80,000	¥ 79,359	¥ (641)
Long-term debt	86,257	86,879	621
Total	¥ 166,257	¥ 166,238	¥ (19)
Derivative transactions			
for which hedge accounting is not applied	¥ (21)	¥ (21)	
for which hedge accounting is applied	523	523	
Total	¥ 501	¥ 501	

March 31, 2022	Thousands of U.S. Dollars Carrying Amount	 Fair Value	 Unrealized Gain /Loss
Marketable and investment securities	**$ 139,629**	**$ 139,629**	
Investments in unconsolidated subsidiaries and associated companies	**92,603**	**79,992**	**$ (12,610)**
Total	**$ 232,233**	**$ 219,622**	**$ (12,610)**
Bonds payable	**$ 653,648**	**$ 646,000**	**$ (7,647)**
Long-term debt	**668,998**	**678,415**	**9,417**
Total	**$ 1,322,646**	**$ 1,324,416**	**$ 1,769**
Derivative transactions			
for which hedge accounting is not applied	**$ (286)**	**$ (286)**	
for which hedge accounting is applied	**7,037**	**7,037**	
Total	**$ 6,751**	**$ 6,751**	

Marketable and investment securities

The fair values of marketable and investment securities are measured at the quoted market price of the stock exchange for the equity instruments, and at the quoted price obtained from the financial institution for certain debt instruments. Fair value information for marketable and investment securities by classification is included in Note 6.

Derivatives

Fair value information for derivatives is included in Note 16.

(ii) Carrying amount of financial instruments whose fair value cannot be reliably determined

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Investments in equity instruments that do not have a quoted market price in an active market	**¥ 13,608**	¥ 12,706	**$ 111,187**
Investments in unconsolidated subsidiaries and associated companies that do not have a quoted market price in an active market	**49,678**	28,592	**405,899**

(5) Maturity analysis for financial assets and securities with contractual maturities

	Millions of Yen			
March 31, 2022	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Cash and cash equivalents	**¥ 28,818**			
Receivables	**682,958**			
Total	**¥ 711,776**			

	Millions of Yen			
March 31, 2021	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Cash and cash equivalents	¥ 55,881			
Receivables	545,650			
Total	¥ 601,531			

	Thousands of U.S. Dollars			
March 31, 2022	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Cash and cash equivalents	**$ 235,465**			
Receivables	**5,580,179**			
Total	**$ 5,815,645**			

Please see Note 10 for annual maturities of long-term debt.

(6)Financial Instruments Categorized by Fair Value Hierarchy

The fair value of financial instruments is categorized into the following three levels, depending on the observability and significance of the inputs used in making fair value measurements:

Level 1: Fair values measured by using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair values measured by using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Fair values measured by using unobservable inputs for the assets or liabilities.

If multiple inputs are used that have a significant impact on the measurement of fair value, fair value is classified at the lowest level in the fair value measurement among the levels to which each of these inputs belongs.

(i) The financial assets and liabilities measured at the fair values in the consolidated balance sheet

	Millions of Yen			
March 31, 2022	Level 1	Level 2	Level 3	Total
Marketable and investment securities				
Other	**¥ 26,879**			**¥ 26,879**
Total	**¥ 26,879**			**¥ 26,879**
Derivative transactions				
Foreign currency forward contracts		**¥ (35)**		**¥ (35)**
Total		**¥ (35)**		**¥ (35)**

	Thousands of U.S. Dollars			
March 31, 2022	Level 1	Level 2	Level 3	Total
Marketable and investment securities				
Other	**$ 219,622**			**$ 219,622**
Total	**$ 219,622**			**$ 219,622**
Derivative transactions				
Foreign currency forward contracts		**$ (286)**		**$ (286)**
Total		**$ (286)**		**$ (286)**

(ii) The financial assets and liabilities not measured at the fair values in the consolidated balance sheet

	Millions of Yen			
March 31, 2022	Level 1	Level 2	Level 3	Total
Bonds payable		**¥ 79,064**		**¥ 79,064**
Long-term debt		**83,031**		**83,031**
Total Liabilities		**¥ 162,095**		**¥ 162,095**
Derivative transactions				
Foreign currency forward contracts		**¥ 656**		**¥ 656**
Interest rate swaps		**28**		**28**
Commodity swaps		**177**		**177**
Total derivative transactions		**¥ 861**		**¥ 861**

	Thousands of U.S. Dollars			
March 31, 2022	Level 1	Level 2	Level 3	Total
Bonds payable		**$ 646,000**		**$ 646,000**
Long-term debt		**678,415**		**678,415**
Total Liabilities		**$ 1,324,416**		**$ 1,324,416**
Derivative transactions				
Foreign currency forward contracts		**$ 5,361**		**$ 5,361**
Interest rate swaps		**230**		**230**
Commodity swaps		**1,446**		**1,446**
Total derivative transactions		**$ 7,037**		**$ 7,037**

The following is a description of valuation methodologies and inputs used for measurement of the fair value of assets and liabilities

Marketable and Investment Securities

The fair values of listed equity securities are measured at the quoted market prices. Since listed equity securities are traded in active markets, the fair values of listed equity securities are categorized as Level 1.

Bonds payable

The fair values of bonds payable are measured at the market prices. However, bonds payable are not traded in active markets, so the fair values of bonds payable are categorized as Level 2.

Long-term debt

Certain long-term borrowings denominated in foreign currencies qualify for exception as interest rate swaps. We measure the present value of the total amounts of principal and interest integrated with the interest rate swaps for discounted the total amount of principal and interest by the interest rate that would be applicable to a similar borrowing, and are classified as Level 2.

Derivative transactions

The fair values of derivative transactions are measured at forward exchange rates and quoted price by counterparty financial institutions, and are classified as Level 2. Certain derivatives transaction for which hedge accounting is applied is included receivables and payables because some of them are accounted for as an integral part of receivables and payables in foreign currencies that are hedged items. The fair value of such derivatives is included in the fair value of such receivables and payables.

16. DERIVATIVES

The Group enters into foreign currency forward contracts in the normal course of business to hedge foreign exchange risk associated with certain assets and liabilities denominated in foreign currencies.
The Group enters into interest rate swap agreements as a means of managing its interest rate exposures on certain liabilities. Interest rate swaps effectively convert some floating rate debt to a fixed basis, or convert some fixed rate debt to a floating basis.
The Group enters into commodity swap agreements as a means of managing the price fluctuation risk of merchandise that is to be sold at fixed price. Commodity swaps effectively convert some quoted prices to fixed prices.

It is the Group's policy to use derivatives only for the purpose of reducing market risks associated with assets and liabilities.

Derivatives are subject to market risk and credit risk. Market risk is the exposure created by potential fluctuations in market conditions, including interest or foreign exchange rates. Credit risk is the possibility that a loss may result from a counterparty's failure to perform according to the terms and conditions of the contract. Since most of the Group's derivative transactions are related to qualified hedges of underlying business exposures, market gain or loss risk in derivative instruments is basically offset by opposite movements in the value of the hedged assets or liabilities. Also, because the counterparties to those derivatives are limited to major financial institutions, the Group does not anticipate any losses arising from credit risk.

Derivative transactions entered into by the Group have been made in accordance with internal policies, which regulate the authorization and credit limit amount. The basic policies for the use of derivatives are approved by the Board of Directors and the execution and control of derivatives are performed by the Finance Department and monitored by the Corporate Planning Section. Each derivative transaction is periodically reported to management, where evaluation and analysis of such derivatives are performed.

Derivative transactions to which hedge accounting is not applied

	Millions of Yen			
March 31, 2022	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain(Loss)
Foreign currency forward contracts:				
Selling:				
USD	**¥ 1,431**		**¥ (0)**	**¥ (0)**
JPY	**9**		**0**	**0**
Buying:				
USD	**3,501**		**(29)**	**(29)**
JPY	**310**		**(4)**	**(4)**
Total	**¥ 5,253**		**¥ (35)**	**¥ (35)**
Interest rate swaps (fixed-rate payment and floating-rate receipt)				

	Millions of Yen			
March 31, 2021	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain(Loss)
Foreign currency forward contracts:				
Selling:				
USD	¥ 1,236		¥ 8	¥ 8
JPY	50		0	0
Buying:				
USD	9,635		(30)	(30)
JPY	83		(0)	(0)
Total	¥ 11,006		¥ (21)	¥ (21)
Interest rate swaps (fixed-rate payment and floating-rate receipt)				

	Thousands of U.S. Dollars			
March 31, 2022	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain(Loss)
Foreign currency forward contracts:				
Selling:				
USD	**$ 11,693**		**$ (7)**	**$ (7)**
JPY	**80**		**0**	**0**
Buying:				
USD	**28,609**		**(241)**	**(241)**
JPY	**2,540**		**(37)**	**(37)**
Total	**$ 42,924**		**$ (286)**	**$ (286)**
Interest rate swaps (fixed-rate payment and floating-rate receipt)				

Derivative transactions to which hedge accounting is applied

March 31, 2022	Hedged Item	Millions of Yen		
		Contract Amount	Contract Amount Due after One Year	Fair Value
Foreign currency forward contracts:				
Selling:	Receivables			
USD		¥ 8,873	¥ 446	¥ (311)
EUR		1,137	163	(25)
RMB		377		(3)
JPY		3,429	0	64
Buying:	Payables			
USD		66,434	28,372	781
EUR		923	357	23
GBP		2		0
AUD		95		8
RMB		850	606	54
SEK		3		0
Currency options:	Payables			
USD		1,525		64
Total		¥ 83,653	¥ 29,945	¥ 656
Interest rate swaps (fixed-rate payment and floating-rate receipt)	Short-term borrowings and long-term debt	¥ 4,966	¥ 851	¥ 28
Commodity swaps (fixed-price payment and quoted-price receipt)	Inventories	¥ 429		¥ 177

March 31, 2021	Hedged Item	Millions of Yen		
		Contract Amount	Contract Amount Due after One Year	Fair Value
Foreign currency forward contracts:				
Selling:	Receivables			
USD		¥ 7,889	¥ 353	¥ (198)
EUR		682	101	(18)
AUD		68		0
RMB		377		(0)
JPY		3,194	0	(58)
Buying:	Payables			
USD		63,916	21,802	737
EUR		305	45	4
GBP		22		0
THB		2		0
AUD		135		8
RMB		53		0
JPY		30		0
Currency options:	Payables			
USD		925		31
Total		¥ 77,604	¥ 22,303	¥ 508
Interest rate swaps (fixed-rate payment and floating-rate receipt)	Short-term borrowings and long-term debt	¥ 4,727	¥ 3,265	¥ (27)
Commodity swaps (fixed-price payment and quoted-price receipt)	Inventories	¥ 672		¥ 41

March 31, 2022	Hedged Item	Thousands of U.S. Dollars Contract Amount	Contract Amount Due after One Year	Fair Value
Foreign currency forward contracts:				
Selling:	Receivables			
USD		$ 72,497	$ 3,644	$ (2,547)
EUR		9,296	1,332	(205)
RMB		3,080		(27)
JPY		28,023	4	530
Buying:	Payables			
USD		542,812	231,817	6,382
EUR		7,543	2,917	189
GBP		21		0
AUD		777		66
RMB		6,949	4,957	443
SEK		29		0
Currency options:	Payables			
USD		12,462		529
Total		$ 683,495	$ 244,672	$ 5,361
lInterest rate swaps (fixed-rate payment and floating-rate receipt)	Short-term borrowings and long-term debt	$ 40,580	$ 6,954	230
Commodity swaps (fixed-price payment and quoted-price receipt)	Inventories	$ 3,505		$ 1,446

The fair value of derivative transactions is measured at the quoted price obtained from a financial institution.

The contract or notional amounts of derivatives that are shown in the above table do not represent the amounts exchanged by the parties and do not measure the Group's exposure to credit or market risk.

17. RELATED PARTY DISCLOSURES

Transactions of the Company with Nippon Steel Corporation ("NSC") which owned 34.54% of the Company's issued shares at March 31, 2022, for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Sales	**¥ 149,970**	¥ 53,639	**$ 1,225,352**
Purchases	**409,440**	262,441	**3,345,378**

The balances due to or from NSC at March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Trade receivables	**¥ 36,091**	¥ 26,869	**$ 294,890**
Trade payables	**37,944**	28,426	**310,026**

Transactions of the Company with Nippon Steel Coated Sheet Corporation, subsidiaries of NSC, for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Sales	**¥ 460**	¥ 449	**$ 3,766**
Purchases	**22,820**	16,245	**186,454**

The balances due to or from Nippon Steel Coated Sheet Corporation at March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Trade receivables	**¥ 16,519**	¥ 6,875	**$ 134,975**
Trade payables	**12,500**	10,197	**102,134**

Transactions of the Company with MN Inter-Fashion Ltd., associated of us, for the years ended March 31, 2022, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2022	**2022**
Transferred assets due to corporate division	**¥ 31,506**	**$ 257,429**
Transferred liabilities due to corporate division	**13,886**	**113,464**

18. CONTINGENT LIABILITIES

At March 31, 2022, the Group had the following contingent liabilities:

	Millions of Yen	Thousands of U.S. Dollars
Trade notes discounted	**¥ 5,931**	**$ 48,463**
Trade notes endorsed	**40**	**327**
Guarantees for loans	**2,060**	**16,836**
Maximum amount of obligations to repurchase transferred receivables under certain conditions	**1,239**	**10,130**
Total	**¥ 9,271**	**$ 75,757**

19. OTHER COMPREHENSIVE INCOME (LOSS)

The components of other comprehensive income (loss) for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	**2022**
Unrealized loss (gain) on available-for-sale securities			
Losses (gains) arising during the year	**¥ (5,616)**	¥ 6,684	**$ (45,888)**
Reclassification adjustments to profit or loss	**660**	723	**5,396**
Amount before income tax effect	**(4,955)**	7,408	**(40,492)**
Income tax effect	**1,430**	(2,351)	**11,684**
Total	**¥ (3,525)**	¥ 5,056	**$ (28,807)**
Deferred gain on derivatives under hedge accounting			
Gains arising during the year	**¥ 42**	¥ 445	**$ 343**
Reclassification adjustments to profit or loss	**33**	(6)	**273**
Amount before income tax effect	**75**	438	**616**
Income tax effect	**11**	(139)	**91**
Total	**¥ 86**	¥ 299	**$ 708**
Foreign currency translation adjustments			
Adjustments arising during the year	**¥ 4,663**	¥ (2,040)	**$ 38,100**
Amount before income tax effect	**4,663**	(2,040)	**38,100**
Income tax effect	**(147)**	(0)	**(1,205)**
Total	**¥ 4,515**	¥ (2,040)	**$ 36,894**
Defined retirement benefit plans			
Adjustments arising during the year	**¥ 245**	¥ 1,879	**$ 2,006**
Reclassification adjustments to profit or loss	**(299)**	132	**(2,446)**
Amount before income tax effect	**(53)**	2,011	**(440)**
Income tax effect	**16**	(567)	**134**
Total	**¥ (37)**	¥ 1,444	**$ (305)**
Share of other comprehensive income (loss) in associated companies			
Gains (losses) arising during the year	**¥ 388**	¥ (576)	**$ 3,176**
Reclassification adjustments to profit or loss		(65)	
Total	**¥ 388**	¥ (642)	**$ 3,176**
Total other comprehensive income	**¥ 1,427**	¥ 4,116	**$ 11,665**

20. SUBSEQUENT EVENT

The following appropriation of retained earnings at March 31, 2022, was approved at the Company's shareholders' meeting held on June 24, 2022:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥190.0 ($1.55) per share	**¥ 6,129**	**$ 50,077**

21. REVENUE RECOGNITION

(1) Disaggregation of Revenue

Revenues from contracts with customers on a disaggregated classification by reportable segment of geographical areas for the year ended March 31, 2022, were as follows:

	Millions of Yen						
	2022						
	Reportable segment						
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Total	Others	Consolidated
Japan	¥1,057,950	¥ 54,922	¥ 58,811	¥ 99,511	¥1,271,195	¥ 217	¥1,271,413
Asia	352,282	21,732	15,270	4,447	393,733		393,733
North America	166,361	11,335	192	1,914	179,803		179,803
Others	17,164	1,920	1,345	526	20,956		20,956
Revenues from contracts with customers	¥1,593,758	¥ 89,910	¥ 75,619	¥ 106,400	¥1,865,689	¥ 217	¥1,865,907
Total of Net sales	¥1,593,758	¥ 89,910	¥ 75,619	¥ 106,400	¥1,865,689	¥ 217	¥1,865,907

	Thousands of U.S. Dollars						
	2022						
	Reportable segment						
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Total	Others	Consolidated
Japan	$8,644,091	$ 448,745	$ 480,523	$ 813,069	$10,386,430	$ 1,781	$10,388,211
Asia	2,878,361	177,566	124,772	36,341	3,217,041		3,217,041
North America	1,359,270	92,617	1,569	15,644	1,469,101		1,469,101
Others	140,244	15,694	10,989	4,302	171,231		171,231
Revenues from contracts with customers	$13,021,968	$ 734,623	$ 617,855	$ 869,358	$15,243,805	$ 1,781	$15,245,586
Total of Net sales	$13,021,968	$ 734,623	$ 617,855	$ 869,358	$15,243,805	$ 1,781	$15,245,586

(2) Basic Information to Understand Revenues from Contracts with Customers

Please refer to Note 2.n.

22. SEGMENT INFORMATION

An entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

(1) Description of reportable segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Company's management is being performed in order to decide how resources are allocated among the Group. As such, the Group’s reportable segments consist of the steel, industrial supply and infrastructure, textiles, and foodstuffs segments. Steel consists of various steel products, construction materials, raw materials, and machinery products. Industrial Supply and Infrastructure consists of industrial machinery, nonferrous metals, cast and forged steel production, and railway wheels. An associated company operates development, sales of industrial park, and generation of electric power. Textiles consists of yarns and fabrics, clothing, bedding, interior items, uniforms, and undergarments. Foodstuffs consists of beef, pork, chicken, and marine products.

(2) Methods of measurement for the amounts of sales, profit (loss), assets, and other items for each reportable segment.
The accounting policies of each reportable segment are consistent with those disclosed in Note 2, "Summary of Significant Accounting Policies"

(3) Information about sales, profit (loss), assets, and other items

	Millions of Yen						
	2022						
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Others	Reconciliations	Consolidated
Sales:							
Sales to external customers	¥1,593,758	¥ 89,910	¥ 75,619	¥ 106,400	¥ 217		¥1,865,907
Intersegment sales or transfers	630	651	3		60	¥ (1,345)	
Total	¥1,594,388	¥ 90,561	¥ 75,622	¥ 106,400	¥ 278	¥ (1,345)	¥1,865,907
Segment profit (losses)	¥ 43,205	¥ 2,118	¥ (536)	¥ 2,950	¥ 71	¥ 0	¥ 47,810
Segment assets	938,050	72,728	31,646	49,604	1,707	6,703	1,100,441
Other:							
Depreciation	4,215	957	689	39	15		5,918
Amortization of goodwill	10			93			103
Interest income	335	6	7	19			368
Interest expense	2,374	191	53	50	14		2,684
Equity in earnings of associated companies	1,364	1,163	(88)				2,439
Investments under the equity method	14,152	25,009	19,445				58,606
Increase in property, plant, and equipment and intangible assets	4,261	856	28	155	32		5,334

	Millions of Yen						
	2021						
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Others	Reconciliations	Consolidated
Sales:							
Sales to external customers	¥1,021,872	¥ 62,442	¥ 96,840	¥ 89,561	¥ 332		¥1,271,050
Intersegment sales or transfers	371	495	3		59	¥ (929)	
Total	¥1,022,243	¥ 62,937	¥ 96,844	¥ 89,561	¥ 392	¥ (929)	¥1,271,050
Segment profit (losses)	¥ 19,132	¥ 2,563	¥ 1,675	¥ 2,388	¥ 11	¥ 0	¥ 25,772
Segment assets	691,096	62,278	51,384	39,398	1,680	37,447	883,285
Other:							
Depreciation	3,801	842	1,054	59	24		5,782
Amortization of goodwill		41		94			135
Interest income	367	2	5	24			400
Interest expense	2,153	101	96	64	22		2,439
Equity in earnings of associated companies	394	2,109	55				2,559
Investments under the equity method	12,378	23,040	425				35,843
Increase in property, plant, and equipment and intangible assets	4,678	1,253	78	31	15		6,057

	Thousands of U.S. Dollars						
	2022						
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Others	Reconciliations	Consolidated
Sales:							
Sales to external customers	$13,021,968	$ 734,623	$ 617,855	$ 869,358	$ 1,781		$15,245,586
Intersegment sales or transfers	5,149	5,321	27		491	$ (10,989)	
Total	$13,027,117	$ 739,944	$ 617,882	$ 869,358	$ 2,272	$ (10,989)	$15,245,586
Segment profit (losses)	$ 353,017	$ 17,308	$ (4,384)	$ 24,109	$ 587	$ 0	$ 390,639
Segment assets	7,664,439	594,234	258,574	405,297	13,950	54,773	8,991,269
Other:							
Depreciation	34,443	7,826	5,636	324	128		48,360
Amortization of goodwill	81			761			843
Interest income	2,739	49	59	161			3,010
Interest expense	19,397	1,566	438	411	116		21,931
Equity in earnings of associated companies	11,145	9,506	(720)				19,931
Investments under the equity method	115,630	204,341	158,879				478,851
Increase in property, plant, and equipment and intangible assets	34,820	6,997	230	1,274	265		43,587

Notes for the year ended March 31, 2022

(a) “Other” represents operating segments that are not included in a reportable segment, consisting of real estate and other transactions.

(b) The reconciliation in segment profit of ¥0 million ($0 thousand) represents the elimination of intersegment trades.

(c) The reconciliation in segment assets of ¥6,703 million ($54,773 thousand) represents the result of elimination of intersegment trades of ¥400 million ($3,273 thousand) and the Group’s assets of ¥7,104 million ($58,046 thousand) that are not included in a reportable segment. The Group’s assets mainly consist of cash and cash equivalents of the Company.

(d) Items causing the difference between the aggregated amounts of segment profit of reportable segments and others, and income before income taxes and minority interests in the consolidated financial statements include mainly the following:

- ¥3,749 million ($30,634 thousand) of gain on change in equity, which is included in other income (expenses)
- 1,048 million ($8,565 thousand) of gain on sales of investment securities, which is included in other income (expenses)

Notes for the year ended March 31, 2021

(a) “Other” represents operating segments that are not included in a reportable segment, consisting of real estate and other transactions.

(b) The reconciliation in segment profit of ¥0 million represents the elimination of intersegment trades.

(c) The reconciliation in segment assets of ¥37,447 million represents the result of elimination of intersegment trades of ¥146 million and the Group’s assets of ¥37,593 million that are not included in a reportable segment. The Group’s assets mainly consist of cash and cash equivalents of the Company.

(d) Items causing the difference between the aggregated amounts of segment profit of reportable segments and others, and income before income taxes and minority interests in the consolidated financial statements include mainly the following:

- ¥1,366 million of loss on devaluation of investments securities, which is included in other income (expenses)

(4) Information about products and services

See operating segments information above because the reportable segments are determined on the basis of products and services.

(5) Information about geographical areas

(i) Sales

Millions of Yen			
2022			
Japan	Asia	Others	Total
¥ 1,271,413	**¥ 393,733**	**¥ 200,760**	**¥ 1,865,907**

Millions of Yen			
2021			
Japan	Asia	Others	Total
¥ 917,279	¥ 240,230	¥ 113,539	¥ 1,271,050

Thousands of U.S. Dollars			
2022			
Japan	Asia	Others	Total
$ 10,388,211	**$ 3,217,041**	**$ 1,640,332**	**$ 15,245,586**

Sales are classified by country or region based on the location of customers.

(ii) Property, plant, and equipment

Millions of Yen			
2022			
Japan	Asia	Others	Total
¥ 39,290	**¥ 8,902**	**¥ 13,557**	**¥ 61,750**

Millions of Yen			
2021			
Japan	Asia	Others	Total
¥ 39,728	¥ 9,001	¥ 13,016	¥ 61,747

Thousands of U.S. Dollars			
2022			
Japan	Asia	Others	Total
$ 321,028	**$ 72,741**	**$ 110,770**	**$ 504,540**

(6) Information about major customers

Information about major customers is not disclosed because there was no single external customer who accounted for 10% or more of the Group's revenues for the years ended March 31, 2022 and 2021.

(7) Impairment losses of assets are as follows:

	Millions of Yen						
	2022						
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Others	Reconciliations	Total
Impairment losses of assets	**¥ 31**						**¥ 31**

	Thousands of U.S. Dollars						
	2022						
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Others	Reconciliations	Total
Impairment losses of assets	**$ 261**						**$ 261**

There was no impairment loss of long-lilved assets for the year ended March 31, 2021.

(8) Amortization of goodwill and goodwill are as follows:

	Millions of Yen						
	2022						
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Others	Reconciliations	Total
Amortization of goodwill	**¥ 10**			**¥ 93**			**¥ 103**
Goodwill				**233**			**233**

	Millions of Yen						
	2021						
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Others	Reconciliations	Total
Amortization of goodwill		¥ 41		¥ 94			¥ 135
Goodwill				326			326

	Thousands of U.S. Dollars						
	2022						
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Others	Reconciliations	Total
Amortization of goodwill	**$ 81**			**$ 761**			**$ 843**
Goodwill				**1,904**			**1,904**

(9) Information on gain on negative goodwill by segment

There was no gain on negative goodwill for the year ended March 31, 2022 and 2021.

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
NIPPON STEEL TRADING CORPORATION:

Opinion

We have audited the consolidated financial statements of NIPPON STEEL TRADING CORPORATION and its consolidated subsidiaries (the "Group"), which comprise the consolidated balance sheet as of March 31, 2022, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
As disclosed in NIPPON STEEL TRADING CORPORATION's (the "Company") segment information (Note 22) for the year ended March 31, 2022, consolidated sales were 1,865,907 million yen, of which the steel segment sales were 1,593,758 million yen, or 85.4%, and accounted for the vast majority of the consolidated sales. Due to the nature of the trading company transactions, a large portion of costs are material purchase costs, and so the purchase transactions in the steel segment are quantitatively material. Because of the nature of the trading company transactions, the sales division has authority for both sales and purchases, and this distribution channel sometimes involves multiple counterparties including group companies. There are also many direct delivery transactions in which the Company sometimes records sale and purchase transactions based only on the documents exchanged with counterparties. There are also transactions unique to the steel segment's trading business such as retroactive corrections to the transaction prices. In addition, as described in (Changes in Accounting Policies) under "Notes on Consolidated Financial Statements," the Company adopted the "Accounting Standard for Revenue Recognition," and so forth from the beginning of the current year, which requires the Company to recognize revenue of agent transactions on a net basis. For these reasons, the person who records sale and purchase transactions is segregated from the sales representatives. The Company has designed and operates internal controls on a daily basis, such as the approval by a senior member of the sales division prior to executing transactions; confirmation by the administrative division of receivable balances owed by customers; judgments whether the Company acts as an agent; and budget management by the planning division. However, given that the volume of sales and purchase transactions entered by the Company is significantly large, misstatements due to errors or inappropriate judgements could occur. Based on the above situation, we have determined that there is a possibility the Company may not be able to prevent or detect misstatements regarding sale and purchase transactions in the steel segment in a timely manner to a certain extent, and we have determined that the appropriateness of the accounting treatment of sale and purchase transactions in the steel segment as a key audit matter.	We performed the following procedures, among others, to examine the appropriateness of the accounting treatment of sale and purchase transactions in the steel segment: • We made inquiries and inspected documents to test the effectiveness of the design and operation of internal controls over sale and purchase transactions, such as approval by a senior member of the sales division, confirmations of receivable balances by the administrative division, judgments whether the Company acts as an agent, and budget management by the planning division. • We obtained sale and purchase data from the Company's core operations systems and compared them with the data from the accounting system. • We extracted individual transactions from sale and purchase data using certain criteria (e.g., transactions with high gross profit) and compared those to the sale and purchase transactions that were evaluated in the prior years. Then, for transactions in which the sales channel or the reason for a high gross profit was unclear, we inquired of the relevant sales division about the transaction circumstances, sales channel, and materials traded, and so forth and examined the economic rationality of such transactions as well as the outcome of judgments made regarding whether the Company acts as an agent, in addition to tracing the sale and purchase transactions to underlying documents. • We compared sales and gross profit figures for each sales division with those of the same period in last year and those in the budget. Then, for sales divisions whose sales and gross profits were inconsistent with our understanding of the Company and its environment, we analyzed those figures by sales team and by customer to understand which transaction or groups of transactions caused the fluctuations. For that transaction or for those transaction groups, we inquired with the sales teams about the circumstances, details, etc., of the transactions as necessary to examine the economic rationality of the transactions. Then we compared the results of our inquiries with transaction documents.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC

August 10, 2022

Corporate Data
(As of March 31, 2022)

Date of Establishment
August 2, 1977

Tokyo Head Office
2-7-1, Nihonbashi, Chuo-ku, Tokyo 107-8527

Number of Employees
1,327

Number of Subsidiaries and Associated Companies
89 and 44

NIPPON STEEL
TRADING