

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation, nor for direct, indirect, or any other form of damages that may arise from use of this translation.

Summary of Consolidated Financial Results for Fiscal Year Ended March 31, 2020 (Japanese GAAP)



May 11, 2020
Stock Exchange: Tokyo

Listed company name: **NIPPON STEEL TRADING CORPORATION**
Code No.: 9810
URL: <https://www.nst.nipponsteel.com/en/>
Representative name: Yasumitsu Saeki, President and Representative Director
Tel. +81-(0)3-5412-5003

Scheduled ordinary general meeting of shareholders: June 25, 2020
Start of cash dividend payments: June 26, 2020
Securities report to be submitted: June 25, 2020
Supplementary materials: Yes (Japanese only)
IR conference: No (for institutional investors and analysts; Japanese only)

(Figures rounded down to nearest million yen)

1. Consolidated Earnings through the Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(1) Consolidated Operating Results

(%: change from the same period of the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FYE March 31, 2020	2,480,256	(2.8)	32,088	(11.3)	33,244	(8.7)	20,708	(10.9)
FYE March 31, 2019	2,550,612	23.7	36,170	11.9	36,427	3.5	23,249	7.0

Note: Comprehensive income
FYE March 31, 2020 ¥14,462 million (-26.8%)
FYE March 31, 2019 ¥19,745 million (-29.5%)

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
FYE March 31, 2020	641.97	—	8.9	3.7	1.3
FYE March 31, 2019	720.68	—	10.5	4.2	1.4

Reference: Shares of profit/loss of entities accounted for using equity method
FYE March 31, 2020 ¥2,786 million
FYE March 31, 2019 ¥2,106 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	857,744	254,877	27.6	7,329.73
As of March 31, 2019	906,173	249,356	24.0	7,150.13

Reference: Equity capital

As of March 31, 2020 ¥236,440 million

As of March 31, 2019 ¥230,654 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of March 31, 2020	39,732	(5,736)	(32,679)	25,314
As of March 31, 2019	9,386	(76,339)	63,812	24,063

2. Dividends

	Annual dividends per share					Dividends paid (total)	Payout ratio (consolidated)	Dividends on equity ratio (consolidated)
	1Q	2Q	3Q	Fiscal year end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FYE March 31, 2019	—	110.00	—	110.00	220.00	7,097	30.5	3.2
FYE March 31, 2020	—	115.00	—	85.00	200.00	6,452	31.2	2.8
FYE March 31, 2021 (Est.)	—	—	—	—	—		—	

Note: The dividend for the fiscal year ending March 31, 2021 has not been decided at this point in time.

**3. Projected Consolidated Results for Fiscal Year Ending March 31, 2021
(April 1, 2020 to March 31, 2021)**

Projected consolidated results for the fiscal year ending March 31, 2021 have not been decided at this point in time, due to uncertainty regarding the impact on results of novel coronavirus disease (COVID-19). When it becomes possible to disclose projected results, we will announce them promptly.

* Notes

- (1) Material changes in consolidated subsidiaries during period (changes in specific subsidiaries resulting in changes in scope of consolidation): None

- (2) Changes of accounting policies, changes of accounting estimates and retrospective restatements
 - i. Changes in accounting policies resulting from changes in accounting standards, etc.: None
 - ii. Other accounting policy changes: None
 - iii. Changes in accounting estimates: None
 - iv. Restatements: None

- (3) Number of shares outstanding (common shares)
 - i. Number of shares outstanding at the end of the period (including treasury shares)

As of March 31, 2020	32,307,800 shares
As of March 31, 2019	32,307,800 shares

 - ii. Number of treasury shares at the end of the period

As of March 31, 2020	50,132 shares
As of March 31, 2019	49,019 shares

 - iii. Average number of shares during the period

FYE March 31, 2020	32,258,362 shares
FYE March 31, 2019	32,259,827 shares

(Reference) Overview of Non-consolidated Financial Results

**Non-consolidated Results for Fiscal Year Ended March 31, 2020
(April 1, 2019 to March 31, 2020)**

(1) Non-consolidated Operating Results (%: change from the same period of the previous year)

	Net sales		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FYE March 31, 2020	2,037,389	(7.6)	22,604	(18.5)	14,671	(32.6)
FYE March 31, 2019	2,205,968	24.8	27,737	34.3	21,762	58.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
FYE March 31, 2020	454.77	—	—	—
FYE March 31, 2019	674.55	—	—	—

(2) Non-consolidated Financial Condition

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	664,262	170,219	25.6	5,276.38
As of March 31, 2019	735,829	170,095	23.1	5,272.36

Reference: Equity capital

As of March 31, 2020 ¥170,219 million

As of March 31, 2019 ¥170,095 million

<Reason for the difference of non-consolidated financial results from actual results of the previous period>

Due to recording a loss on valuation of investment securities, and other factors, a difference has arisen between the actual results for the fiscal year under review and the actual results for the previous fiscal year.

*Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

*Explanation for the proper use of earnings projections, and other special matters

(Caution on description of future events, etc.)

Projected consolidated results for the fiscal year ending March 31, 2021 have not been decided at this point in time, due to uncertainty regarding the impact on results of COVID-19. When it becomes possible to disclose projected results, we will announce them promptly. For further details, please refer to the attachment “1. Overview of Operating Results and Others, (1) Outline of Operating Results for the Fiscal Year” on page 2.

(How to acquire supplementary materials)

Supplementary materials were published on TDnet as of May 11, 2020, and they were published on the Group’s website on the same date.

(How to acquire materials for briefing session)

The briefing session for institutional investors and analysts for the fiscal year under review has been canceled in order to prevent the spread of COVID-19. The materials that were scheduled to be used at this briefing session have been made available on the website of the Company.

Index of attached documents

1. Overview of Operating Results and Others.....	2
(1) Outline of Operating Results for the Fiscal Year	2
(2) Overview of Financial Position for the Fiscal Year	3
(3) Basic Policy on Distribution of Profits, and Dividends in Period under Review and Subsequent Period.....	4
2. Basic Philosophy for Selecting Accounting Standards	4
3. Consolidated Financial Statements and Significant Notes Thereto	5
(1) Consolidated Balance Sheets	5
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	7
(3) Consolidated Statements of Changes in Equity	9
(4) Consolidated Statements of Cash Flows	11
(5) Consolidated Financial Statements and Significant Notes Thereto	13
(Notes on Going Concern Assumption).....	13
(Segment Information, etc.)	13
(Per Share Information)	18
(Subsequent Events)	18

1. Overview of Operating Results and Others

(1) Outline of Operating Results for the Fiscal Year

A. Overview of Operating Results for the Fiscal Year

During the fiscal year under review, the world economy saw slowdown in growth rates, due to a rise in uncertainty caused by factors such as trade friction between the United States and China, as well as the global impact of COVID-19 since the beginning of 2020.

The Japanese economy also decelerated towards the end of the fiscal year as a result of a slump in exports and declining capital investments caused by the stagnation of the world economy, the increase in the consumption tax, abnormal weather events such as major typhoons, and the effects of the spread of COVID-19.

In this business environment, the Company's consolidated earnings, as compared with the previous period, were as follows: Net sales were ¥2,480.2 billion, down ¥70.3 billion (2.8%). Operating profit was ¥32.0 billion, down ¥4.0 billion (11.3%) and ordinary profit was ¥33.2 billion, down ¥3.1 billion (8.7%). Profit attributable to owners of parent was ¥20.7 billion, down ¥2.5 billion (10.9%).

Earnings for reportable segments are as below.

(Steel)

In the Steel business, Japan's crude steel production fell below the level of 100 million tons for the first time in 10 years, and following the weakness in demand steel markets declined both in Japan and overseas, resulting in a difficult business environment.

The Company promoted further improvements in the value chain by strengthening procurement, fabrication and logistics systems to meet customer needs. In Japan, we worked to grow earnings by making NST NIHONTEPPAN Co., Ltd. (formerly Nihon Teppan Co., Ltd.), whose strength lies in thin steel sheet for construction use, a consolidated subsidiary, as well as by executing a mutual capital alliance between NSM Coil Center Co., Ltd. as the primary steel service center of the Group, and Summit Steel Co., Ltd., as the major steel service center of Sumitomo Corporation Group in the second half of the fiscal year 2018. Overseas, aiming to capture demand in the Vietnamese market for steel building materials, we increased our investment in QH PLUS CORPORATION, a major local distributor and processing company of construction materials and accessories. In the United States, the new steel service center of NSPS Metals, LLC is under construction and scheduled to begin operations in May 2020, with the goal of capturing demand in the local market.

Despite promoting measures such as these, the fall in volumes stemming from the difficult sales environment caused net sales in the Steel segment to decrease by 2% or ¥44.3 billion year on year, to ¥2,118.6 billion. Ordinary profit was affected not only by sales volumes and unit prices, but also by temporary factors such as higher costs in steel framework construction and problems with raw material investments, resulting in a decline of 16% or ¥4.1 billion year on year, to ¥22.2 billion.

(Industrial Supply and Infrastructure)

In the Industrial Supply and Infrastructure business, factors such as the global decline in vehicle sales, and a trend towards restraining capital investments, made for a demanding business environment, but the Group's aluminum sales volume was bolstered by automotive and overseas demand, and posted an increase.

Net sales for the Industrial Supply and Infrastructure business declined 5%, or ¥4.5 billion year on year, to ¥87.7 billion, but ordinary profit posted a rise of 37%, or ¥1.0 billion, to ¥3.7 billion, due to non-recurring profits related to an overseas equity-method affiliate in the industrial estate business.

(Textiles)

The environment for the Textiles business is severe, having been affected by changes in consumer needs, including growth in e-commerce and the re-use business, and the shift to custom-ordered products, as well as structural shifts such as the requirement by apparel companies of small-lot, quick-delivery production. In addition, there has been an impact from abnormal weather events such as major typhoons, a winter of record-breaking warmth, and increases in consumption tax, as well as store closures driven by the impact of COVID-19.

To deal with these changes in the environment, the Company has become more responsive, by improving its productivity for small-lot, quick-delivery orders, as well as utilizing ICT technology to help strengthen its competitiveness in the OEM/ODM business, and working on measures to address SDGs.

Net sales in the Textiles business decreased by 14%, or ¥20.8 billion year on year, to ¥130.0 billion, as a result of the difficult business environment and changes to the scope of consolidation following the sale of shares of a subsidiary. However, the various measures taken, such as those to improve productivity, combined with growth in the overseas business, resulted in ordinary profit growing 6%, or ¥200 million year on year, to ¥4.6 billion.

(Foodstuffs)

The environment in which the Foodstuffs business operated was affected by the shift in dietary habits towards meat products on the one hand, and by abnormal weather and a tendency for consumers to economize on the other hand, leading to an overall slowdown in the rate of growth in demand for meat.

The Company strove to cultivate relationships with outstanding suppliers and expand sales channels based on the purpose of continuing to deliver safe and reliable products. In order to enhance the sales network, in October 2019 we made Cosmo Foods, Co., Ltd., a fables manufacturer that develops processed meat products at overseas factories and imports them, a subsidiary.

Net sales in the Foodstuffs business were flat year on year at ¥142.8 billion, while ordinary profit, affected by lower margins caused by weakness in the chicken market, fell 13%, or ¥300 million year on year, to ¥2.4 billion.

B. Future Outlook

There are concerns about a drop in demand caused by the global spread of COVID-19, and of paralysis in production activity caused by the fragmentation of supply chains, but as it is currently difficult to make a reasonable calculation for projected results, consolidated earnings projections for the year ending March 31, 2021 have not been decided. When it becomes possible to disclose projected results, we will announce them promptly.

(2) Overview of Financial Position for the Fiscal Year

A. Assets, Liabilities, and Net Assets

Total assets as of the end of the consolidated fiscal year under review declined by ¥102.4 billion from the end of the previous period, to ¥857.7 billion, due to factors such as declines in accounts receivable - trade.

Total liabilities were ¥602.8 billion, falling by ¥107.9 billion over the end of the previous period, as a result of declines in accounts payable - trade and in short-term borrowings.

Although there was a decrease in the valuation difference on available-for-sale securities, ¥20.7 billion in profit attributable to owners of parent, amongst other factors, pushed up net assets by ¥5.5 billion year on year to ¥254.8 billion.

Shareholders' equity at the end of the fiscal year under review was ¥236.4 billion, yielding an equity ratio of 27.6%, and net interest-bearing debt to equity ratio (net debt-to-equity ratio) of 1.16.

B. Cash Flows

Cash and cash equivalents at the end of the fiscal year under review increased ¥1.2 billion from the end of the previous period to ¥25.3 billion.

Net cash provided by operating activities in the fiscal year under review was ¥39.7 billion. The major components of this increase in funds were a decline in notes and accounts receivable - trade of ¥72.5 billion, and profit before income taxes of ¥31.7 billion, while factors leading to decreases in funds included a ¥64.9 billion decline in notes and accounts payable - trade, and income tax payments of ¥10.1 billion.

Net cash used in investment activities was in ¥5.7 billion. The main factor in cash outflows was a ¥7.8 billion payment for purchases of property, plant and equipment. The main factor of cash inflows was ¥2.2 billion in proceeds from sales of property, plant and equipment.

Net cash used in financing activities was ¥32.6 billion. The main outgoings were repayments of short-term borrowings of ¥43.6 billion, and dividend payments of ¥7.2 billion, while the main item of income was proceeds from the issuance of corporate bonds of ¥19.9 billion.

C. Cash Flow Indicators

	FYE March 31, 2017	FYE March 31, 2018	FYE March 31, 2019	FYE March 31, 2020
Equity ratio (%)	28.2	27.1	24.0	27.6
Equity ratio, market value basis (%)	21.5	23.4	15.1	13.7
Interest-bearing debt/cash flow ratio (year)	8.8	-	35.1	7.6
Interest coverage ratio (times)	8.3	-	2.2	9.6

(Note)	Equity ratio (%):	Equity capital/Total assets
	Equity ratio, market value basis (%):	Market capitalization/Total assets
	Interest-bearing debt/cash flow ratio (year):	Interest-bearing debts/Cash flow from operating activities
	Interest coverage ratio (times):	Cash flows from operating activities/Interest payments

- * All calculations are based on consolidated financial figures.
- * Total market capitalization is calculated by multiplying the closing stock price at fiscal year end by the number of shares outstanding at fiscal year end (minus treasury shares).
- * Cash flows from operating activities are taken from the Consolidated Statements of Cash Flows.
- * Interest-bearing debts include all those on the Consolidated Balance Sheet on which interest is being paid.
- * Interest payments are taken from the Consolidated Statements of Cash Flows.

(3) Basic Policy on Distribution of Profits, and Dividends in Period under Review and Subsequent Period

The Company regards the return of profits to shareholders as one of the most important issues facing management, and aims at a consolidated dividend payout ratio of at least 30%, while working to improve its financial condition.

With regard to the year-end dividend for the fiscal year under review, the Company's actual profit attributable to owners of parent undershot that in the earnings projections announced on February 4, 2020. Accordingly, the Company will propose at the Ordinary General Meeting of Shareholders that the year-end dividend be reduced by ¥20 from the previous projection, to ¥85 per share (an annual dividend of ¥200 when combined with the interim dividend of ¥115, and a dividend payout ratio of 31.2%).

Because the impact of COVID-19 on earnings is unclear, at this point dividends of surplus for the fiscal year ending March 31, 2021, have not been decided.

2. Basic Philosophy for Selecting Accounting Standards

The Company commits itself to preparing all consolidated financial statements in accordance with the Japanese Accounting Standards, while giving consideration to inter-period comparability and inter-company comparability.

The Company will appropriately respond to the application of IFRS (International Financial Reporting Standards) in consideration of the situation inside and outside Japan.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheets

	Previous Fiscal Year (As of March 31, 2019)	Current Fiscal Year (As of March 31, 2020)
(Millions of yen)		
Assets		
Current assets		
Cash and deposits	25,141	26,017
Notes and accounts receivable - trade	633,159	555,871
Inventories	135,110	123,261
Other	23,515	15,573
Allowance for doubtful accounts	(1,541)	(1,088)
Total current assets	815,385	719,634
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,393	16,886
Machinery, equipment and vehicles, net	12,721	12,606
Tools, furniture and fixtures, net	1,762	1,648
Land	22,252	21,425
Leased assets, net	1,157	2,153
Construction in progress	548	2,059
Total property, plant and equipment	55,837	56,780
Intangible assets		
Goodwill	-	408
Other	702	721
Total intangible assets	702	1,129
Investments and other assets		
Investment securities	74,981	65,503
Long-term loans receivable	129	76
Retirement benefit asset	964	483
Deferred tax assets	1,944	3,105
Other	13,210	14,049
Allowance for doubtful accounts	(2,982)	(3,019)
Total investments and other assets	88,248	80,199
Total non-current assets	144,788	138,109
Total assets	960,173	857,744

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2019)	Current Fiscal Year (As of March 31, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	325,013	257,395
Short-term borrowings	143,732	103,942
Commercial papers	50,000	50,000
Lease obligations	636	922
Income taxes payable	4,710	3,627
Provision for bonuses	4,523	4,534
Provision for loss on liquidation of subsidiaries and associates	146	30
Other	34,964	25,423
Total current liabilities	563,727	445,876
Non-current liabilities		
Bonds payable	60,000	80,000
Long-term borrowings	75,271	66,235
Lease obligations	570	1,267
Deferred tax liabilities	3,212	745
Provision for retirement benefits for directors (and other officers)	530	601
Retirement benefit liability	3,542	3,674
Other	3,962	4,466
Total non-current liabilities	147,089	156,990
Total liabilities	710,817	602,867
Net assets		
Shareholders' equity		
Share capital	16,389	16,389
Capital surplus	54,814	54,689
Retained earnings	147,181	160,669
Treasury shares	(147)	(153)
Total shareholders' equity	218,237	231,594
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,517	2,168
Deferred gains or losses on hedges	(483)	(371)
Foreign currency translation adjustment	3,549	3,989
Remeasurements of defined benefit plans	(167)	(940)
Total accumulated other comprehensive income	12,416	4,845
Non-controlling interests	18,701	18,437
Total net assets	249,356	254,877
Total liabilities and net assets	960,173	857,744

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Income)

	Previous Fiscal Year (April 1, 2018 to March 31, 2019)	Current Fiscal Year (April 1, 2019 to March 31, 2020)
(Millions of yen)		
Net sales	2,550,612	2,480,256
Cost of sales	2,402,965	2,338,742
Gross profit	147,647	141,514
Selling, general and administrative expenses	111,476	109,425
Operating profit	36,170	32,088
Non-operating income		
Interest income	454	537
Dividend income	1,220	1,415
Share of profit of entities accounted for using equity method	2,106	2,786
Purchase discounts	529	499
Other	1,892	1,525
Total non-operating income	6,204	6,764
Non-operating expenses		
Interest expenses	4,465	4,166
Other	1,482	1,442
Total non-operating expenses	5,947	5,609
Ordinary profit	36,427	33,244
Extraordinary income		
Gain on sales of non-current assets	-	1,171
Gain on sales of investment securities	1,013	99
Gain on sales of investments in capital	-	8
Gain on bargain purchase	2,050	-
Total extraordinary income	3,064	1,279
Extraordinary losses		
Loss on sales of non-current assets	55	-
Impairment loss	-	795
Loss on sales of investment securities	210	130
Loss on valuation of investment securities	3,679	1,870
Loss on sales of investments in capital	44	-
Loss on valuation of investments in capital	358	-
Loss on liquidation of subsidiaries and associates	367	-
Loss on business of subsidiaries and associates	1,485	-
Total extraordinary losses	6,201	2,796
Profit before income taxes	33,290	31,727
Income taxes - current	9,959	9,017
Income taxes - deferred	(972)	573
Total income taxes	8,986	9,590
Profit	24,304	22,136
Profit attributable to non-controlling interests	1,055	1,427
Profit attributable to owners of parent	23,249	20,708

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	Previous Fiscal Year (April 1, 2018 to March 31, 2019)	Current Fiscal Year (April 1, 2019 to March 31, 2020)
Profit	24,304	22,136
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,047)	(7,301)
Deferred gains or losses on hedges	17	109
Foreign currency translation adjustment	(1,480)	(187)
Remeasurements of defined benefit plans, net of tax	(645)	(827)
Share of other comprehensive income of entities accounted for using equity method	(402)	533
Total other comprehensive income	(4,559)	(7,674)
Comprehensive income	19,745	14,462
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,944	13,229
Comprehensive income attributable to non-controlling interests	800	1,232

(3) Consolidated Statements of Changes in Equity

Previous Fiscal Year (April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	12,335	50,751	131,006	(140)	193,953
Changes during period					
Issuance of new shares	4,054	4,054			8,108
Dividends of surplus			(7,258)		(7,258)
Profit attributable to owners of parent			23,249		23,249
Purchase of treasury shares				(7)	(7)
Disposal of treasury shares		0		0	0
Change in scope of consolidation			85		85
Change in scope of equity method			98		98
Difference on change in equity		8			8
Net changes in items other than shareholders' equity					
Total changes during period	4,054	4,063	16,174	(7)	24,284
Balance at end of period	16,389	54,814	147,181	(147)	218,237

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,581	(502)	5,190	452	16,722	17,293	227,968
Changes during period							
Issuance of new shares							8,108
Dividends of surplus							(7,258)
Profit attributable to owners of parent							23,249
Purchase of treasury shares							(7)
Disposal of treasury shares							0
Change in scope of consolidation							85
Change in scope of equity method							98
Difference on change in equity							8
Net changes in items other than shareholders' equity	(2,064)	19	(1,641)	(619)	(4,306)	1,408	(2,897)
Total changes during period	(2,064)	19	(1,641)	(619)	(4,306)	1,408	21,387
Balance at end of period	9,517	(483)	3,549	(167)	12,416	18,701	249,356

NIPPON STEEL TRADING CORPORATION (9810)
Consolidated Financial Statements for the Fiscal Year Ended March 31, 2020

Current Fiscal Year (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	16,389	54,814	147,181	(147)	218,237
Cumulative effects of changes in accounting policies			34		34
Restated balance	16,389	54,814	147,216	(147)	218,272
Changes during period					
Dividends of surplus			(7,258)		(7,258)
Profit attributable to owners of parent			20,708		20,708
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		0		0	0
Change in scope of equity method			3		3
Difference on change in equity		(125)			(125)
Net changes in items other than shareholders' equity					
Total changes during period	–	(125)	13,453	(5)	13,322
Balance at end of period	16,389	54,689	160,669	(153)	231,594

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	9,517	(483)	3,549	(167)	12,416	18,701	249,356
Cumulative effects of changes in accounting policies	(87)				(87)	(30)	(83)
Restated balance	9,430	(483)	3,549	(167)	12,329	18,671	249,272
Changes during period							
Dividends of surplus							(7,258)
Profit attributable to owners of parent							20,708
Purchase of treasury shares							(5)
Disposal of treasury shares							0
Change in scope of equity method							3
Difference on change in equity							(125)
Net changes in items other than shareholders' equity	(7,261)	111	439	(773)	(7,484)	(233)	(7,717)
Total changes during period	(7,261)	111	439	(773)	(7,484)	(233)	5,604
Balance at end of period	2,168	(371)	3,989	(940)	4,845	18,437	254,877

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous Fiscal Year (April 1, 2018 to March 31, 2019)	Current Fiscal Year (April 1, 2019 to March 31, 2020)
Cash flows from operating activities		
Profit before income taxes	33,290	31,727
Depreciation	5,324	5,784
Impairment loss	–	795
Amortization of goodwill	51	45
Increase (decrease) in allowance for doubtful accounts	43	(367)
Increase (decrease) in provision for bonuses	598	37
Increase (decrease) in retirement benefit liability	3	760
Interest and dividend income	(1,674)	(1,953)
Interest expenses	4,465	4,166
Share of loss (profit) of entities accounted for using equity method	(2,106)	(2,786)
Gain on bargain purchase	(2,050)	–
Loss (gain) on sales of non-current assets	55	(1,171)
Loss (gain) on sales of investment securities	(803)	30
Loss (gain) on valuation of investment securities	3,679	1,870
Loss (gain) on sales of investments in capital	44	(8)
Loss on valuation of investments in capital	358	–
Decrease (increase) in trade receivables	(15,306)	72,568
Decrease (increase) in inventories	(13,623)	8,249
Increase (decrease) in trade payables	7,521	(64,907)
Other, net	2,034	(4,201)
Subtotal	21,906	50,641
Interest and dividends received	3,172	3,360
Interest paid	(4,363)	(4,142)
Income taxes paid	(11,328)	(10,126)
Net cash provided by (used in) operating activities	9,386	39,732
Cash flows from investing activities		
Decrease (increase) in time deposits	(442)	328
Purchase of property, plant and equipment	(6,250)	(7,823)
Proceeds from sales of property, plant and equipment	400	2,231
Purchase of intangible assets	(112)	(245)
Purchase of investment securities	(1,429)	(974)
Proceeds from sales of investment securities	153	433
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,195)	(126)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	978	937
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(3)	–
Payments for acquisition of businesses	(66,858)	–
Decrease (increase) in short-term loans receivable	2	(745)
Long-term loan advances	(38)	(24)
Collection of long-term loans receivable	29	32
Other, net	(572)	239
Net cash provided by (used in) investing activities	(76,339)	(5,736)

(Millions of yen)

	Previous Fiscal Year (April 1, 2018 to March 31, 2019)	Current Fiscal Year (April 1, 2019 to March 31, 2020)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(18,536)	(43,632)
Net increase (decrease) in commercial papers	30,000	-
Proceeds from long-term borrowings	26,821	15,882
Repayments of long-term borrowings	(4,137)	(15,320)
Proceeds from issuance of bonds	29,845	19,902
Proceeds from share issuance to non-controlling shareholders	-	105
Dividends paid	(7,261)	(7,256)
Dividends paid to non-controlling interests	(672)	(555)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(16)	(1,004)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	448	57
Proceeds from issuance of shares	8,108	-
Other, net	(787)	(857)
Net cash provided by (used in) financing activities	63,812	(32,679)
Effect of exchange rate change on cash and cash equivalents	(675)	(65)
Net increase (decrease) in cash and cash equivalents	(3,816)	1,251
Cash and cash equivalents at beginning of period	27,879	24,063
Cash and cash equivalents at end of period	24,063	25,314

(5) Consolidated Financial Statements and Significant Notes Thereto

(Notes on Going Concern Assumption)

Not applicable.

(Segment Information, etc.)

[Segment Information]

1. Overview of Reportable Segments

Reportable segments of the Company are those constituent units of the Company for which separate financial information can be derived. These segments are subject to periodic examination in order for the Board of Directors to make decisions on the allocation of management resources and to evaluate earnings.

The Company is primarily engaged in the sale of steel, industrial supply and infrastructure, textiles, foodstuffs, and other products in Japan and abroad. For each category of product handled, it establishes sales divisions to draft comprehensive strategies for Japan and abroad, and conduct business activities accordingly.

Thus, the Company consists of four business divisions based on the products it handles and has four reportable segments: Steel, Industrial Supply and Infrastructure, Textiles, and Foodstuffs.

The major products handled in the Steel segment are steel plates and sheets, steel pipes and tubes, bars and special steel, structural products, raw materials and fuels, and machinery. The major products handled in the Industrial Supply and Infrastructure segment are industrial machinery, non-ferrous metals, cast and forged products, and railroad machinery. Also in this segment, industrial estates are developed and sold, and power generation facilities developed through equity method affiliates. The major products handled in the Textiles segment are textiles products and materials. The major products handled in the Foodstuffs segment are imported meats and sea food.

2. Methods of Calculating Amounts of Each Reporting Segment's Net Sales, Profit/Loss, Assets and Other Items

Profits of reportable segments are based on ordinary profit. Inter-segment trade is treated as inter-company trade, and as such is based on market prices, etc.

3. Information on Amounts of Each Reporting Segment's Net Sales, Profit/Loss, Assets and Other Items
Previous Fiscal Year (April 1, 2018 to March 31, 2019)

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjusted amount (Notes 2, 3)	Consolidate d financial statements amount (Note 4)
	Steel	Industrial Supply and Infrastructur e	Textiles	Foodstuffs	Total				
Net sales									
Sales to external customers	2,162,996	92,328	150,869	142,411	2,548,605	2,007	2,550,612	–	2,550,612
Intersegment sales or transfers	746	765	5	–	1,517	158	1,675	(1,675)	–
Total	2,163,742	93,094	150,874	142,411	2,550,122	2,166	2,552,288	(1,675)	2,550,612
Segment profit (Ordinary profit)	26,410	2,750	4,431	2,803	36,395	33	36,429	(1)	36,427
Segment assets	773,068	61,304	78,026	39,326	951,726	2,298	954,024	6,149	960,173
Others									
Depreciation	3,212	762	1,246	87	5,309	15	5,324	–	5,324
Amortization of goodwill	45	–	–	6	51	–	51	–	51
Interest income	401	4	19	26	452	1	454	–	454
Interest expenses	3,634	154	402	232	4,423	41	4,465	–	4,465
Equity in earnings (losses) of affiliates	659	1,446	1	–	2,106	–	2,106	–	2,106
Investment in equity method affiliates	12,183	20,789	44	–	33,018	–	33,018	–	33,018
Increase in property, plant and equipment and intangible assets	4,351	1,499	359	111	6,321	41	6,362	–	6,362

- (Notes) 1. "Others" represents items not included under "reportable segments," and it includes real estate business.
2. The downward adjustment of ¥1 million in "segment profit" represents the elimination of inter-segment trade.
3. The adjustment of ¥6,149 million in "segment assets" represents ¥6,493 million in the Group-wide assets not allocated to any reportable segment and an elimination of ¥344 million in inter-segment trade. The Group-wide assets consist primarily of the parent company's cash and deposits.
4. The total profit of the "reportable segments" and "others" aligns with the ordinary profit in the consolidated statement of income excepting the downward adjustment of ¥1 million.

Current Fiscal Year (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjusted amount (Notes 2, 3)	Consolidate d financial statements amount (Note 4)
	Steel	Industrial Supply and Infrastructur e	Textiles	Foodstuffs	Total				
Net sales									
Sales to external customers	2,118,646	87,738	130,048	142,851	2,479,286	970	2,480,256	–	2,480,256
Intersegment sales or transfers	628	608	5	–	1,243	132	1,375	(1,375)	–
Total	2,119,275	88,346	130,054	142,851	2,480,529	1,102	2,481,631	(1,375)	2,480,256
Segment profit (Ordinary profit)	22,230	3,773	4,695	2,438	33,137	106	33,244	(0)	33,244
Segment assets	686,188	60,308	57,071	44,540	848,108	2,266	850,375	7,369	857,744
Others									
Depreciation	3,509	843	1,376	39	5,768	16	5,784	–	5,784
Amortization of goodwill	–	–	–	45	45	–	45	–	45
Interest income	501	4	8	23	537	0	537	–	537
Interest expenses	3,476	195	293	170	4,135	31	4,166	–	4,166
Equity in earnings (losses) of affiliates	252	2,622	(87)	–	2,786	–	2,786	–	2,786
Investment in equity method affiliates	11,832	23,333	368	–	35,534	–	35,534	–	35,534
Increase in property, plant and equipment and intangible assets	6,267	1,192	467	106	8,033	34	8,068	–	8,068

- (Notes) 1. “Others” represents items not included under “reportable segments,” and it includes real estate business.
2. The downward adjustment of ¥0 million in “segment profit” represents the elimination of inter-segment trade.
3. The adjustment of ¥7,369 million in “segment assets” represents ¥7,679 million in the Group-wide assets not allocated to any reportable segment and an elimination of ¥310 million in inter-segment trade. The Group-wide assets consist primarily of the parent company’s cash and deposits.
4. The total profit of the “reportable segments” and “others” aligns with the ordinary profit in the consolidated statement of income excepting the downward adjustment of ¥0 million.

[Related information]

Previous Fiscal Year (April 1, 2018 to March 31, 2019)

1. Product- and service-specific information

Omitted, since it is the same as the reportable segments.

2. Region-specific information

(1) Net sales

(Millions of yen)

Japan	Asia	Others	Total
1,868,998	557,242	124,371	2,550,612

(Note) Net sales are based on customers' locations, and are categorized according to country/region.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Others	Total
37,814	9,706	8,315	55,837

3. Major customer-specific information

There are no customers this item applies to.

Current Fiscal Year (April 1, 2019 to March 31, 2020)

1. Product- and service-specific information

Omitted, since it is the same as the reportable segments.

2. Region-specific information

(1) Net sales

(Millions of yen)

Japan	Asia	Others	Total
1,784,706	533,002	162,547	2,480,256

(Note) Net sales are based on customers' locations, and are categorized according to country/region.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Others	Total
35,433	9,834	11,512	56,780

3. Major customer-specific information

There are no customers this item applies to.

[Information on Impairment Loss on Non-current Assets for Each Reporting Segment]

Previous Fiscal Year (April 1, 2018 to March 31, 2019)

Not applicable.

Current Fiscal Year (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reportable segments					Others	Total	Group-wide/elimination	Consolidated financial statements amount
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Total				
Impairment loss	730	-	65	-	795	-	795	-	795

[Information on Amortized and Unamortized Amounts of Goodwill for Each Reportable Segment]

Previous Fiscal Year (April 1, 2018 to March 31, 2019)

(Millions of yen)

	Reportable segments					Others	Total	Group-wide/elimination	Consolidated financial statements amount
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Total				
Amortization in current period	45	-	-	6	51	-	51	-	51
Balance at end of current period	-	-	-	-	-	-	-	-	-

Current Fiscal Year (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reportable segments					Others	Total	Group-wide/elimination	Consolidated financial statements amount
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Total				
Amortization in current period	-	-	-	45	45	-	45	-	45
Balance at end of current period	-	-	-	408	408	-	408	-	408

[Information on Gain on Bargain Purchase for Each Reportable Segment]

Previous Fiscal Year (April 1, 2018 to March 31, 2019)

In the Steel business segment in the fiscal year under review, the Company recorded ¥2,050 million in gain on bargain purchase. This reflects the transfer of business from Mitsui & Co. Group and resulting acquisition of company stocks relating to the relevant business, and acquisition of shares of Nihon Teppan Co., Ltd., to make it into its subsidiary in the third quarter.

Gain on bargain purchase is extraordinary income and therefore is not included in segment profit.

Current Fiscal Year (April 1, 2019 to March 31, 2020)

No such events occurred.

(Per Share Information)

	Previous Fiscal Year (April 1, 2018 to March 31, 2019)	Current Fiscal Year (April 1, 2019 to March 31, 2020)
Net assets per share	¥7,150.13	¥7,329.73
Earnings per share	¥720.68	¥641.97

(Notes) 1. Earnings per share after adjustment for the effects of dilutive potential shares is not reported due to the absence of dilutive potential shares.

2. The basis for calculating earnings per share during the period is as follows.
The average number of shares during the period was calculated by deducting the treasury shares from the number of shares outstanding during the period.

	Previous Fiscal Year (April 1, 2018 to March 31, 2019)	Current Fiscal Year (April 1, 2019 to March 31, 2020)
Profit attributable to owners of parent (millions of yen)	23,249	20,708
Amount not belonging to common shareholders (millions of yen)	-	-
Profit attributable to owners of parent on common stock (millions of yen)	23,249	20,708
Average common shares during the period (1,000 shares)	32,259	32,258

3. The basis for calculating net assets per share is as follows.

	End of Previous Fiscal Year (March 31, 2019)	End of Current Fiscal Year (March 31, 2020)
Total net assets (millions of yen)	249,356	254,877
Amount deducted from total net assets (millions of yen)	18,701	18,437
(of which, non-controlling interests) (millions of yen)	(18,701)	(18,437)
Net assets on common stock at end of period (millions of yen)	230,654	236,440
Number of common shares at end of period used to calculate net assets per share (1,000 shares)	32,258	32,257

(Subsequent Events)

Not applicable.