

CONSOLIDATED FINANCIAL STATEMENTS

April 1, 2009 ~ March 31, 2010

 **NIPPON STEEL TRADING CO., LTD.**

(note)

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

Nippon Steel Trading Co., Ltd.
CONSOLIDATED BALANCE SHEETS

As of March 31

(Millions of Yen)

	2010	2009
Assets:		
Current assets:		
Cash and deposits	17,461	41,647
Notes and accounts receivable-trade	209,051	223,188
Lease receivables and investment assets	12,936	8,475
Merchandise and finished goods	23,270	55,826
Deferred tax assets	1,025	1,885
Short-term loans receivable	5	7
Other	7,579	13,179
Allowance for doubtful accounts (Less)	(742)	(1,138)
Total current assets	270,588	343,070
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures	5,103	5,139
Machinery, equipment and vehicles	1,755	2,245
Tools, furniture and fixtures	237	257
Land	6,974	7,018
Lease assets	267	105
Construction in progress	1,189	733
	15,528	15,499
Intangible assets:		
Software	1,998	2,618
Goodwill	97	140
Other	522	613
	2,618	3,372
Investments and others assets:		
Investments securities	12,629	11,410
Long-term loans receivable	250	296
Claims provable in bankruptcy, claims provable in rehabilitation and other	453	891
Deferred tax assets	587	689
Other	7,703	6,753
Allowance for doubtful accounts (Less)	(660)	(1,135)
	20,963	18,906
Total Noncurrent assets	39,110	37,779
Total assets	309,698	380,849

	(Millions of Yen)	
	<u>2010</u>	<u>2009</u>
Liabilities and Net assets		
Currents liabilities:		
Notes and accounts payable-trade	157,231	178,541
Short-term loans payable	62,982	98,654
Current portion of payables under fluidity trade receivables	9,394	9,441
Income taxes payable	556	2,466
Provision for bonuses	914	1,075
Other	<u>7,022</u>	<u>12,370</u>
Total current liabilities	238,102	302,550
Noncurrent liabilities:		
Long-term loans payable	13,500	15,510
Payables under fluidity trade receivables	5,881	14,697
Provision for retirement benefits	368	323
Provision for loss on guarantees	470	548
Provision for loss on business liquidation		5
Other	<u>2,865</u>	<u>2,000</u>
Total noncurrent liabilities	23,086	33,086
Total liabilities	<u>261,188</u>	<u>335,636</u>
Net assets:		
Shareholders' equity:		
Capital stock	8,750	8,750
Capital surplus	8,750	8,750
Retained earnings	29,839	27,608
Treasury stock	<u>(53)</u>	<u>(51)</u>
Total shareholders' equity	47,285	45,057
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	411	58
Deferred gains or losses on hedges	62	117
Foreign currency translation adjustment	<u>(2,486)</u>	<u>(3,432)</u>
Total valuation and translation adjustments	(2,012)	(3,256)
Minority interest	3,236	3,412
Total net assets	<u>48,509</u>	<u>45,213</u>
Total liabilities and net assets	<u><u>309,698</u></u>	<u><u>380,849</u></u>

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

Fiscal Year Ended March 31

	2010	2009
		(Millions of Yen)
Net sales	919,691	1,320,811
Cost of sales	879,512	1,270,563
Gross profit	40,179	50,247
Selling, general and administrative expenses	31,649	35,954
Operating income	8,530	14,293
Non-operating income:		
Interest income	418	469
Dividends income	146	227
Foreign exchange gains	-	148
Rent income	-	75
Equity in earnings of affiliates	-	175
Other	1,144	326
	1,710	1,423
Non-operating expenses:		
Interest expenses	1,426	1,989
Foreign exchange losses	400	-
Loss on transfer of receivables	40	218
Equity in losses of affiliates	23	-
Other	466	483
	2,356	2,691
Ordinary income	7,883	13,024
Extraordinary income:		
Gain on negative goodwill	160	-
Gain on sales of noncurrent assets	5	3
Gain on sales of investment securities	0	40
	165	43
Extraordinary loss:		
Loss on sales of investment securities	272	68
Loss on liquidation of business	79	108
Impairment loss	73	46
Loss on valuation of investment securities	11	505
Loss on valuation of golf club membership	11	36
Provision for loss on guarantees	-	186
Loss on sales of noncurrent assets	-	9
	449	963
Income before income taxes and minority interests	7,599	12,105
Income taxes-current	1,124	5,156
Income taxes-deferred	1,249	(649)
	2,373	4,506
Income before minority interests	5,225	-
Minority interests in income (loss)	(20)	178
Net income	5,245	7,419

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

(Millions of Yen)

	Shareholders' equity					Valuation and translation adjustment			Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholder's equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment		
Balance at March 31,2009	8,750	8,750	27,608	(51)	45,057	58	117	(3,432)	3,412	45,213
Dividends from surplus			(1,015)		(1,015)					(1,015)
Net income			5,245		5,245					5,245
Purchase of treasury stock				(2,002)	(2,002)					(2,002)
Retirement of treasury stock		(2,000)		2,000	-					-
Transfer to other retained earnings from negative other capital surplus		2,000	(2,000)		-					-
Net changes of items other than shareholders' equity						352	(54)	945	(175)	1,068
Total changes of items during the period	-	-	2,230	(2)	2,228	352	(54)	945	(175)	3,296
Balance at March 31,2010	8,750	8,750	29,839	(53)	47,285	411	62	(2,486)	3,236	48,509

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

(Millions of Yen)

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