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Consolidated Balance Sheets

(Rounded down to millions of yen)

	<i>Millions of yen</i>		
	March 31, 2006	March 31, 2007	Increase(Decrease)
Assets			
Current assets;			
Cash and deposits	16,979	10,245	(6,734)
Trade notes and accounts receivable	208,225	259,372	51,147
Inventories	76,053	88,220	12,167
Deferred tax asset	1,355	1,096	(259)
Others	25,467	24,247	(1,220)
Allowance for doubtful receivables	(736)	(911)	(175)
Total current assets	327,346	382,271	54,925
Fixed assets;			
Property and equipment;			
Buildings and Structures	11,376	11,227	(149)
Land	24,450	24,453	3
Others	3,373	5,150	1,777
Total property and equipment	39,200	40,831	1,631
Intangible assets	649	701	52
Investments and other assets;			
Investment securities	33,805	38,167	4,362
Long-term loans receivable	438	327	(111)
Deferred tax asset	41	9	(32)
Others	12,657	14,618	1,961
Allowance for doubtful receivables	(1,118)	(749)	369
Total investments and other assets	45,824	52,373	6,549
Total fixed assets	85,673	93,906	8,233
Total assets	413,020	476,178	63,158
Liabilities;			
Current liabilities;			
Trade notes and accounts payable	140,078	160,429	20,351
Short-term loans payable	51,045	43,141	(7,904)
Commercial paper		17,500	17,500
Income taxes payable	3,708	4,050	342
Accrued bonuses	1,666	1,693	27
Others	30,825	24,280	(6,545)
Total current liabilities	227,323	251,095	23,772
Long-term liabilities;			
Bonds payable	10,000	10,000	
Long-term loans payable	74,900	101,950	27,050
Deferred tax liabilities	6,979	8,179	1,200
Deferred tax liabilities by land revaluation	2,798	2,798	
Others	4,064	3,901	(163)
Total long-term liabilities	98,742	126,828	28,086
Total liabilities	326,066	377,924	51,858
Minority interests	808		
Net assets;			
Shareholders' equity;			
Common stock		45,651	
Capital surplus		3	
Retained earnings		40,660	
Treasury stock		(109)	
Total shareholders' equity		86,205	
Valuation and translation adjustments;			
Net unrealized holding gains on securities		11,405	
Deferred hedge profit and loss		838	
Land revaluation difference		(16)	
Foreign currency translation adjustments		(947)	
Total valuation and translation adjustments		11,280	
Minority interests		768	
Total net assets		98,254	
Total liabilities and net assets		476,178	
Shareholders' equity;			
Common stock	45,651		
Capital surplus	2		
Retained earnings	31,288		
Land revaluation difference	(16)		
Net unrealized holding gains on securities	10,445		
Foreign currency translation adjustments	(1,159)		
Treasury stock	(67)		
Total shareholders' equity;	86,145		
Total liabilities ,minority interests and shareholders' equity	413,020		

Financial Results for the Fiscal Year ended March 31, 2007

Consolidated Statements of Income

(Rounded down to millions of yen)

	<i>Millions of yen</i>		
	Year ended March 31, 2006	Year ended March 31, 2007	Increase(Decrease)
Net sales	1,097,706	1,320,021	222,315
Cost of sales	1,053,919	1,272,532	218,613
Gross profit	43,787	47,489	3,702
Selling, general and administrative expenses	24,096	26,624	2,528
Operating income	19,690	20,864	1,174
Other income;			
Interest and dividend income	1,826	1,633	(193)
Others	561	1,199	638
Total other income	2,387	2,832	445
Other expenses;			
Interest expenses	2,542	3,233	691
Others	1,263	1,294	31
Total other expenses	3,806	4,527	721
Ordinary income	18,271	19,170	899
Extraordinary losses			
Loss on impairment of long-lived assets	450		(450)
Total extraordinary losses	450		(450)
Income before income taxes and minority interest	17,821	19,170	1,349
Income, inhabitant & business tax - current	6,530	7,398	868
Income tax expense- deferred	736	270	(466)
Minority interest in net income	50	77	27
Net income	10,503	11,423	920

Financial Results for the Fiscal Year ended March 31, 2007

Consolidated Statements of Changes in Net Assets

(Rounded down to millions of yen)

	<i>Millions of yen</i>				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2006	45,651	2	31,288	(67)	76,874
Increase (decrease) during the term:					
Cash dividends paid			(2,114)		(2,114)
Bonuses to directors			(150)		(150)
Staff and workers' bonuses and welfare fund			(1)		(1)
Net income			11,423		11,423
Purchase of treasury stocks				(43)	(43)
Deposition of treasury stocks		0		1	1
Effect from change in scope of consolidated subsidiaries			214		214
Net increase (decrease) during the term, except for items under shareholders' equity					
Total increase (decrease)		0	9,372	(42)	9,330
Balance at March 31, 2007	45,651	3	40,660	(109)	86,205

	<i>Millions of yen</i>						
	Valuation and translation adjustments					Minority interests	Total net assets
	Net unrealized holding gains on securities	Deferred hedge profit and loss	Land revaluation difference	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at March 31, 2006	10,445		(16)	(1,159)	9,270	808	86,954
Increase (decrease) during the term:							
Cash dividends paid							(2,114)
Bonuses to directors							(150)
Staff and workers' bonuses and welfare fund							(1)
Net income							11,423
Purchase of treasury stocks							(43)
Deposition of treasury stocks							1
Effect from change in scope of consolidated subsidiaries							214
Net increase (decrease) during the term, except for items under shareholders' equity	959	838		211	2,009	(40)	1,969
Total increase (decrease)	959	838		211	2,009	(40)	11,300
Balance at March 31, 2007	11,405	838	(16)	(947)	11,280	768	98,254

Financial Results for the Fiscal Year ended March 31, 2007

Consolidated Statements of Cash Flows

(Rounded down to millions of yen)

	<i>Millions of yen</i>		
	Year ended March 31, 2006	Year ended March 31, 2007	Increase (Decrease)
Cash flows from operating activities:			
Income before income taxes	17,821	19,170	1,349
Depreciation and amortization	1,969	1,991	22
Loss on impairment of long-lived assets	450		(450)
Decrease in allowance for doubtful receivables	(297)	(189)	108
Interest and dividend income	(1,826)	(1,633)	193
Interest expense	2,542	3,233	691
Increase in trade receivables	(3,185)	(50,718)	(47,533)
Increase in inventories	(11,778)	(11,408)	370
Increase in trade notes and accounts payable	21,239	20,211	(1,028)
Other, net	4,953	(8,304)	(13,257)
Sub total	31,888	(27,649)	(59,537)
Interest and dividends received	1,660	1,795	135
Interest paid	(2,477)	(3,236)	(759)
Income taxes paid	(8,772)	(7,101)	1,671
Net cash provided by (used in) operating activities	22,299	(36,192)	(58,491)
Cash flows from investing activities:			
Payment for time deposits	(569)	(7)	562
Proceeds from refund of time deposits	260	309	49
Payment for purchase of property and equipment	(7,899)	(2,593)	5,306
Proceeds from sale of property and equipment	40	14	(26)
Payment for purchase of investment securities	(5,278)	(5,488)	(210)
Proceeds from sale of investment securities	89	2,778	2,689
Decrease in short - term loans receivable, net		194	
Increase in long - term loans receivable		(20)	
Collection of long-term loans receivable		138	
Increase in loans receivable	(724)		
Collection of loans receivable	1,554		
Other, net	(1,551)	(1,282)	269
Net cash used in investing activities	(14,079)	(5,955)	8,124
Cash flows from financing activities:			
Decrease in short-term loans, net	(26,846)	18,359	45,205
Increase in commercial paper, net		17,500	17,500
Proceeds from long-term debt	29,470	27,100	(2,370)
Repayments of long-term debt	(17,050)	(26,450)	(9,400)
Proceeds from issuance of bonds	9,950		(9,950)
Payment for cash dividends	(2,955)	(2,116)	839
Cash dividends paid to minority interest in consolidated subsidiaries	(49)	(25)	24
Other, net	(16)	(42)	(26)
Net cash provided by (used in) financing activities	(7,497)	34,325	41,822
Effect of exchange rate changes on cash and cash equivalents	604	(943)	(1,547)
Net increase(decrease) in cash and cash equivalents	1,327	(8,765)	(10,092)
Cash and cash equivalents at beginning of year	17,658	18,985	1,327
Cash and cash equivalents from newly consolidated subsidiaries		8	8
Cash and cash equivalents at end of year	18,985	10,228	(8,757)

Financial Results for the Fiscal Year ended March 31, 2007

Segment information

Business segment information

The Companies' operations are classified into five business segments as follows:

Steel: Steel bars and shapes, steel plates and sheets, special steels, wire products, steel pipes, and steelmaking raw materials

Non-ferrous metals: Nickel, copper, aluminium, lead, zinc, tin, antimony, other metals, and solar cell-related materials and products

Foods: Frozen seafoods and meat products

Petroleum and chemicals : Petroleum products, chemical products, and cement

Other business: Lumber, machinery, and others

Segment information by business category for the years ended March 31, 2006 and 2007, is as follows:

(Rounded down to millions of yen)

Year ended March 31, 2006

	<i>Millions of yen</i>					Total	Corporate	Consolidated
	Steel	Non-ferrous metals	Foods	Petroleum & chemicals	Other business			
Net sales	614,045	139,108	87,624	210,254	46,672	1,097,706		1,097,706
Costs and expenses	599,574	133,750	86,874	207,745	44,906	1,072,850	5,165	1,078,016
Operating income	14,470	5,358	749	2,509	1,766	24,855	(5,165)	19,690
Assets	217,013	39,470	37,440	36,041	13,092	343,058	69,961	413,020
Depreciation	1,334	74	32	19	420	1,881	87	1,969
Loss on impairment long-lived assets	433	10				443	6	450
Capital expenditure	3,131	58	31	230	587	4,039	67	4,107

Year ended March 31, 2007

	<i>Millions of yen</i>					Total	Corporate	Consolidated
	Steel	Non-ferrous metals	Foods	Petroleum & chemicals	Other business			
Net sales	689,187	242,952	91,953	237,342	58,585	1,320,021		1,320,021
Costs and expenses	674,851	235,708	91,362	235,110	56,543	1,293,577	5,579	1,299,157
Operating income	14,335	7,243	591	2,232	2,041	26,444	(5,579)	20,864
Assets	253,362	64,282	37,830	34,647	18,903	409,026	67,152	476,178
Depreciation	1,379	67	29	28	404	1,909	82	1,991
Capital expenditure	1,765	190	29	36	347	2,368	44	2,412

Notes:

Corporate costs and expenses mainly consist of expenses of administrative departments.

Corporate assets mainly consist of cash and equivalents, investment securities and assets of administrative departments.