

Flash Report for the Year Ended March 31, 2009

(on a consolidated bases)

April 28, 2009

Name of the listed company: **JFE Shoji Holdings, Inc.**
 Code No.: 3332 Stock exchange: Tokyo Stock Exchange and Osaka Securities Exchange (1st section)
 URL: <http://www.jfe-shoji-hd.co.jp>
 Representative: Mikio Fukushima, President and CEO
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 Phone: +81-3-5203-5055
 Scheduled date for annual general meeting of shareholders: June 26, 2009
 Date for initiation of dividend payments (subject to change): June 29, 2009
 Scheduled date for submission of Securities Report: June 26, 2009

* All amounts are rounded down to the nearest million yen.

1. Results for the Year Ended March 31, 2009 (April 1, 2008 to March 31, 2009)

(1) Operating results (¥ million)

	Net sales		Operating income		Recurring profit		Net income	
	¥	%	¥	%	¥	%	¥	%
Year ended March 31, 2009	¥2,706,576	12.6%	¥40,238	7.5%	¥39,009	(0.6)%	¥19,848	(15.3)%
Year ended March 31, 2008	2,404,659	8.5	37,443	15.3	39,235	11.5	23,426	33.9

	Earnings per share (¥)		Return on equity	Recurring profit to total assets	Operating income to net sales
	Basic	Diluted			
Year ended March 31, 2009	¥82.54	¥—	18.1%	6.0%	1.5%
Year ended March 31, 2008	97.35	—	22.2	6.1	1.6

Notes: 1. Percentage figures for net sales, operating income, recurring profit and net income represent year-on-year comparisons.
 2. Earnings from investments in equity-method affiliates
 Year ended March 31, 2009: ¥16 million Year ended March 31, 2008: ¥1,681 million

(2) Financial position (¥ million)

	Total assets	Net assets	Equity ratio	Net assets per share (¥)
As of March 31, 2009	¥635,481	¥114,684	17.1%	¥381.02
As of March 31, 2008	656,379	117,244	17.0	369.08

Note: Owners' equity

As of March 31, 2009: ¥108,697 million As of March 31, 2008: ¥111,225 million

(3) Cash flows (¥ million)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Year ended March 31, 2009	¥ 1,773	¥(12,229)	¥47,953	¥61,590
Year ended March 31, 2008	8,832	(5,560)	(6,785)	26,281

2. Dividends

	Cash dividends per share (¥)					Total dividends (full term) (¥ million)	Payout ratio (consolidated)	Dividends as a percentage of net assets (consolidated)
	Quarter-end							
	1st	2nd	3rd	Year-end	Annual			
Ordinary share:								
Year ended March 31, 2008	—	¥0.00	—	¥10.00	¥10.00	¥2,366	10.3%	3.0%
Year ended March 31, 2009	—	5.00	—	5.00	10.00	2,365	12.1	2.7
Year ending March 31, 2010 (forecast)	—	—	—	—	5.00	—	13.1	—
Type A preferred share:								
Year ended March 31, 2008	—	¥0.00	—	¥9.05	¥9.05	¥427	—	—
Year ended March 31, 2009	—	4.75	—	4.75	9.50	351	—	—
Year ending March 31, 2010 (forecast)	—	—	—	—	—	—	—	—

Note: Number of Type A preferred shares issued at the end of the year

As of March 31, 2009: 37,047,766 shares As of March 31, 2008: 47,224,743 shares

3. Business Performance Forecasts for the Year Ending March 31, 2010 (April 1, 2009 to March 31, 2010)

(¥ million)

	Net sales	Operating income	Recurring profit	Net income	Earnings per share (¥)
First-half period	¥ 800,000 (46.8)%	¥ 5,000 (83.1)%	¥ 4,500 (85.4)%	¥2,500 (86.0)%	¥10.58
Full term	1,720,000 (36.5)	16,000 (60.2)	15,000 (61.5)	9,000 (54.7)	38.10

Notes: 1. Earnings per share forecast for the current term above was made without taking into account dividends to holders of Type A preferred shares, as the dividend amounts have not been decided yet.

4. Others

(1) Changes in the scope of consolidation

Inclusion: none

Exclusion: none

(2) Changes in significant accounting policies

Changes in accounting standard: applicable

Other: not applicable

(3) Number of ordinary shares issued at the end of the year

As of March 31, 2009: 236,777,704 shares As of March 31, 2008: 236,777,704 shares

Number of shares in treasury at the end of the year

As of March 31, 2009: 581,704 shares As of March 31, 2008: 557,613 shares

5. Non-Consolidated Results for the Year Ended March 31, 2009 (April 1, 2008 to March 31, 2009)

(1) Operating results

(¥ million)

	Net sales		Operating income		Recurring profit	
Year ended March 31, 2009	¥17,194	26.4%	¥16,513	27.6%	¥16,684	27.8%
Year ended March 31, 2008	13,607	8.4	12,942	8.6	13,055	9.3

	Net income		Earnings per share (¥)	
			Basic	Diluted
Year ended March 31, 2009	¥16,578	27.8%	¥68.57	¥—
Year ended March 31, 2008	12,970	52.5	53.00	—

Note: Percentage figures represent year-on-year comparisons.

(2) Financial position

(¥ million)

	Total assets	Net assets	Equity ratio	Net assets per share (¥)
As of March 31, 2009	¥68,137	¥68,006	99.8%	¥208.40
As of March 31, 2008	60,786	60,683	99.8	154.86

Note: Owners' equity

As of March 31, 2009: ¥68,006 million As of March 31, 2008: ¥60,683 million

Operating Results

1. Analysis of Operating Results

Business Performance for Fiscal 2008

Business performance for fiscal 2007, on a consolidated basis, was as follows.

The global economy remained robust in the first five months of the reporting fiscal year, led by growth in the BRICs and other emerging economies. In the second half, however, the economy deteriorated as a result of the impact of the financial crisis. Not only was a sharp slowdown seen in the industrialized nations, a significant business downturn was also experienced in China, which had until then been reporting strong growth, as well as the other developing economies.

From the second half onward, the Japanese economy saw a rapid slowdown, as export-oriented industries — including auto makers with extensive overseas operations — and industrial machinery manufacturers experienced a rapid deterioration in their earnings performance. In response, they implemented urgent countermeasures, curbing plant and equipment investments, and slashing their workforces.

In the steel industry, which accounts for the majority of the Company's trading activities, demand for steel was strong in the first half of the reporting period, but weakened significantly in the second-half period, due to large-scale adjustments in production by Japanese manufacturers, primarily in the automobile industry, as well as decreased production activity in China and other East Asian countries. Accompanying the rapid decrease in demand, market prices of steel products substantially declined overseas. In Japan, market prices also weakened, but by a smaller margin than seen overseas.

Breakdown of Business Performance by Segment

In the steel business, JFE Shoji Group companies reorganized their business operations through rationalization and amalgamation to realize an optimal steel processing and logistics system. At our domestic and overseas steel processing bases, we made investments to expand our steel processing capabilities. We also invested in facilities to raise product quality and improve workplace safety.

In domestic operations, JFE Shoji Trade Corporation (JSTC) acquired a majority stake in JFE Kohnan Steel Center (located in Western Japan, and renamed JFE Shoji Kohnan Steel Center) from JFE Steel Corporation. In Eastern Japan, JFE Shoji Construction Materials Corporation and JFE Shoji Floor System Co., Ltd. merged operations. In addition, the new company JFE Shoji Terre One Corporation was established to enhance the marketing capabilities of the Group's earth reinforcement business through the integration of marketing operations utilizing the proprietary terre armée civil engineering method, and of related design services.

Regarding capital investment, Group member Tochigi Shearing Co., Ltd. made investments to expand its production capacity, including the construction of a new factory, to establish an integrated system for the processing of parts for forklifts. This factory began full-scale operations in October 2008. With regard to other steel product processing bases, such as JFE Shoji Zosen Kako and JFE Coil Center Co., Ltd., we made investments to strengthen our steel processing capabilities and also to refurbish aging facilities.

With regard to overseas operations, the JFE Shoji Group invested in plant expansion and new equipment for Jiangsu JFE Steel Products Co., Ltd. and Zhejiang JFE Products Co., Ltd., to offer customers in China the high value-added processing services they require. In the Middle East, we decided to establish a branch office in Dubai to gather information on energy-related industries and to expand sales of high-end steel over the medium-to-long term. We also decided on the integration of the JFE Shoji Trade Corporation's Seoul Branch into the Company's local subsidiary in South Korea to raise efficiency in our sales operations.

Regarding raw materials procurement, JSTC commenced full-scale mining operations at the Sonoma coal mine in Australia, in which it had acquired trade rights in February 2007. In this way, we made steady moves to increase the JFE Shoji Group's coal procurement capabilities. This is only one of a number of measures adopted to expand JSTC's supply of sources for high-quality raw materials. These measures, which are aimed at ensuring stable raw material supplies over a long-term perspective, are still ongoing. Efforts have also been made to secure a reliable supply of iron and steel scrap for domestic steelmaking companies to address the issue of carbon dioxide emissions. To this end, new scrap yards have been set up in Chiba, Nagoya, and Osaka. In addition, we improved our network for marine transport of ferrous scrap, took steps to expand the scope of procurement of ferrous scrap, and strengthened ties with existing suppliers. These steps have been undertaken in anticipation of a growth in demand for ferrous scrap over the medium-to-long term.

In the materials and equipment field, we are working to help JFE Steel Group companies in their efforts to address environmental issues and reduce costs by strengthening collaboration with machinery manufacturers both in Japan and overseas, with the aim of increasing the volume of trade in machinery and components for maintenance.

There was a large decline in demand for steel products in the second half of the period under review, and worsening economic conditions had a strong impact on the Company's earnings performance. However, thanks to the implementation of the various measures indicated above, we were able to expand the volume of sales and improve profitability on a full-term basis. Consequently, the JFE Shoji Group's steel and steel-peripheral businesses recorded combined sales of ¥2,666,409 million for the reporting period, a year-on-year increase of

¥319,470 million. Despite the impact of the application of new accounting standards for inventory valuation, operating income rose ¥3,117 million to ¥40,054 million.

In the food business, Kawasho Foods Corporation withdrew from the business of services for the optimization of seafood inventory levels at customer companies. Due to this, as well as the reluctance of consumers to buy made-in-China food products in the aftermath of food-poisoning scandals, we saw a decline in trade on a volume basis, and sales also recorded a year-on-year decline of ¥11,212 million to ¥30,215 million. However, operating income rose by ¥158 million to ¥437 million, thanks to the following factors. The reporting period saw an increased volume of sales in the “third-category beer” Prime Draft to mass retailers, as well as the upward impact on sales volume of a special sales campaign promoting Nozaki-brand foods such as Nozaki Corned Beef, which marked its 60th year in 2008. The sales volume of Geisha brand canned foods in the United States, the Middle East and Africa also posted growth.

Kawasho Foods Corporation has made the assurance of food safety one of its top management priorities. In addition to undertaking stricter-than-ever checks on safety management and quality control at its suppliers, the company carries out its own food safety investigations on all items handled. Kawasho Foods also performs centralized management of all safety-related data, and has created a system for responding promptly to customer inquiries. In this way, Kawasho Foods is working to expand and strengthen its product quality assurance system.

In the semiconductor business, a decline in the value of sales of ASICs for digital cameras caused total sales to drop by ¥5,711 million year-on-year, to ¥9,495 million. Operating income fell by ¥181 million to ¥141 million. Positive factors included growth in the sales volume of ASICs for multifunction color copiers and image recording substrates for video game consoles, and an improved profit margin on these items, as well as the launch of digital monitoring cameras incorporating high-performance ICs. However, these positive factors were not sufficient to offset the decline in sales of semiconductor devices for use in digital cameras, and the effects of market price deterioration.

In the real estate business, despite efforts to sell off landholdings at an early stage in the Otsuno Hills development at “New Town Tsuchiura,” in Tsuchiura City, Ibaraki Prefecture, sales of the real estate business fell by ¥629 million to ¥456 million. Operating loss increased by ¥313 million year-on-year, to ¥451 million, owing to the application of new accounting standards for the valuation of inventories.

As a result of the foregoing, total sales on a consolidated basis for the full-year period rose ¥301,917 million to ¥2,706,576 million. Operating income increased ¥2,795 million to ¥40,238 million, while recurring profit decreased ¥226 million to ¥39,009 million. The posting of losses on the valuation of available-for-sale securities and impairment losses on long-lived assets resulted in the registering of an extraordinary loss of ¥2,897 million. Consequently, net income declined ¥3,578 million year-on-year, to ¥19,848 million.

To respond to dramatic changes in our business environment, the Group as a whole is adopting a stricter credit screening policy and is strengthening cash flow management to reduce working capital.

Business Performance Forecasts for Fiscal 2009

The governments and central banks of all countries have been taking various fiscal and financial countermeasures, in response to the global economic slowdown seen in the latter part of last year, but it will be some time before significant improvements are seen. For this reason, only a modest recovery can be expected in the current fiscal year.

Regarding the Japanese economy, by the summer we expect to see a halt to the decline in exports of manufactured goods, primarily automobiles and electronic appliances. Nonetheless, exports will remain at a low level, and plant and equipment investment will continue to decline, given the deterioration in corporate earnings performances. Consumer spending will likely remain sluggish due to worsening employment conditions. Without any clear driving force to fuel an economic recovery, we can only expect the Japanese economy to shrink further in the near-term.

In the steel industry, which accounts for the majority of the Company’s trading activities, demand for steel products is expected to remain low. We anticipate a mild recovery in demand as an adjustment in inventories by manufacturers — centering on the automobile and industrial machinery industries — takes its course by late summer. Market prices will continue to show a declining trend both in Japan and overseas.

Amid such circumstances, we expect that the decrease in trading volumes and the decline in the selling price for steel products will have a substantial impact on our earnings performance. As a result, we predict sales will decline to ¥1,720,000 million, operating income to ¥16,000 million, recurring profit to ¥15,000 million, and net income to ¥9,000 million.

Although the harsh business environment is likely to persist, we will continue our Groupwide efforts to cut costs and maximize profitability with the aim of steadily achieving the performance targets under the current business plan.

Note: The reader is advised that this report contains forward-looking statements. As opposed to statements of historical fact, these constitute estimates or projections based on facts known to the Company’s management as of the time of writing, and actual results may therefore differ substantially from such

statements.

2. Analysis of Financial Conditions

Assets, Liabilities and Net Assets

Total assets declined ¥20,898 million year-on-year, to ¥635,481 million on a consolidated basis. A sharp decline in demand for steel products and a fall in product prices in the second half of the reporting period led to a decrease in trade receivables. Another negative factor is the posting of losses on the valuation of available-for-sale securities, primarily shares held under cross-shareholding arrangements. A rapid plunge in stock prices and the steady appreciation of the yen against other major currencies caused share prices to decline.

Net assets decreased ¥2,560 million year-on-year, to ¥114,684 million. Although we posted a net income of ¥19,848 million for the reporting period, this positive factor was more than offset by negative factors, including the cost of redemption of preferred shares, the payment of dividends, a substantial decline in unrealized gains on available-for-sale securities holdings, and a deterioration in the foreign exchange translation account resulting from the steep appreciation of the yen.

Cash Flows

Net cash provided by operating activities stood at a modest ¥1,773 million, owing to a rapid increase in inventory assets resulting from dramatic changes in the business environment in the second half of the reporting period.

Net cash used in investing activities totaled ¥12,229 million. Expenditures included investments to expand steel processing capacity, and plant and equipment investment aimed at improving product quality and workplace safety standards.

Net cash provided by financing activities amounted to ¥47,953 million, resulting in an increase in cash-on-hand under the ongoing credit crunch.

Major financial indicators

	FY2004	FY2005	FY2006	FY2007	FY2008
Equity ratio	10.3%	14.0%	16.0%	17.0%	17.1%
Equity ratio (mark-to-market basis)	20.9%	24.6%	22.2%	25.1%	9.7%
Debt redemption ratio	7.1	5.2	2.5	10.9	83.4
Interest coverage ratio	7.2	8.5	12.9	2.8	0.6

Note: Calculated using consolidated financial figures

Equity ratio: Owners' equity (net assets – minority interests) / Total assets

Equity ratio (mark-to-market basis): Market capitalization^{*1} / Total assets

Debt redemption ratio: Interest-bearing liabilities^{*2} / Cash flows from operating activities^{*3}

Interest coverage ratio: Cash flows from operating activities^{*3} / Interest expenses^{*4}

*1. Share price at the end of the fiscal year x the number of shares issued and outstanding at end of fiscal year

*2. Total borrowings

*3. Cash flows from operating activities appearing in the consolidated statement of cash flows

*4. Interest expenses registered on the consolidated statement of cash flows

3. Basic Policy on Distribution of Retained Earnings for the Reporting and Current Terms

The Company's dividend policy makes dividend payments to shareholders a priority, while giving full consideration to the Company's earnings trends, as well as the need to retain sufficient earnings to strengthen the business foundation of the Group as a whole and redeem preferred shares.

Accordingly, we have decided to pay a dividend of ¥5 to holders of ordinary shares of common stock at the term-end, as previously announced, following an interim dividend of ¥5, making for an annual dividend payment of ¥10. The dividend for Class A preferred shares was determined according to the stipulations in the Company's Articles of Incorporation as ¥9.5 per share per annum (which includes an interim payment of ¥4.75 per share). Having worked to ensure a sufficient amount of retained earnings and a sound financial base, we have made it possible to undertake the full redemption of Class A preferred shares, and in preparation for requests by holders of these shares to have them redeemed, the Company plans to make a provision for the redemption of Class A preferred shares in lump-sum in the amount of ¥18,523,883,000.

Regarding dividend payments for the current term, we are planning to pay an annual dividend of ¥5. Although the economic outlook is expected to remain severe in the current term, we make the regular return of profits to our shareholders a top priority.

Outline of the JFE Shoji Group

No significant changes have been made to the “Business Structure (Business Lines)” and “Subsidiaries and Affiliates” sections appearing in the Company’s securities report issued on June 27, 2008. Therefore, these parts have been omitted.

Management Policy

1. The Basic Management Policy of the JFE Shoji Group

As there are no significant changes from the issues disclosed in the Fiscal 2007 Financial Results report released on October 31, 2006), these parts have been omitted.

The Fiscal 2007 Financial Results report is available on our website:
<http://www.jfe-shoji-hd.co.jp/investor/earnings/index.html>

Tokyo Stock Exchange (information search for listed companies):
<http://www.tse.or.jp/listing/compsearch/index.html>

2. Targeted principal management indicators

3. Medium-to-long-term management strategy, and issues the Company faces

Under its management vision of “Making the JFE Shoji Group into one of the leading specialist steel trading entities in the world,” the Group aims to expand revenues and improve efficiency to ensure a sufficiently high level of profitability that will serve as the basis for sustainable growth, even in a rapidly changing business environment.

We will continue to work to reinforce our revenue base and implement measures to upgrade the training of our staff, who are ultimately responsible for the success of the Group as a whole. Through these efforts, we aim to realize continuous growth and contribute to the well-being of all our stakeholders.

Consolidated Balance Sheets

As of March 31	Millions of yen	
	2009	2008
Assets		
Current assets:		
Cash and deposits	¥ 60,822	¥ 26,645
Trade notes and accounts receivable	343,071	403,307
Inventories	—	81,207
Merchandise and finished products	69,465	—
Work in process	494	—
Raw materials and supplies	25,655	—
Other current assets	36,135	39,980
Allowance for doubtful receivables	(2,370)	(2,328)
Total current assets	533,273	548,812
Non-current assets:		
Tangible fixed assets:		
Buildings and structures	23,830	23,263
Accumulated depreciation	(12,085)	(12,277)
Net buildings and structures	11,744	10,985
Machinery, equipment and vehicles	29,452	28,857
Accumulated depreciation	(21,041)	(20,579)
Net machinery, equipment and vehicles	8,411	8,278
Land	16,771	18,170
Other	10,574	4,981
Accumulated depreciation	(6,521)	(3,421)
Net other	4,053	1,559
Total tangible fixed assets	40,980	38,994
Intangible assets	7,922	8,049
Investments and other assets:		
Investments in securities	38,077	46,150
Other	21,174	22,787
Allowance for doubtful receivables	(5,947)	(8,414)
Total investments and other assets	53,305	60,523
Total non-current assets	102,208	107,567
Total assets	¥635,481	¥656,379

Note: Amounts under one million yen are omitted.

As of March 31	Millions of yen	
	2009	2008
Liabilities		
Current liabilities:		
Trade notes and accounts payable	¥333,754	¥399,316
Short-term borrowings	123,338	67,158
Accrued income taxes	4,783	9,030
Other reserve	10	9
Commercial paper	—	6,997
Other current liabilities	26,228	28,030
Total current liabilities	488,114	510,542
Non-current liabilities:		
Long-term debt	24,451	22,270
Accrued retirement benefits for employees	3,990	3,565
Accrued retirement benefits for directors	669	558
Other reserve	34	20
Other	3,536	2,177
Total non-current liabilities	32,681	28,592
Total liabilities	520,796	539,135
Net assets		
Shareholders' equity:		
Share capital	20,000	20,000
Capital surplus	17,428	17,428
Retained earnings	83,737	73,126
Treasury stock	(329)	(317)
Total shareholders' equity	120,836	110,237
Valuation and translation adjustments:		
Net unrealized holding gain (loss) on securities	(233)	4,920
Net deferred loss on hedges	(155)	(69)
Land revaluation reserve	(407)	(410)
Translation adjustments	(11,342)	(3,452)
Total valuation and translation adjustments	(12,139)	987
Minority interests	5,987	6,019
Total net assets	114,684	117,244
Total liabilities and net assets	¥635,481	¥656,379

Consolidated Statements of Income

Years ended March 31	Millions of yen	
	2009	2008
Net sales	¥2,706,576	¥2,404,659
Cost of sales	2,609,799	2,313,340
Gross profit	96,777	91,318
Selling, general and administrative expenses	56,538	53,874
Operating income	40,238	37,443
Non-operating income:		
Interest income	886	1,238
Dividend received	1,518	1,103
Equity in earnings of unconsolidated subsidiaries and affiliates	16	1,681
Foreign exchange gain	993	—
Other	1,516	3,235
Total non-operating income	4,931	7,259
Non-operating expenses:		
Interest expense	3,366	3,171
Loss on sale of trade notes and accounts receivable	693	819
Loss on devaluation of derivatives	891	—
Other	1,209	1,475
Total non-operating expenses	6,161	5,467
Recurring profit	39,009	39,235
Extraordinary income:		
Reversal of allowance for doubtful receivables	—	949
Gain on sale of tangible fixed assets	—	735
Total extraordinary income	—	1,684
Extraordinary losses:		
Loss on devaluation of investments in securities	1,903	—
Loss on impairment of fixed assets	508	533
Loss on devaluation of inventories	485	—
Provision for accrued retirement benefits for directors	—	209
Total extraordinary losses	2,897	742
Income before income taxes and minority interests	36,111	40,177
Income taxes:		
Current	13,691	14,849
Deferred	1,644	972
Total income taxes	15,335	15,822
Minority interests	927	929
Net income	¥ 19,848	¥ 23,426

Note: Amounts under one million yen are omitted.

Consolidated Statements of Changes in Net Assets

	Millions of yen				
	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Year ended March 31, 2009					
Balance at March 31, 2008	¥20,000	¥17,428	¥73,126	¥ (317)	¥110,237
Changes during year:					
Cash dividends			(4,146)		(4,146)
Net income			19,848		19,848
Purchases of treasury stock				(5,100)	(5,100)
Retirement of treasury stock		(5,088)		5,088	—
Transfer		5,088	(5,088)		—
Reversal of land revaluation reserve			(3)		(3)
Net changes in items other than shareholders' equity					
Total changes during year	—	—	10,610	(12)	10,598
Balance at March 31, 2009	¥20,000	¥17,428	¥83,737	¥ (329)	¥120,836

	Valuation and translation adjustments						
	Net unrealized holding gain (loss) on securities	Net unrealized loss on hedges	Land revaluation reserve	Translation adjustments	Total valuation and translation adjustments	Minority interests	Total net assets
Balance at March 31, 2008	¥ 4,920	¥ (69)	¥(410)	¥ (3,452)	¥ 987	¥6,019	¥117,244
Changes during year:							
Cash dividends							(4,146)
Net income							19,848
Purchases of treasury stock							(5,100)
Retirement of treasury stock							—
Transfer							—
Reversal of land revaluation reserve							(3)
Net changes in items other than shareholders' equity	(5,153)	(85)	3	(7,889)	(13,126)	(31)	(13,158)
Total changes during year	(5,153)	(85)	3	(7,889)	(13,126)	(31)	(2,559)
Balance at March 31, 2009	¥ (233)	¥(155)	¥(407)	¥(11,342)	¥(12,139)	¥5,987	¥114,684

Note: Amounts under one million yen are omitted.

Year ended March 31, 2008	Millions of yen				
	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2007	¥20,000	¥17,428	¥54,961	¥ (286)	¥ 92,103
Changes during year:					
Cash dividends			(2,017)		(2,017)
Net income			23,426		23,426
Purchases of treasury stock				(3,276)	(3,276)
Retirement of treasury stock		(3,244)		3,244	—
Transfer		3,244	(3,244)		—
Reversal of land revaluation reserve			0		0
Net changes in items other than shareholders' equity					
Total changes during year	—	—	18,165	(31)	18,133
Balance at March 31, 2008	¥20,000	¥17,428	¥73,126	¥ (317)	¥110,237

Year ended March 31, 2008	Valuation and translation adjustments						
	Net unrealized holding gain on securities	Net unrealized deferred gain (loss) on hedges	Land revaluation reserve	Translation adjustments	Total valuation and translation adjustments	Minority interests	Total net assets
Balance at March 31, 2007	¥11,787	¥ 1	¥(410)	¥(3,301)	¥8,077	¥5,293	¥105,475
Changes during year:							
Cash dividends							(2,017)
Net income							23,426
Purchases of treasury stock							(3,276)
Retirement of treasury stock							—
Transfer							—
Reversal of land revaluation reserve							0
Net changes in items other than shareholders' equity	(6,866)	(71)	(0)	(151)	(7,090)	725	(6,364)
Total changes during year	(6,866)	(71)	(0)	(151)	(7,090)	725	11,769
Balance at March 31, 2008	¥ 4,920	¥(69)	¥(410)	¥(3,452)	¥ 987	¥6,019	¥117,244

Consolidated Statements of Cash Flows

Years ended March 31	Millions of yen	
	2009	2008
Cash flows from operating activities		
Income before income taxes and minority interests	¥36,111	¥40,177
Depreciation and amortization	5,890	3,994
Loss on devaluation of investments in securities	1,903	—
Loss on impairment of fixed assets	508	533
Gain on sale of tangible fixed assets	—	(735)
Decrease in allowance for doubtful receivables	(2,728)	(2,069)
Increase (decrease) in accrued retirement benefits for employees	219	(109)
Increase in accrued retirement benefits for directors	75	311
Interest and dividend income	(2,404)	(2,341)
Interest expense	3,366	3,171
Equity in earnings of unconsolidated subsidiaries and affiliates	(16)	(1,681)
Decrease (increase) in trade notes and accounts receivable	52,411	(34,904)
Decrease (increase) in inventories	(19,876)	686
Increase (decrease) in trade notes and accounts payable	(59,659)	10,518
Other, net	4,651	1,304
Subtotal	20,452	18,857
Interest and dividend received	2,844	2,896
Interest paid	(3,046)	(3,211)
Income taxes paid	(21,020)	(12,072)
Income taxes refunded	2,543	2,361
Net cash provided by operating activities	1,773	8,832
Cash flows from investing activities		
Increase in time deposits	(1,523)	(744)
Proceeds from withdrawal of time deposits	1,542	731
Purchases of tangible fixed assets	(6,808)	(6,491)
Proceeds from sale of tangible fixed assets	1,051	1,519
Purchases of intangible assets	(2,886)	(1,622)
Purchases of investments in securities	(3,799)	(190)
Proceeds from sale of investments in securities	20	238
Increase in loans receivable	(918)	(1,317)
Collection of loans receivable	970	1,574
Other, net	120	742
Net cash used in investing activities	(12,229)	(5,560)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	73,721	(22,495)
Increase (decrease) in commercial paper	(6,997)	6,997
Proceeds from long-term debt	6,000	14,229
Repayment of long-term debt	(14,274)	(83)
Purchases of treasury stock	(5,100)	(3,276)
Cash dividends paid	(4,146)	(2,014)
Cash dividends paid to minority shareholders	(527)	(382)
Repayment of finance lease obligations	(722)	—
Other, net	—	241
Net cash provided by (used in) financing activities	47,953	(6,785)
Effect of exchange rate changes on cash and cash equivalents	(2,187)	(131)
Net increase (decrease) in cash and cash equivalents	35,309	(3,644)
Cash and cash equivalents at beginning of year	26,281	30,003
Decrease resulting from exclusion of subsidiaries from consolidation	—	(77)
Cash and cash equivalents at end of year	¥61,590	¥26,281

Note: Amounts under one million yen are omitted.

Segment Information

Business segment information

Millions of yen

	Year ended March 31, 2009						
	Steel and Steel Peripherals	Food	Semiconductors	Real Estate	Total	Eliminations or Corporate	Consolidated
Net sales:							
Outside customers	¥2,666,409	¥30,215	¥9,495	¥ 456	¥2,706,576	¥ —	¥2,706,576
Intersegment	3	3	18	33	59	(59)	—
Total	2,666,413	30,218	9,514	489	2,706,635	(59)	2,706,576
Operating expenses	2,626,358	29,780	9,373	941	2,666,454	(116)	2,666,337
Operating income (loss)	¥ 40,054	¥ 437	¥ 141	¥ (451)	¥ 40,181	¥ 57	¥ 40,238
Total assets	¥ 604,425	¥ 8,522	¥ 2,805	¥16,417	¥ 632,171	¥3,310	¥ 635,481
Depreciation and amortization	5,805	66	7	3	5,882	7	5,890
Impairment loss	508	—	—	—	508	—	508
Capital expenditures	9,533	256	8	—	9,799	52	9,852

	Year ended March 31, 2008						
	Steel and Steel Peripherals	Food	Semiconductors	Real Estate	Total	Eliminations or Corporate	Consolidated
Net sales:							
Outside customers	¥2,364,939	¥41,427	¥15,206	¥ 1,085	¥2,404,659	¥ —	¥2,404,659
Intersegment	0	6	21	56	83	(83)	—
Total	2,364,939	41,434	15,227	1,141	2,404,743	(83)	2,404,659
Operating expenses	2,310,002	41,154	14,904	1,279	2,367,341	(126)	2,367,215
Operating income (loss)	¥ 36,937	¥ 279	¥ 322	¥ (138)	¥ 37,401	¥ 42	¥ 37,443
Total assets	¥ 630,641	¥ 9,447	¥ 4,450	¥17,577	¥ 662,118	¥(5,738)	¥ 656,379
Depreciation and amortization	3,894	69	7	3	3,974	19	3,994
Impairment loss	533	—	—	—	533	—	533
Capital expenditures	8,213	56	7	1	8,278	10	8,289

Notes: 1. Amounts under one million yen are omitted.

- Unallocated operating expenses of ¥680 million and ¥664 million for the years ended March 31, 2009 and 2008, respectively, included in the "Elimination or Corporate" column, consisted primarily of general and administrative expenses incurred at the Company.
- Corporate assets of ¥3,427 million and ¥2,748 million for the years ended March 31, 2009 and 2008, respectively, included in the "Elimination or Corporate" column, consisted primarily of a refundable corporate tax asset of the Company.
- "Capital expenditures" do not include any increase due to the merger, and so forth.
- Effective from the reporting period, new standards for the measurement of inventories are being applied. In line with this change, compared with the figures that would have resulted from the use of the previous accounting standards, operating income for the reporting period declined by ¥4,993 million for the Steel and Steel Peripherals Business, ¥5 million for the Food Business, ¥15 million for the Semiconductors Business, and ¥320 million for the Real Estate Business, respectively. The term-end balance of assets declined by ¥3,955 million for the Steel and Steel Peripherals Business, ¥3 million for the Food Business, ¥11 million for the Semiconductors Business, and ¥806 million for the Real Estate Business, respectively.
- Effective from the reporting period, new accounting standards for lease transactions are being applied. In line with this change, compared with the figures that would have resulted from the use of the previous accounting standards, the term-end balance of assets for the Steel and Steel Peripherals Business increased by ¥2535 million, and for the Food Business the balance increased by ¥4 million, while amounts posted in the category of "Eliminations or Corporate" increased by ¥2 million.

Geographic segment information

	Millions of yen				
	Year ended March 31, 2009				
	Japan	Other areas	Total	Eliminations or Corporate	Consolidated
Net sales:					
Outside customers	¥2,538,793	¥167,783	¥2,706,576	¥ —	¥2,706,576
Intersegment	78,827	7,116	85,943	(85,943)	—
Total	2,617,620	174,899	2,792,520	(85,943)	2,706,576
Operating expenses	2,585,532	167,318	2,752,850	(86,512)	2,666,337
Operating income	¥ 32,088	¥ 7,581	¥ 39,670	¥ 568	¥ 40,238
Total assets	¥ 587,319	¥ 80,399	¥ 667,719	¥32,237	¥ 635,481

	Year ended March 31, 2008				
	Japan	Other areas	Total	Eliminations or Corporate	Consolidated
	Net sales:				
Outside customers	¥2,258,372	¥146,286	¥2,404,659	¥ —	¥2,404,659
Intersegment	75,281	5,283	80,564	(80,564)	—
Total	2,333,654	151,569	2,485,224	(80,564)	2,404,659
Operating expenses	2,300,224	147,526	2,447,751	(80,535)	2,367,215
Operating income	¥ 33,429	¥ 4,043	¥ 37,472	¥ (28)	¥ 37,443
Total assets	¥ 607,407	¥ 82,759	¥ 690,167	¥(33,787)	¥ 656,379

Notes: 1. Amounts under one million yen are omitted.

2. Other areas: U.S.A., China, Thailand, Malaysia

3. Effective from the reporting period, new standards for the measurement of inventories are being applied. In line with this change, compared with the figures that would have resulted from the use of the previous accounting standards, operating income declined by ¥2,953 million for the Japan regional segment and by ¥2,381 million for the Other areas segment. Assets at the reporting term-end were down by ¥2,764 million for Japan and by ¥2,012 million for Other areas segment, compared with the previous accounting standards.

4. Effective from the reporting period, new standards for lease transactions are being applied. In line with this change, compared with the figures that would have resulted from the use of the previous accounting standards, the term-end balance of assets declined by ¥1,358 million for the Japan segment and by ¥1,183 million for the Other areas segment.

Overseas sales

	Millions of yen		
	Year ended March 31, 2009		
	Asia	Other areas	Total
Overseas sales	¥652,780	¥183,120	¥ 835,901
Overseas sales as a percentage of consolidated net sales	24.1%	6.8%	30.9%
Consolidated net sales			¥2,706,576

	Year ended March 31, 2008		
	Asia	Other areas	Total
	Overseas sales	¥606,089	¥171,667
Overseas sales as a percentage of consolidated net sales	25.2%	7.1%	32.3%
Consolidated net sales			¥2,404,659

Notes: 1. Amounts under one million yen are omitted.

2. Asia: South Korea, China, Thailand

Other areas: U.S.A., Panama, Australia

3. Overseas sales consist of sales of the Company and its consolidated subsidiaries outside Japan.