

Accounts Settlement for Fiscal 2013 Results Summary

April 25, 2014

JFE SHOJI TRADE CORPORATION

- 1. FY2013 Accounts Settlement : Key Points**
- 2. Consolidated Statements of Income**
- 3. Consolidated Balance Sheet (Summary)**
- 4. Consolidated Statement of Cash Flows(Summary)**
- 5. <Ref.> Net Sales and Ordinary Income
(Consolidated)**

1. FY2013 Accounts Settlement : Key Points

- ◆ Sales increased ¥37.4 billion Y o Y to ¥1,781.3 billion due mainly to the expansion of sales volume of steel products in the domestic market and rising of steel products' prices for the export ,which were attributed to the depreciation of yen.
- ◆ Ordinary income increased ¥6.5 billion Y o Y to ¥21.5 billion owing mainly to the expansion of sales volumes of construction & automotive related steel products in domestic market in spite of softening foreign market conditions on the back of excess supply from steel mills in neighboring countries.
- ◆ Net income increased ¥4.4 billion, to ¥11.5 billion, on the back of ¥ 6.5 billion increase in ordinary income.

2. Consolidated Statements of Income

(Billions of yen)

	3Q Cumulative	4Q	FY2013	FY2012	Y o Y change	
	(Apr - Dec)	(Jan-Mar)				% change
Net sales	1,306.4	47.5	1,781.3	1,743.9	① 37.4	2%
Gross profit on sales (profit ratio)	51.2 (3.9%)	24.6 (5.2%)	75.8 (4.3%)	67.5 (3.9%)	② 8.3 (0.4%)	12%
Selling, General and administrative expense	36.7	14.6	51.3	49.1	③ 2.2	4%
Operating income	14.5	10.0	24.5	18.4	6.1	33%
Non operating income	1.3	▲4.3	▲3.0	▲3.4	④ 0.4	
Ordinary income	15.8	5.7	21.5	15.0	6.5	43%
Extraordinary income(loss)	-	▲2.2	▲2.2	▲1.6	⑤ ▲0.6	
Income before income	15.8	3.5	19.3	13.4	5.9	44%
Net income	9.3	2.2	11.5	7.1	4.4	62%

①② Net sales / Gross profit on sales

● JFE Shoji Trade	▲13.2	+2.6
- Steel	+71.9	+1.9
- Raw materials/ machinery and materials	▲83.9	+0.6
- Real estates etc.	▲1.2	+0.1
● Two spun-off companies	+47.2	+2.1
● Domestic subsidiaries	+7	+1.6
● Overseas subsidiaries	+18.9	+0.6
● Consolidated adjustments	▲26.2	+1.5
● Food/Electronics	+3.7	▲0.1

③ Selling, general and administrative expense

Increase in selling expense, others

④ Non-operating income

Incomes of companies accounted for using equity method, others

⑤ Extraordinary income

Impairment losses of possessing assets, others

3. Consolidated Balance Sheet Summary

(Billions of yen)

	FY2013 term-end	FY2012 term-end	Y o Y change
Total assets	589.2	523.0	① 66.2
Net assets	153.6	134.6	② 19.0
Interest-bearing liabilities	96.6	99.1	③ ▲ 2.5
D/E ratio (DER)	0.65	0.76	▲ 0.11
(Net DER)	0.51	0.58	▲ 0.07
Equity ratio	25.1%	24.8%	0.3%

● Total net assets

Year on year increase of 66.2 billion, to 589.2 billion

Cash and deposits : ▲¥2.2 billion

Trade notes and accounts receivable: + ¥45.8 billion

Inventories : +¥3.7 billion

Current assets : +¥6.5 billion

● Net assets

(Breakdown of ¥19 billion increase)

-Increase- Net Income ¥9.8 billion

Valuation & translation adjustment ¥8.6 billion

Minority interests ¥0.6 billion

● Interest-bearing liabilities

Down ¥2.5 billion from the end of the previous fiscal year to ¥96.6 billion

※D/E ratio

= Interest-bearing liabilities / (net assets - minority interests)

※Equity ratio

= (net assets - minority interests) / total assets

4. Consolidated Statement of Cash Flows Summary

(Billions of yen)

	FY 2013
Cash flows from operating activities	17.9
Cash flows from investing activities	▲ 10.7
Free cash flow	7.2
Cash flows from financing activities	▲ 11.5
Cash and cash equivalents translation adjustment	2.3
Net decrease in cash and cash equivalents	▲ 2.2
Cash and cash equivalents at beginning of year	24.0
Cash and cash equivalents at end of year	21.8

● Cash flows from operating activities (Billions of yen)

Income before income taxes	+¥19.3
Depreciation and amortization	+ ¥4.7
Increase in advances to customers	▲¥4.9
Decrease in inventories	+¥2.4
Income taxes paid (and other items)	▲ ¥4.6

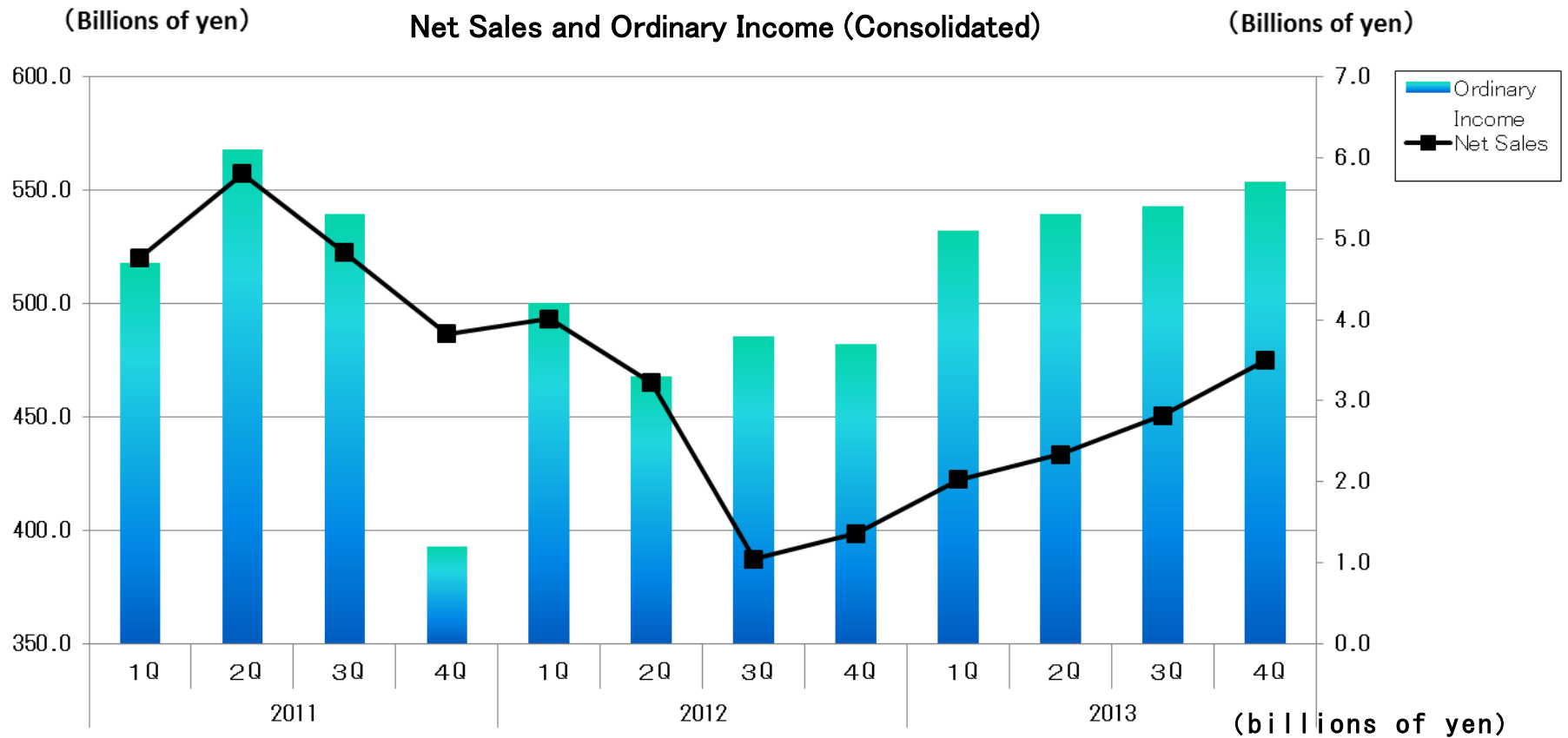
● Cash flows from investing activities

Acquisition of current assets	▲¥ 8.2
Acquisition of non-current assets	▲¥ 1.1
Expense of loan (and other items)	▲ ¥2.3

● Cash flows from financing activities

Increase in borrowings	+¥10.5
Dividend payments (and other items)	▲ ¥0.8

7. Net Sales and Ordinary Income ~Previous 3 years by quarter



	FY2011				FY2012				FY2013			
	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q
Net Sales	520.1	557.3	522.5	486.7	493.2	465.1	387.2	398.4	422.4	433.4	450.6	474.9
Ordinary income	4.7	6.1	5.3	1.2	4.2	3.3	3.8	3.7	5.1	5.3	5.4	5.7