

# Financial Results for Fiscal Year 2016 ended March 31, 2017

April 28th, 2017



**JFE Shoji Trade Corporation**

1. FY2016 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. FY2016 Accounts Settlement : Key Points

- ◆ **Despite increasing sales volumes of steel products in China and ASEAN area, net sales decreased ¥85.4 billion down to ¥1,671 billion, due to falling prices of steel in domestic and overseas markets and appreciation of yen.**
- ◆ **Ordinary income increased ¥6.1 billion up to ¥21.8 billion, owing to profitability improvement of subsidiaries in USA, China and ASEAN area.**
- ◆ **Profit attributable to owners of parent increased ¥6.5 billion to ¥14 billion.**

## 2. Consolidated Statements of Income

(Billions of yen)

	FY2016	FY2015	Cumulative YoY change	
				% change
Net sales	1671.0	1756.4	(85.4)	(5%)
Gross profit	82.2	77.4	4.8	6%
Gross profit margin	4.9%	4.4%	0.5%	
Selling, general and administrative expenses	61.3	62.4	(1.1)	(2%)
Operating income	20.9	15.0	5.9	39%
Non-operating income	0.9	0.7	0.2	
Ordinary income	21.8	15.7	6.1	39%
Extraordinary income (losses)	(0.7)	(2.3)	1.6	
Income before income taxes	21.1	13.4	7.7	57%
Profit attributable to owners of parent	14.0	7.5	6.5	87%

### ● Net sales

Year-on-year decrease of ¥85.4 billion, to ¥1,671 billion.

### ● Ordinary income

Year-on-year increase of ¥6.1 billion, to ¥21.8 billion.

### ● Profit attributable to owners of parent

Year-on-year increase of ¥6.5 billion, to ¥14 billion.

### 3. Consolidated Balance Sheet (Summary)

(Billions of yen)

	FY2016 term-end	FY2015 term-end	YoY change
<b>Total assets</b>	<b>643.0</b>	<b>619.7</b>	① <b>23.3</b>
<b>Total liabilities</b>	<b>467.3</b>	<b>456.3</b>	② <b>11.0</b>
<b>Net assets</b>	<b>175.7</b>	<b>163.4</b>	③ <b>12.3</b>
<b>Interest-bearing liabilities</b>	<b>119.5</b>	<b>134.0</b>	<b>(14.5)</b>
<b>*D/E ratio</b>	<b>0.71</b>	<b>0.85</b>	<b>(0.14)</b>
<b>*Equity capital ratio</b>	<b>26.3%</b>	<b>25.3%</b>	<b>1.0</b>

#### ① Total assets

Increase in cash and deposits paid	10.8
Trade notes and accounts receivable	28.1
Decrease in inventories others	(14.4)

#### ② Total liabilities

Increase in purchase debts	30
Decrease in borrowing others	(14.6)

#### ③ Net assets

Profit attributable to owners of parent	14
Others	(0.2)

\*D/E ratio = interest-bearing liabilities / (net assets - minority interests)

\*Equity capital ratio = (net assets - minority interests) / total assets

# 4. Consolidated Statement of Cash Flows (Summary)

(Billions of yen)

	FY2016
<b>Cash flows from operating activities</b>	<b>34.4</b>
<b>Cash flows from investing activities</b>	<b>(7.9)</b>
<b>Free cash flow</b>	<b>26.5</b>
<b>Cash flows from financing activities</b>	<b>(13.7)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>(0.9)</b>
<b>Net increase in cash and cash equivalents</b>	<b>11.9</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>31.9</b>
<b>Cash and cash equivalents at end of half period of fiscal 2016</b>	<b>43.8</b>

## ● Cash flows from operating activities

Ordinary Income	21.8
Depreciation and amortization	7.1
Changes in inventories	11.6
Income taxes paid	(5.9)

## ● Cash flows from investing activities

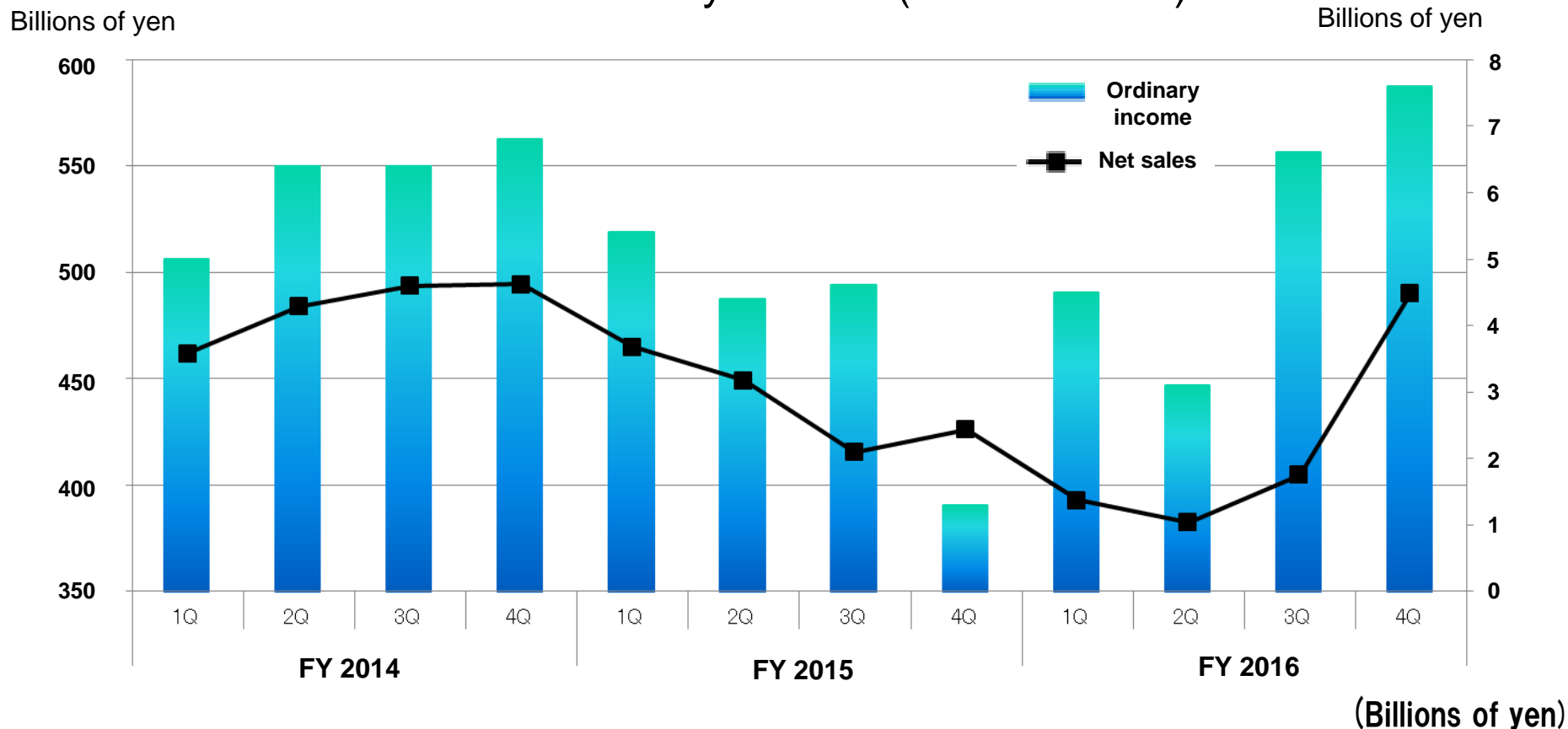
Payments for purchase of fixed assets	(5.4)
Purchase of investment securities	(3.3)

## ● Cash flows from financing activities

Decrease in borrowings	(11.3)
Payment for dividends	(1.9)

## 6. <Reference> Net Sales and Ordinary Income (Consolidated)

### Net sales and Ordinary Income (Consolidated)



	FY2014				FY2015				FY2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	462.1	484.1	493.7	494.5	465.1	449.4	415.7	426.2	393.0	382.7	404.9	490.4
Ordinary income	5.0	6.4	6.4	6.8	5.4	4.4	4.6	1.3	4.5	3.1	6.6	7.6



**JFE**