ANNUAL REPORT 2008

Year Ended March 31, 2008

KYOEI STEEL

K Y O E I S T E E L

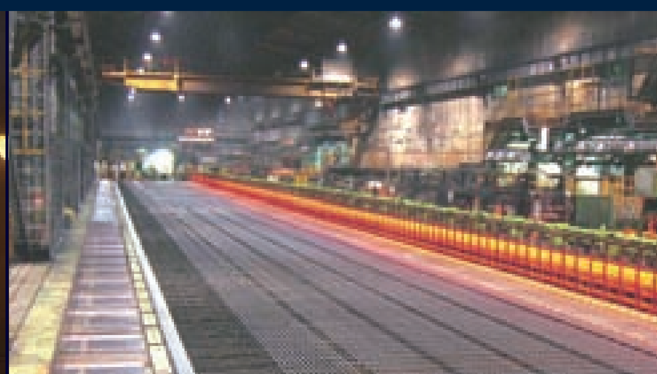
Management Principle

Spirit of Challenge

We, at Kyoei Steel Group, strive to become a corporate group getting along with society through resource recycling operations focusing on steel business, and, contributing to the development of the national economy and local communities.

Action Guidelines

- We maintain a high level of ethics, fairness and integrity.
- We create a corporate culture of enterprise and innovation, a challenging spirit, and enthusiasm toward achievement.
- We regard the sense of reality vital, apart from subjective viewpoint.
- We create a corporation in which people and technologies are respected, and working for which is a source of pride and joy.

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FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements regarding the Kyoei Steel Group's plans, strategies, and beliefs. These forward-looking statements are based on management's assumptions and beliefs in the light of information available at the time of publication. Therefore, it is advised that you should not rely solely upon these forward-looking statements in making your investment decisions. You should also be aware that certain risks and uncertainties could cause the actual results of Kyoei Steel Ltd. and its Group companies to differ materially from any projections or forward-looking statements discussed in this report. These risks and uncertainties include, but are not limited to, the following: (i) global economic conditions and national economic conditions in Kyoei Steel's markets, mainly construction market, (ii) fluctuations in demand for Kyoei Steel's products and services, (iii) fluctuations in price of steel scraps, raw materials of Kyoei Steel Group's steel products, (iv) regulatory change and uncertainty an potential legal liability relating to Kyoei Steel Group's business and operations, (v) effects of disasters, power blackouts and other incidents, (vi) fluctuations in Japanese stock markets and other risk factors.

Company Profile

Kyoei Steel Group comprises Kyoei Steel, Ltd., eight subsidiaries and two affiliates in Japan and one affiliate in Vietnam.

Kyoei Steel, Ltd. is one of the leading steel minimill companies in Japan and is only steel minimill company in Japan which covers four major urban markets of Kanto, Chubu, Kansai and the Kyushu/Chugoku areas. This production configuration leads us to be called "Four Steel Mills Plus One Billet Center" organization.

Consolidated Financial Highlights

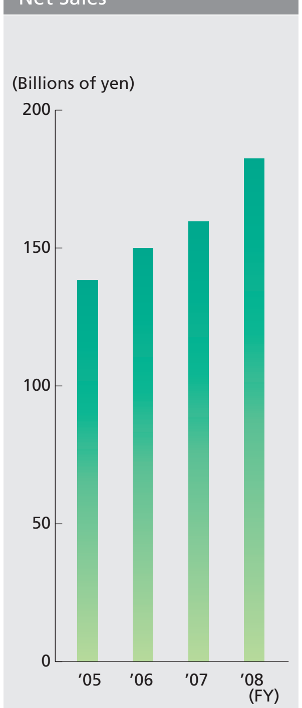
Kyoei Steel, Ltd. and Consolidated Subsidiaries
Years Ended March 31

	Millions of yen				Thousand of U.S. dollars
	2005	2006	2007	**2008**	**2008**
For the Year:					
Net sales	¥ 137,811	¥ 149,309	¥ 158,873	¥ 181,576	$ 1,812,678
Operating income	25,600	28,613	21,463	17,189	171,598
Net income	15,063	17,412	15,630	11,070	110,512
Depreciation and amortization	4,620	4,544	4,647	4,738	47,300
Capital expenditures	2,931	4,247	6,699	5,550	55,406
At Year-End:					
Total assets	¥ 137,663	¥ 148,617	¥ 168,897	¥ 166,572	$ 1,662,893
Interest-bearing debt	49,657	31,236	10,148	1,952	19,487
Net assets	46,484	66,703	98,899	107,846	1,076,630
	Yen				U.S. dollars
Amounts per Share :					
Net income, basic	¥ 414.50	¥478.98	¥ 414.23	¥ 253.66	$ 2.53
Net income, diluted	—	—	—	—	—
Cash dividends applicable to the year	6.00	12.00	30.00	30.00	0.30
Equity* to total assets (%)	33.8	44.9	58.2	64.3	
D/E ratio (times)	1.06	0.47	0.10	0.02	

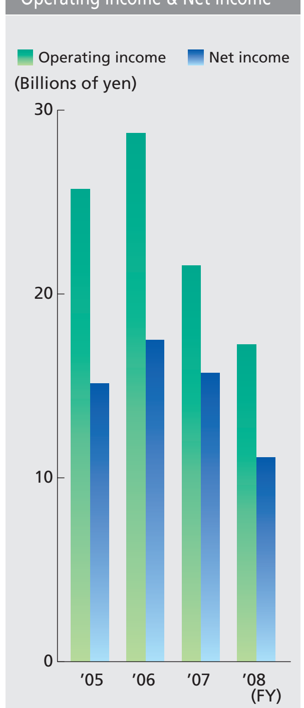
Note: U.S. dollar amounts are translated from yen, for convenience only, at the approximate rate of ¥100.17 to US$1 prevailing on March 31, 2008.

*Equity = Net assets - Minority interest

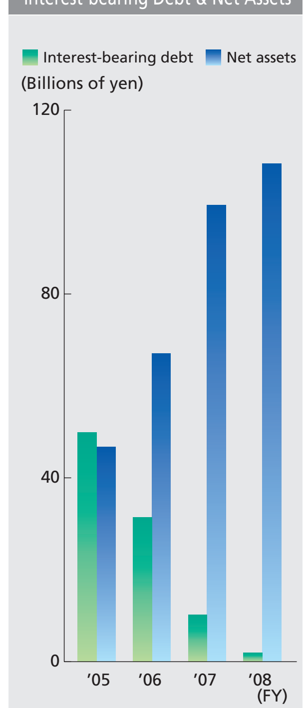
Net Sales



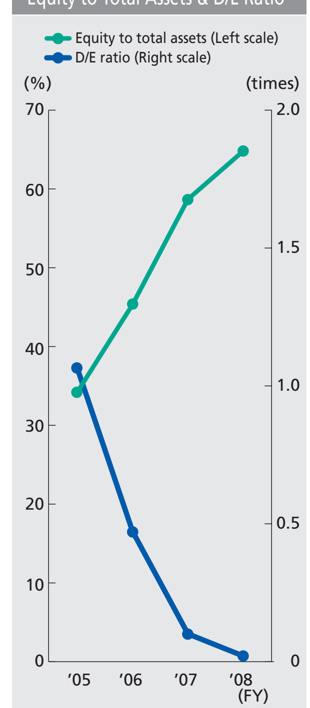
Operating Income & Net Income



Interest-bearing Debt & Net Assets



Equity to Total Assets & D/E Ratio



Fiscal 2008 Business Highlights

01 Consolidated net sales increased by 14.3% from the previous year to ¥182 billion, a record high for the company.

02 Shipments of steel products in this fiscal year decreased by 75,000 tons due to a fall in construction activities negatively influenced by the enactment of the Revised Construction Code in June 2007.

03 While the price of steel scrap has remained high, it took another sharp jump in the fourth quarter, surpassing the ¥50,000/ton threshold at the end of March, a sharp rise of about 50% over a year earlier.

04 In response to the sharp rise in steel scrap prices, we have striven to increase the price of our steel products to ¥70,000/ton, a 20% increase from the previous year.

05 Although we successfully raised the price of steel products, it was not enough to fully absorb the sharp rise in steel scrap prices and other material cost increases.

06 In our material recycling business, we recorded a solid operating income of ¥2.9 billion contributed mainly by accepting contaminated soil at the controlled final landfill site of our Yamaguchi Division.

07 After initial struggles to reach normal operation at the gasification furnace that we built in 2005 at our Yamaguchi Division, the operation has been running smoothly in the latter half of fiscal 2008.

08 At the end of fiscal 2008, interest-bearing debt had been reduced to about ¥1.9 billion. Thus our financial conditions have been improved as we posted a debt-equity ratio of 0.02.

09 Net assets were ¥108 billion, successfully exceeding our goal of ¥100 billion threshold.

10 Under a cross-shareholding agreement with Godo Steel, Ltd. signed in May 2007, we acquired 3% of Godo Steel's outstanding shares in August 2007 while allotting that company 900,000 of our common shares.

Dear Shareholders:

We celebrated our 60th anniversary in December 2007. These 60 years have indeed been momentous ones for Japan, with the country's economy going from post-war recovery to miraculous growth, and then to economic maturity. It has been no less exciting a period for Kyoei Steel as we have taken every opportunity to grow into the company we are today.

The Kyoei Steel Group makes steel products by using electric arc furnaces to recycle steel scrap, a material of which Japan can boast the world's second largest reserves. This wealth of steel scrap means we have no problem procuring our raw materials in Japan and we therefore have a unique advantage over integrated steel producers, which must import all of their raw materials, such as iron ore and coal.

In our fiscal 2008 consolidated performance, we had net sales of ¥181,576 million (up 14.3% from the previous year), operating income of ¥17,189 million (down 19.9%), and net income of ¥11,070 million (down 29.2%). Although we have striven to raise our product prices enough to make up for spiraling steel scrap prices and the rising costs of the auxiliary material ferrous alloy and other production necessities, these efforts have not been enough to fully absorb the cost-push.

Fiscal 2008 was the third and final year of our third three-year growth plan, called New Frontier 600, which we started in fiscal 2006 with several key goals. One was to achieve a three-year total consolidated recurring income* of ¥60 billion, which we surpassed with a figure of ¥69 billion. Another was to put ourselves on solid financial conditions, which we achieved by successfully reducing our remaining bank loans to ¥1,926 million as of the end of fiscal 2008. Our debt-equity ratio is now 0.02.

Looking at the situation in our core business of steel in fiscal 2008, the year was rocked by dramatic price increases worldwide for natural resources. The price of steel scrap, the main raw material for Kyoei Steel, was no exception, hitting historical highs from the beginning of this year due to robust demand worldwide. The high price of oil, meanwhile, was triggering worryingly higher prices for a number of materials, resulting in severe cost-push inflation. While we could not control these market conditions, we could react to them proactively. In order to maintain reasonable market prices, we have been committed to producing products only in response to the actual demand of end-users. Combined with comprehensive cost-cutting efforts in all of our mills, this strategy has been providing the all-important profitability we seek.

In our rapidly growing material recycling business, we built a gasification furnace in response to the increasing number of requests for industrial waste treatment and disposal. After some initial glitches, the furnace is now at the point where it can operate consistently and efficiently. With the high cost of energy these days, our idea to use the CO gas generated during processing as fuel gas in our rolling process has contributed greatly to cutting costs. We also expect this unique project will further contribute to our profitability.

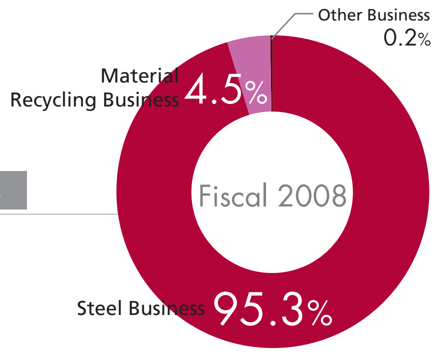
In our overseas operations, Vina Kyoei Steel Ltd., an affiliate in Vietnam, enjoyed stellar performance in its fiscal year (from January 1 to December 31, 2007), with net sales of $205 million, operating income of $9.6 million, and net income of $8.5 million. We plan to step up this business so that we can reap maximum rewards in the burgeoning Vietnamese market.

As for the Japanese market, we firmly believe that the country's steel minimill industry is in need of restructuring because supply capacity remains excessive relative to the size of the rebar market. We are thus determined to take every opportunity to play a key role in this restructuring. We sincerely hope that we have the backing of you, our shareholders, in these efforts.

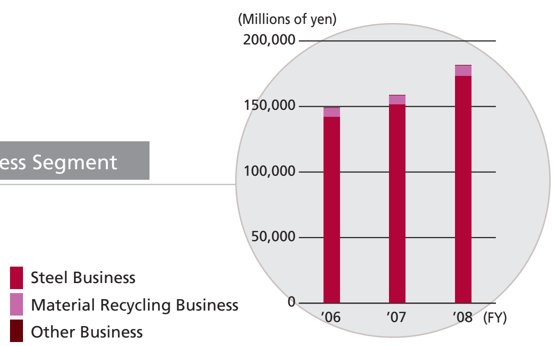
*: Recurring income = operating income + non-operating income – non-operating expenses

Ryutaro Yoshioka
Representative Director
Kyoei Steel, Ltd.

Composition Ratio of Net Sales



Net Sales by Business Segment

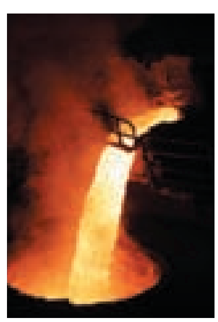


Kyoei Steel's main business segments consist of the steel business and the material recycling business, with the steel business using electric arc furnaces comprising Kyoei Steel's core business. Sales and profits from the steel business account for more than 90% of total sales and 85% of total operating profit, while the material recycling business, despite making up for only a small percentage of the total, remains a highly profitable business, as it operates on the infrastructure of the steel business.

The Company in fiscal 2008 recorded net sales of 173,048 million yen in the steel business and 8,078 million yen in the material recycling business, while operating income for the same year were 14,721 million yen for the steel business and 2,938 million yen for the material recycling business.

Introduction of Our Businesses

Steel Business



The steel business, which melts scrap steel in the electric arc furnaces and brings it back to life as new steel, is the core business of Kyoei Steel. The Company provides a stable supply of high-quality steel products by utilizing its technological capabilities that have been nurtured for over a half of century since its founding. Main products include rebars, threaded-type rebars, round bars, flat bars, angle bars, I beams, billets (semi-finished products), fabricated steel products, etc. It should be noted that the Company has the No.1 market share for rebars, which are indispensable for construction and civil engineering for high-rise building and condominiums, roads and other infrastructure. The Company is equipped with advanced technological capabilities that enable it to address the diverse needs of construction sites, including the recently growing demand for improved strength and durability of steel and the development of value-added products.

Material Recycling Business

The Company's material recycling business, which utilizes the heat from the electric arc furnaces reaching thousands of degrees to melt and render potentially infectious medical waste and industrial waste harmless, was the first commercially successful business of that kind by a Japanese minimill maker and has been operating for nearly 20 years. The MESSCUD system, which distributes specially designed containers of medical waste to contracting medical institutions, collects them and melts them in an electric arc furnace together with the containers, has been patented. Furthermore in 2005, a gasification furnace (gas-making facility) was built to complement the electric arc furnace at the Yamaguchi Division and a system that reuses the automobile shredder residue (ASR) and organic non-metal waste was developed. The gas made by this system is being used in the rolling process at the same plant.

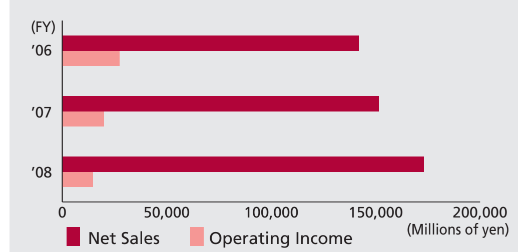
Performance by Business Segment

Steel Business

The group's shipments of steel products in this fiscal year decreased by 75,000 tons due to a fall in construction activities negatively influenced by the enactment of the Revised Construction Code in June 2007.

By thoroughly committing itself to production and sales commensurate with demand and by raising product prices to absorb the rise in steel scrap prices, the group managed a product price rise of ¥10,000 /ton compared to the previous year.

Net Sales / Operating Income



Due to soaring steel scrap prices during this fiscal year, which went from ¥29,000/ton to ¥40,000/ton on average, the metal spread of steel products squeezed by ¥1,000/ton compared to the previous year.

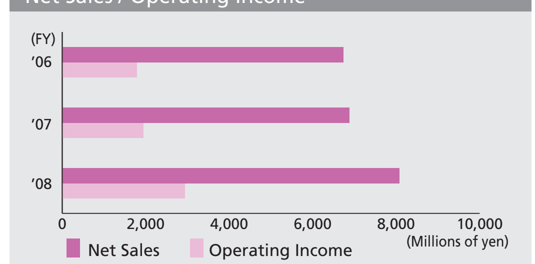
As a result of these trends and efforts, net sales increased by 14.2% compared to the previous year to ¥173,048 million, while operating income decreased by 26.6% to ¥14,721 million.

Material Recycling Business

With increasing necessity to construct recycling-oriented society, the Company has been receiving an increasing number of requests for the proper disposal of waste recycling operations.

As a result of our efforts in this business sector, net sales increased by 17.3% compared to the previous year to ¥8,078 million, while operating income was also solid, at ¥2,938 million contributed mainly by accepting contaminated soil at the controlled final landfill site of our Yamaguchi Division.

Net Sales / Operating Income



TOPIC

Hirakata Division Received Chairman's Award for Improvement of Energy Utilization in ECCJ's Commendations for Outstanding Energy Conservation

In its annual commendations for exceptionally efficient use of energy, the Energy Conservation Center, Japan (ECCJ) awarded Kyoei Steel the 2007 Chairman's Award for Improvement of Energy Utilization. The award recognizes Kyoei for developing a system that saves fuel through the efficient transport of billets and the use of high-performance heating furnaces.

The Hirakata Division's steel plant and rolling plant are separated by a commercial road, and the billets (semi-finished products) made at the steel plant were transported to the rolling plant by truck. This was the source of a number of problems: in addition to the transportation costs, the billets' temperature dropped during transportation and heat energy was lost.

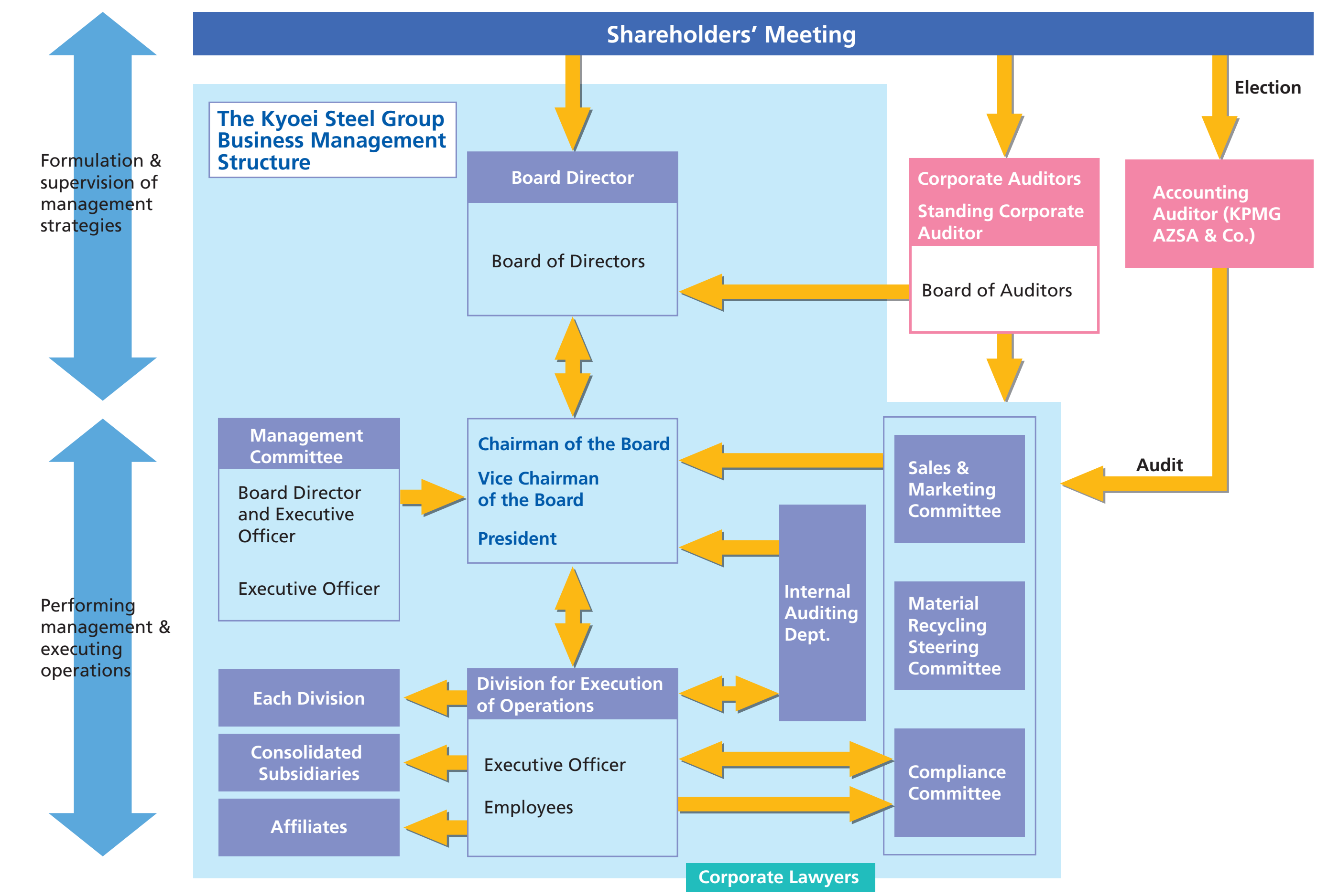
The Hirakata Division thus dug a tunnel and inside it built a production line connecting the two plants. This minimizes heat loss of the billets and cuts transportation costs. A high-performance industrial furnace (with regenerative burner) was also equipped in the rolling plant to replace inefficient heating furnace, thus improved combustion efficiency. The result was an annual savings of 2,150 kl (crude oil equivalent), and an annual CO_2 emissions reduction of 4,217 tons.

◀ Kyoei Steel's Hirakata Division is commended by the ECCJ for outstanding energy efficiency

Basic Concept

Kyoei Steel believes that in order to coexist with society and to be a good corporate citizen that makes meaningful contributions to society, it must practice a highly transparent form of management. To this end, the Company has set 1) a management structure that is capable of promptly and appropriately responding to changes in the business environment, 2) rational management decision making and effective execution of duties that fulfill the demands of accountability, 3) prompt/appropriate disclosures to stakeholders, and 4) a sound set of ethics not only from the viewpoint of legal compliance but also from the viewpoint of conformity with socially-accepted common sense, as its management goals. And in order to achieve these goals and set the organization into action, the Company, considering the reinforcement/improvement of corporate governance as its most important task at hand, is promoting the establishment of an appropriate organizational structure and the implementation of management measures.

Diagram of the Corporate Governance Structure



FINANCIAL SECTION

DATA SECTION

Consolidated Four-Year Summary

For the years ended March 31, 2005, 2006, 2007 and 2008

	2005	2006	2007	**2008**
	Thousands of tons			
Products shipments				
Finished products	1,970	2,083	2,153	**2,078**
Billet (semi-finished products)	291	275	261	**284**
	Millions of yen			
For the Year:				
Net sales	¥137,811	¥149,309	¥158,873	**¥181,576**
Gross profits	34,226	37,941	31,688	**27,456**
Operating income	25,600	28,613	21,463	**17,189**
Income before income taxes	22,284	28,344	23,611	**17,195**
Net income	15,063	17,412	15,630	**11,070**
Research and development expenses	27	42	79	**26**
Depreciation and amortization	4,620	4,544	4,647	**4,738**
Capital expenditures	2,931	4,247	6,699	**5,550**
Amounts per share (yen):				
Net income, basic	414.50	478.98	414.23	**253.66**
Net income, diluted	—	—	—	**—**
Cash dividends applicable to the year	6.00	12.00	30.00	**30.00**
At Year-End:				
Total assets	¥137,663	¥148,617	¥168,897	**¥166,572**
Working capital	17,715	19,991	28,285	**28,316**
Interest-bearing debt	49,657	31,236	10,148	**1,952**
Net assets	46,484	66,703	98,899	**107,846**
Ratios:				
Return on equity (%)	38.8	30.8	18.9	**10.8**
Return on total assets (%)	19.1	20.2	13.7	**10.4**
Debt to equity ratio (times)	1.06	0.47	0.10	**0.02**
Equity* to total assets (%)	33.8	44.9	58.2	**64.3**
Other statistics:				
Number of shares outstanding (thousands)	36,764	37,599	44,899	**44,899**
Number of employees	1,045	1,046	1,047	**1,049**
Stock prices (yen):				
High	—	—	¥3,410	**¥3,750**
Low	—	—	¥2,605	**¥1,532**

*Equity = Net assets - Minority interest

Financial Review (Consolidated)

1. Consolidated Operating Results

Analysis of Operating Results

The consolidated fiscal year saw the Japanese economy continue its moderate upswing, with solid exports and improving corporate profits pushing capital investment higher. A number of elements, however, have clouded future economic outlook: the impact of rising prices for oil and other natural resources worldwide have pushed up prices for energy and materials; a slowdown in construction starts, influenced by the enactment of the Revised Building Construction Code, is adversely affecting related industries; and the worldwide credit crunch caused by the sub-prime loan crisis in the US has contributed to uncertainty in the financial sector.

In the steel industry, rising worldwide demand for steel has caused integrated steel producers whose main product is sheet steel to operate at full capacity, with crude steel production at 121.5 million tons, a record high.

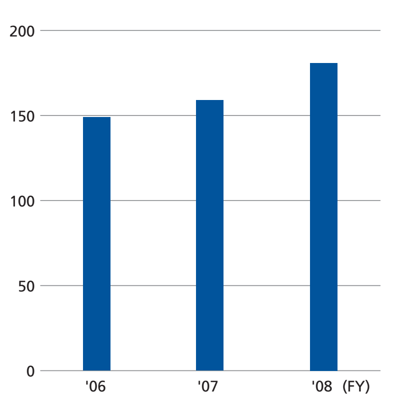
On the other hand, in our industry, the steel minimill industry, demand for common steel has been affected since last summer by a dramatic slowdown in construction starts caused by the enactment of the Revised Building Construction Code in June 2007. This slowdown led to lower demand for construction-purpose steel in the latter half of the fiscal year. In addition, the price of the main raw material, steel scrap, rose rapidly starting in December due mainly to increased exports from Japan in response to rising world demand and to increased procurement of scrap by integrated steel producers in Japan. For steel scrap, the price of benchmark H2 steel, exceeded ¥40,000 per ton in January in major regions and broke the ¥50,000 mark in the Kanto region at the end of March. These prices were 35% and 50% higher, respectively, than prices for the same period of the previous year.

Amidst these conditions, the Company, in main steel products, responded to decreasing demand and higher prices for steel scrap by decreasing production to bring supply and demand into equilibrium and by maintaining and raising our prices. Consequently, the fourth quarter price for scrap steel rose above ¥70,000, up 20% over prices for the same period of the previous year. However, this increase in our prices was not enough to offset the rapid rise in the price of steel scrap and the high price of the auxiliary material alloy iron, and the dramatic rise in various material costs due to the rising price of oil. Performance did improve in the material recycling business in which solid results for our thermal recycling business were complemented by an increasing amount of waste taken in at the controlled final landfill site of our Yamaguchi Division.

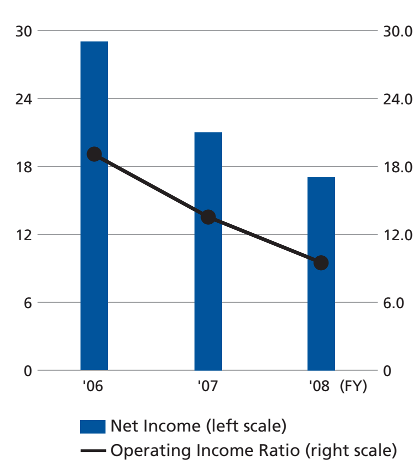
On the financial side, we continued to reduce interest-bearing debt, and the remaining loans of our group at the end of the consolidated fiscal year were ¥1,926 million, a decrease of ¥8,133 million from the previous year.

As part of the restructuring in the industry, we signed a reciprocal stock holding agreement with Godo Steel, Ltd. in May 2007. Under this agreement, we acquired 3% of that company's outstanding shares in August 2007, while we

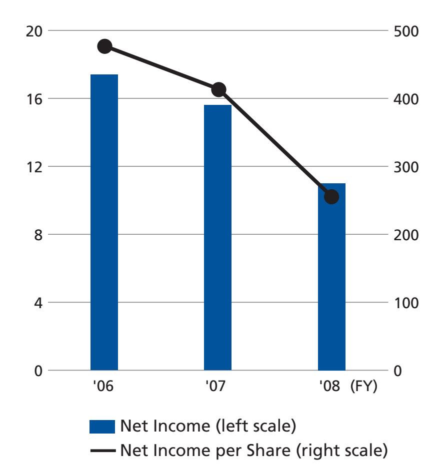
Net Sales
(Billions of yen)



Operating Income/Operating Income Ratio
(Billions of yen/%)



Net Income/Net Income per Share, Basic
(Billions of yen/yen)



allotted Godo Steel 900,000 common shares.

Looking at consolidated results for fiscal 2008, net sales were ¥181,576 million, up ¥22,704 million (14.3%) over the previous year, operating income was ¥17,189 million, down ¥4,273 million (19.9%) and net income was ¥11,070 million, down ¥4,559 million (29.2%).

Below are the performance results by business segment.

(1) Steel Business

This business segment saw the shipments of steel products decrease by 75,000 tons due to the drastic drop in construction starts with the enactment of the Revised Building Construction Code. To get into sync with this reduced demand, we strove to quickly reduce production and sales volumes and to adjust the selling prices for finished and semi-finished steel products. The result was an average price rise of ¥10,000 yen over the previous year. Net sales were ¥173,048 million, up ¥21,549 million (14.2%). Meanwhile, the price of our main raw material of steel scrap was up from an average of ¥29,000 in fiscal 2007 to ¥40,000 in fiscal 2008, decreasing the average spread by ¥1,000 and hurting our profits. Operating income was ¥14,721 million, down ¥5,328 million (26.6%) from the previous year.

(2) Material Recycling Business

With an increasing awareness of the need to create a recycling oriented society, the Company has been receiving a greater number of requests for the proper treatment and disposal of industrial waste. This led to another year of solid demand for our electric arc furnaces for high-temperature thermal recycling, and the Yamaguchi Division took in more waste at its controlled final landfill site. At our consolidated subsidiary, Kyoei Recycling Co., Ltd., we overcame technical problems with equipment and operations of our gasification furnace and things are now running smoothly. Net sales in this segment were ¥8,078 million yen, up ¥1,191 million (17.3%) from the previous year, while operating income was up ¥993 million (51.1%) to ¥2,938 million.

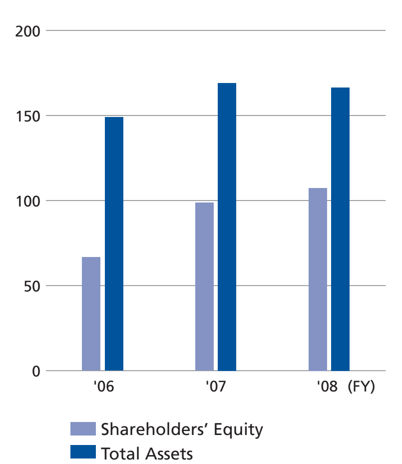
(3) Other Businesses

This segment consists of sales of civil engineering materials through a subsidiary and the operation of insurance dealers. Net sales were ¥451 million, down ¥36 million (7.4%) from the previous year, and operating income was ¥31 million, down slightly from the previous year.

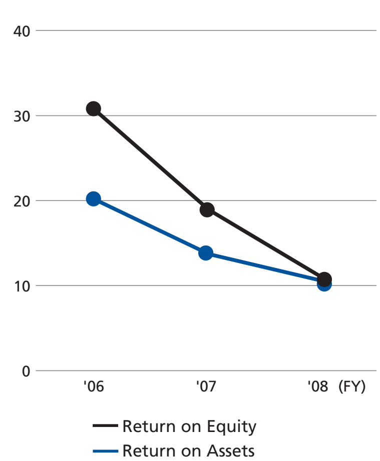
The Company implemented and completed its third mid-term management plan," New Frontier 600 (NF600)", between fiscal 2006 and fiscal 2008. One of the goals of this plan was a three-year total consolidated recurring income of ¥60,000 million, which was achieved with income of ¥69,000 million. We also achieved our goals for a return on assets (ROA) of 10% for the final year of the plan (actual ROA was 10.4%) and a debt to equity ratio of 0.13 (actual ratio was 0.02).

With the third mid-term management plan now complete, the Company has set forth its fourth mid-term management plan, which runs from fiscal 2009 to fiscal 2011. This plan has two major goals: creating a stronger profit base by

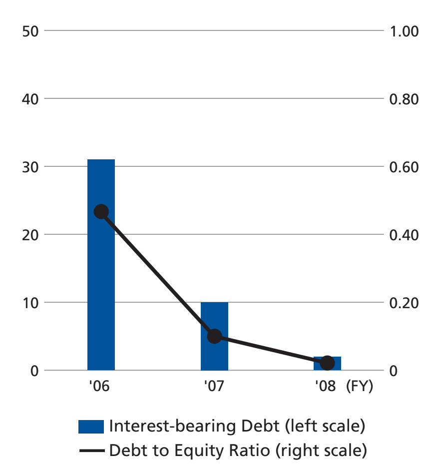
Shareholders' Equity/Total Assets
(Billions of yen)



Return on Equity/Return on Assets
(%)



Interest-bearing Debt/Debt to Equity Ratio
(Billions of yen/times)



separating ourselves from the competition through high-value-added products such as super-strong screw rebars; and expanding our material recycling business to create a more stable profit structure for the company and to ensure long-term growth. We will also focus on expanding our business in those regions of the world that are expected to experience on increase in demand. Our management index targets for the final year of this mid-term plan are a return on assets (ROA) of 15% and a return on equity (ROE) of 12%.

Note:
Recurring income = Operating income + Non-operating income – Non-operating expenses
Non-operating income includes interest income, dividend income, equity in net income of unconsolidated subsidiaries and affiliates and other income generated from ordinary business activities. Non-operating expenses include interest expenses and other expenses generated from ordinary business activities.
Recurring income for the years ended March 31, 2008, 2007and 2006 was as follows:

Year ended March 31,	Millions of yen
2006	¥29,517
2007	21,815
2008	17,642

2. Consolidated Assets, Liabilities and Net Assets

A. Assets

Current assets decreased by 1.3% from to the previous fiscal year-end to 78,468 million yen. Fixed assets decreased by 1.5% to 88,104 million yen due to a decrease in investment securities of 2,841 million yen because of market value decline. As a result, total assets decreased by 1.4% from the previous fiscal year-end to 166,572 million yen.

B. Liabilities

Current liabilities decreased by 12.9% from the previous fiscal year-end to 51,018 million yen due to a decrease in short-term loans payable of 1,388 million yen and the current portion of long-term debt of 5,100 million yen. Fixed liabilities decreased by 32.7% from the previous fiscal year-end to 7,708 million yen due to a decrease in long- term debt of 1,645 million yen and deferred tax liabilities of 2,172 million yen. As a result, total liabilities decreased by 16.1% from the previous fiscal year-end to 58,727 million yen.

C. Net Assets

Total net assets increased by 9.0% from the previous fiscal year-end to 107,846 million yen due to an increase in retained earnings of 9,116 million yen because of holding net income, and additional paid-in capital increased by 2,131 million yen from the disposal of treasury stock, which decreased by 927 million yen. Shareholders' equity per share increased by 153.62 yen from the previous fiscal year-end to 2,437.25 yen, raising shareholders' equity per share from 58.2% to 64.3%.

3. Cash Flow Conditions

The ending balance of "Cash and cash equivalents" (collectively, "Cash") as of March 31, 2008 increased by 452 million yen from the previous fiscal year-end to 14,155 million yen.

A. Cash flows from operations

Net cash from operating activities increased by 4,260 million yen to 17,601 million yen. The major components of net cash flow from operating activities were increases in income before income taxes (17,195 million yen), depreciation (4,738 million yen), decreases in notes and accounts receivable (4,485 million yen), income taxes paid (5,276 million yen).

B. Cash flows from investments

Net cash used in investing activities increased by 4,755 million yen to 10,059 million yen mainly from acquisitions of investment securities (2,895 million yen) and purchases of tangible fixed assets with aggressive investment in plant and equipment (7,071 million yen).

C. Cash flows from financing activities

Net cash used in financing activities increased by 1,872 million yen to 7,089 million yen. The major components of net cash flow from financing activities were proceeds from disposal of treasury stock (3,058 million yen), a decrease in short-term loans payable (1,388 million yen), the repayment of long-term debt (7,245 million yen), and payments of cash dividends (1,951 million yen).

Consolidated Balance Sheets

KYOEI STEEL LTD. and Consolidated Subsidiaries
Years ended March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Assets			
Current assets:			
Cash and time deposits (Note 8)	¥ 14,395	¥ 9,083	$ 143,706
Notes and accounts receivable	42,218	46,703	421,464
Allowance for doubtful accounts	(47)	(47)	(469)
Marketable securities	615	3,638	6,140
Inventories (Note 4)	18,505	14,984	184,736
Deferred tax assets (Note 11)	597	546	5,960
Other current assets	2,185	4,572	21,811
Total current assets	78,468	79,479	783,348
Property, plant and equipment:			
Buildings and structures (Note 8)	33,964	33,133	339,064
Machinery and equipment (Note 8)	81,181	78,863	810,432
Land (Note 8)	27,198	26,511	271,518
Construction in progress	256	177	2,556
Total	142,599	138,684	1,423,570
Accumulated depreciation (Note 7)	(76,779)	(73,283)	(766,487)
Net property, plant and equipment	65,820	65,401	657,083
Investments and other assets:			
Investments in securities	10,536	13,430	105,181
Unconsolidated subsidiaries and affiliated companies	5,333	5,280	53,239
Long-term loans receivable	266	294	2,655
Allowance for doubtful accounts	(110)	(90)	(1,098)
Intangibles	1,178	1,204	11,760
Deferred tax assets (Note 11)	114	40	1,138
Other noncurrent assets (Note 6)	4,967	3,859	49,587
Total investments and other assets	22,284	24,017	222,462
Total assets (Note 19)	¥166,572	¥168,897	$1,662,893

The accompanying footnotes to the consolidated financial statements are an integral part of these statements.

Consolidated Balance Sheets

KYOEI STEEL LTD. and Consolidated Subsidiaries
Years ended March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Liabilities and Net Assets			
Current liabilities:			
Notes and accounts payable	¥ 39,752	¥ 39,545	$ 396,845
Bank loans (Note 8)	—	1,388	—
Long-term debt due within one year (Note 8)	866	5,966	8,645
Income taxes payable	2,536	1,893	25,317
Accrued employees' bonuses	627	608	6,259
Accrued directors' bonuses	181	201	1,807
Other current liabilities	7,056	8,947	70,441
Total current liabilities	51,018	58,548	509,314
Long-term liabilities:			
Long-term debt (Note 8)	1,060	2,704	10,582
Deferred tax liabilities (Note 11)	1,763	3,935	17,600
Deferred tax liabilities for revaluation (Note 11)	3,995	3,993	39,882
Accrued employees' severance and retirement benefits (Note 14)	358	269	3,574
Accrued directors' severance and retirement benefits	413	388	4,123
Other long-term liabilities	119	161	1,188
Total long-term liabilities	7,708	11,450	76,949
Total liabilities:	58,726	69,998	586,263
Contingent liabilities (Note 5)	249	360	2,486
Net Assets (Note 10)			
Common stock	18,516	18,516	184,846
Authorized – 150,300,000 shares			
Issued 2008 – 44,898,730 shares			
Issued 2007 – 44,898,730 shares			
Capital surplus	21,493	19,361	214,565
Retained earnings	61,066	51,950	609,624
Treasury stock	(972)	(1,899)	(9,704)
Total shareholders' equity	100,103	87,928	999,331
Valuation and translation adjustments			
Net unrealized holding gains on securities	2,121	5,451	21,174
Revaluation difference on land	4,749	4,746	47,409
Foreign currency translation adjustments	156	196	1,558
Total valuation and translation adjustments	7,026	10,393	70,141
Minority interests	717	578	7,158
Total net assets	107,846	98,899	1,076,630
Total liabilities and net assets	¥166,572	¥168,897	$1,662,893

The accompanying footnotes to the consolidated financial statements are an integral part of these statements.

Consolidated Statements of Income

KYOEI STEEL LTD. and Consolidated Subsidiaries
Years ended March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Net sales (Note 19)	¥181,576	¥158,873	$1,812,678
Cost of sales	154,120	127,185	1,538,584
Gross profit	27,456	31,688	274,094
Selling, general and administrative expenses (Note 9)	10,267	10,225	102,496
Operating income (Note 19)	17,189	21,463	171,598
Other income (expenses):			
Interest income	62	27	619
Dividend income	211	186	2,106
Interest expense	(606)	(937)	(6,050)
Equity in net income of unconsolidated subsidiaries and affiliates	596	1,153	5,950
Gains on sale and disposal of property, plant and equipment	12	3	120
Gain on sale of securities	—	2,362	—
Reversal of allowance for doubtful accounts	5	23	50
Gain on donation of stored goods	52	—	519
Surrender value of insurance	25	37	250
Loss on sales and disposal of property, plant and equipment	(304)	(476)	(3,035)
Impairment losses	(167)	—	(1,667)
Loss on cancellation of derivatives	(3)	(93)	(30)
Other, net	123	(63)	1,228
Other income (expenses), net	6	2,148	60
Income before income taxes	17,195	23,611	171,658
Income taxes (Note 11)			
Current	5,946	7,120	59,359
Deferred	39	667	389
Total income taxes	5,985	7,787	59,748
Minority interests in net income of consolidated subsidiaries	140	194	1,398
Net income (Note 15)	¥ 11,070	¥ 15,630	$ 110,512

	Yen		U.S. dollars (Note 4)
Net income per share of common stock	2008	2007	2008
Net income			
Basic	¥253.66	¥414.23	$2.53
Diluted	—	—	—
Cash dividends applicable to the year	¥30.00	¥30.00	$0.30

The accompanying footnotes to the consolidated financial statements are an integral part of these statements.

Consolidated Statements of Changes in Net Assets

KYOEI STEEL LTD. and Consolidated Subsidiaries
Years ended March 31, 2008 and 2007

	Millions of yen				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	¥10,274	¥11,120	¥36,955	¥(1,899)	¥ 56,450
Changes during the period					
Issuance of new shares	8,242	8,241			16,483
Cash dividends			(429)		(429)
Directors' bonuses			(205)		(205)
Net income			15,630		15,630
Revaluation difference on land			(1)		(1)
Net change in items other than, shareholders' equity during the period					—
Total change during the period	8,242	8,241	14,995	—	31,478
Balance as of March 31, 2007	18,516	19,361	51,950	(1,899)	87,928
Changes during the period					
Cash dividends			(1,951)		(1,951)
Net income			11,070		11,070
Revaluation difference on land			(3)		(3)
Repurchase of treasury stock				(0)	(0)
Disposal of treasury stock		2,132		927	3,059
Net change in items other than, shareholders' equity during the period					—
Total change during the period	—	2,132	9,116	927	12,175
Balance as of March 31, 2008	¥18,516	¥21,493	¥61,066	¥ (972)	¥100,103

	Valuation and translation adjustments					
	Net unrealized holding gain on securities	Revaluation difference on land	Foreign currency translation adjustments	Total valuation and translation adjustments	Minority interests	Total net assets
Balance as of March 31, 2006	¥5,324	¥4,745	¥184	¥10,253	¥383	¥ 67,086
Changes during the period						
Issuance of new shares						16,483
Cash dividends						(429)
Directors' bonuses						(205)
Net income						15,630
Revaluation difference on land						(1)
Net change in items other than, shareholders' equity during the period	127	1	12	140	195	335
Total change during the period	127	1	12	140	195	31,813
Balance as of March 31, 2007	5,451	4,746	196	10,393	578	98,899
Changes during the period						
Cash dividends						(1,951)
Net income						11,070
Revaluation difference on land						(3)
Repurchase of treasury stock						(0)
Disposal of treasury stock						3,059
Net change in items other than, shareholders' equity during the period	(3,330)	3	(40)	(3,367)	139	(3,228)
Total change during the period	(3,330)	3	(40)	(3,367)	139	8,947
Balance as of March 31, 2008	¥2,121	¥4,749	¥156	¥ 7,026	¥717	¥107,846

The accompanying footnotes to the consolidated financial statements are an integral part of these statements.

	Thousands of U.S. dollars				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2007	$184,846	$193,282	$518,618	$(18,958)	¥877,788
Changes during the period					
Cash dividends			(19,477)		(19,477)
Net income			110,513		110,513
Revaluation difference on land			(30)		(30)
Repurchase of treasury stock				(0)	(0)
Disposal of treasury stock		21,283		9,254	30,537
Net change in items other than, shareholders' equity during the period					—
Total change during the period	—	21,283	91,006	9,254	121,543
Balance as of March 31, 2008	$184,846	$214,565	$609,624	$ (9,704)	¥999,331

	Valuation and translation adjustments					
	Net unrealized holding gain on securities	Revaluation difference on land	Foreign currency translation adjustments	Total valuation and translation adjustments	Minority interests	Total net assets
Balance as of March 31, 2007	$54,417	$47,379	$1,958	$103,754	$5,770	$987,312
Changes during the period						
Cash dividends						(19,477)
Net income						110,513
Revaluation difference on land						(30)
Repurchase of treasury stock						(0)
Disposal of treasury stock						30,537
Net change in items other than, shareholders' equity during the period	(33,243)	30	(400)	(33,613)	1,388	(32,225)
Total change during the period	(33,243)	30	(400)	(33,613)	1,388	89,318
Balance as of March 31, 2008	$21,174	$47,409	$1,558	$70,141	$7,158	$1,076,630

Consolidated Statements of Cash Flows

KYOEI STEEL LTD. and Consolidated Subsidiaries
Years ended March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Cash flows from operating activities:			
Net income before income taxes	¥17,195	¥23,611	$171,658
Adjustments to reconcile net income before income taxes to net cash provided by operating activities			
Depreciation and amortization	4,738	4,643	47,300
Impairment losses	167	—	1,667
Increase in reserves	133	43	1,328
Equity in net income of unconsolidated subsidiaries and affiliates	(596)	(1,153)	(5,950)
Gain on sale of securities	—	(2,362)	—
Gain on sale and disposal of property, plant and equipment	292	473	2,915
Interest and dividend income	(273)	(213)	(2,725)
Interest expense	606	937	6,050
Decrease (Increase) in notes and accounts receivable	4,485	(10,926)	44,774
Increase in inventories	(3,521)	(1,848)	(35,150)
Increase in trade notes and accounts payable	207	12,875	2,066
Other	(300)	(248)	(2,996)
Sub total	23,133	25,832	230,937
Interest and dividend received	374	437	3,734
Interest paid	(630)	(1,017)	(6,289)
Income taxes paid	(5,276)	(11,911)	(52,671)
Net cash provided by operating activities	17,601	13,341	175,711
Cash flows from investing activities:			
Increase in time deposits	(611)	(1,661)	(6,100)
Decrease in time deposits	787	807	7,857
Payment for acquisition of investment in securities	(499)	(798)	(4,982)
Proceeds from sales and redemption of securities	600	500	5,990
Payment for purchases of securities	(2,895)	(366)	(28,901)
Proceeds from sales of marketable securities and investments	—	2,942	—
Investments in loans	(311)	(716)	(3,105)
Collections of loans	42	44	419
Payment for purchase of property, plant and equipment	(7,071)	(5,681)	(70,590)
Proceeds from sale of property, plant and equipment	27	48	270
Payment for purchase of intangibles	(79)	(181)	(789)
Other	(49)	(242)	(488)
Net cash used in investing activities	(10,059)	(5,304)	(100,419)
Cash flows from financing activities:			
Net increase (decrease) in short-term bank loans	(1,388)	862	(13,856)
Proceeds from long-term debt	500	—	4,992
Repayment of long-term debt	(7,244)	(21,874)	(72,327)
Payment for cancellation on derivative instruments	(3)	(91)	(30)
Repayments of installment payables	(61)	(78)	(609)
Proceeds from issuance of common stock	—	16,391	—
Cash dividends paid	(1,951)	(429)	(19,477)
Proceeds from disposal of treasury stock	3,058	—	30,528
Other	(0)	—	(0)
Net cash used in financing activities	(7,090)	(5,219)	(70,779)
Effect of exchange rate changes on cash and cash equivalent	(0)	(0)	(0)
Net increase in cash and cash equivalents	452	2,818	4,513
Cash and cash equivalents at the beginning of the period	13,703	10,885	136,797
Cash and cash equivalents at the end of the period (Note 13)	¥14,155	¥13,703	$141,310

The accompanying footnotes to the consolidated financial statements are an integral part of these statements.

Notes to Consolidated Financial Statements

KYOEI STEEL LTD. and Consolidated Subsidiaries
Years ended March 31, 2008 and 2007

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of KYOEI STEEL LTD. ("the Company") and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Securities and Exchange Law and its related accounting regulations and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accounts of the Company's overseas subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles prevailing in the respective countries of domicile. The accompanying consolidated financial statements have been restructured and translated into English (with certain expanded disclosure) from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Securities and Exchange Law. Certain supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

The translations of the Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2008, which was ¥100.17 to U.S. $1.00. The translations should not be construed as representations that the Japanese yen amounts have been, could have been or could in the future be converted into U.S. dollars at this or any other rate of exchange.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation and accounting for investments in unconsolidated subsidiaries and affiliates

The consolidated financial statements include the accounts of the parent company and all subsidiaries over which it exerts substantial control either through majority ownership of voting stock and/or by other means. As a result, the accompanying consolidated financial statements include the accounts of the Company and 8 consolidated subsidiaries for the years ended March 31, 2008 and 2007. All significant intercompany balances and transactions have been eliminated in consolidation.

Investments in affiliates (other than the subsidiaries defined above) whose decision making and control over operations is significantly affected in various ways by the Kyoei Group are accounted for by the equity method. Investments in unconsolidated subsidiaries and affiliates not accounted for by the equity method are carried at cost.

(b) Foreign currency translation

Monetary assets and liabilities of the Company and its domestic consolidated subsidiaries denominated in foreign currencies are translated at the exchange rates in effect at each balance sheet date if not hedged by forward foreign exchange contracts, or at the contracted rates of exchange when hedged by forward foreign exchange contracts. The resulting gain or loss is recognized as other income or expense.

Assets and liabilities of the overseas consolidated subsidiaries are translated at the exchange rates in effect at each balance sheet date, and revenue and expense accounts are translated at the average rate of exchange in effect during the year. Translation adjustments are presented as a component of net assets and minority interests in the consolidated financial statements.

(c) Cash and cash equivalents

Cash on hand and in banks, and, generally, all highly liquid investments with maturities of three months or less when purchased which are readily convertible into known amounts of cash and are so near maturity that they represent only an insignificant risk of any change in value attributable to changes in interest rates are considered cash and cash equivalents.

(d) Securities

Accumulated to face value by the straight-line method, marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in net assets. Nonmarketable securities classified as other securities are carried at cost. If the market value of marketable securities classified as other securities has declined significantly, such securities are written down to fair value, thus establishing a new cost basis. Cost of securities sold is determined by the weighted average method.

(e) Inventories

Inventories of the Company and its consolidated subsidiaries are stated mainly by the cost accounting method, cost being determined by the periodic average method.

(f) Depreciation and amortization

Depreciation of property, plant and equipment is calculated principally by the declining balance method (except that certain consolidated subsidiaries employ the straight-line method) at rates based on the estimated useful life of the respective asset.

Estimated useful lives:

Buildings and structures:	3-60 years
Machinery and equipment:	2-17 years

(g) Allowance for doubtful accounts

The allowance for doubtful accounts is provided at an amount sufficient to cover possible losses on the collection of receivables.

The amount of the provision is based on historical experience with write-offs plus an estimate of specific doubtful accounts determined by a review of the collectibility of the individual receivables.

(h) Accrued directors' bonuses

To provide for the payment of bonuses to directors, the projected amount of such bonuses is set aside as a reserve.

(i) Accrued retirement benefits

Accrued employees' retirement benefits: Accrued employees' retirement benefits are provided based on the projected retirement benefit obligation and the fair value of pension fund assets. Prior service cost is amortized as incurred by the straight-line method over a period (10 years), which is shorter than the average remaining years of service of the employees participating in the plans. Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized, primarily by the straight-line method, over a period (10 years), which is shorter than the average remaining years of service of the employees participating in the plans.

Accrued directors' retirement benefits: Liabilities for retirement benefits to directors and corporate auditors are provided at the amount which would be required if they retired at the balance sheet date.

(j) Income taxes

Deferred income taxes are recognized by the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws which are expected to be in effect when the differences are expected to be reversed.

(k) Reclassifications

Certain reclassifications of previously reported amounts have been made to conform with current classifications.

3. CHANGES IN METHODS OF ACCOUNTING

Depreciation of Property, Plant and Equipment

Pursuant to an amendment to the Corporation Tax Law (Partial Revision of Income Tax Law, Law No. 6, March 30, 2007; Partial Revision of Income Tax Law Enforcement Ordinance, Cabinet Order No. 83, March 30, 2007), the treatment for depreciation of property, plant and equipment acquired after April1, 2007, has been changed. The effect of this change on the Company's income was minimal.

(Additional information)
In accordance with revisions of the Corporation Tax Law, the Company adopted a method in which the remaining acquisition cost of tangible fixed assets acquired on or before March 31, 2007 will be depreciated equally over five years starting in the fiscal year that follows the fiscal year when its depreciation expense reaches the final deductible limit under the former law. Under this arrangement operating income, and income before taxes were ¥368 million less, respectively than they would have been without the new method.

4. INVENTORIES

Inventories at March 31, 2007 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Finished goods	¥ 6,073	¥ 4,706	$ 60,627
Semi-finished goods	2,929	2,482	29,240
Merchandise	0	11	0
Work-in-process	1,075	679	10,732
Raw materials	3,146	2,504	31,407
Supplies	3,280	2,682	32,744
Rolls	2,002	1,920	19,986
Total	¥18,505	¥14,984	$184,736

5. CONTINGENT LIABILITIES

At March 31, 2007 and 2008, the Company and its consolidated subsidiaries were contingently liable as follows;

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Trade notes discounted and guaranteed	¥249	¥360	$2,486
Total	¥249	¥360	$2,486

6. INVESTMENTS AND OTHER ASSETS: OTHER–BREAKDOWN

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Investments in affiliates	¥2,068	¥1,800	$20,645
Long-term deposits	1,261	1,000	12,589
Prepaid pension expenses	947	501	9,454
Other	691	558	6,898
Total	¥4,967	¥3,859	$49,586

7. ACCUMULATED DEPRECIATION

Accumulated depreciation at March 31, 2008 and 2007 amounted to ¥76,779 million ($ 766,487 thousand) and ¥73,283 million, respectively.

8. BANK LOANS AND LONG-TERM DEBT

Bank loans consisted of unsecured loans payable to banks at the weighted average interest rate of 1.2% per annum at March 31, 2007. There was no outstanding balance of bank loans at March 31, 2008.

Long-term debt at March 31, 2008 and 2007 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Long-term debt from banks at average rates of 1.8% per annum and 1.9% per annum for current and noncurrent portions, respectively	¥1,926	¥8,670	$19,227
Total long-term debt	¥1,926	¥8,670	$19,227
Less current portion	(866)	(5,966)	(8,645)
Long-term debt	¥1,060	¥2,704	$10,582

The assets pledged as collateral for long-term debt and certain other current liabilities at March 31, 2008 and 2007 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Cash and time deposits	¥ —	¥ 10	$ —
Buildings and structures	13,394	14,378	133,713
Machinery and equipment	20,048	20,208	200,140
Land	22,444	22,801	224,059
Other	145	141	1,447
Total	¥56,031	¥57,538	$559,359

The aggregate annual maturities of long-term debt subsequent to March 31, 2008 for the next five years and thereafter are scheduled as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2009	¥ 866	$ 8,645
2010	582	5,810
2011	154	1,537
2012	112	1,118
2013 and thereafter	212	2,117
Total	¥1,926	$19,227

9. R&D EXPENSES

R&D expenses, included in selling, general and administrative expenses for the years ended March 31, 2008 and 2007, amounted to ¥26 million ($260 thousand) and ¥79 million, respectively.

10. NET ASSETS

Under the Japanese Corporate Law ("the Law") and regulations, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one-half of the price of new shares as additional paid-in capital, which is included in capital surplus.

Under the Law, in cases where a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Additional paid-in capital and legal earnings reserve may not be distributed as dividends. Under the Law, all additional paid-in capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends. The Law also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

The maximum amount that the Company can distribute as dividends is calculated based on the unconsolidated financial statements of the Company in accordance with Japanese laws and regulations.

At the Board Directors' meeting held on May 9, 2008, the Board approved cash dividends amounting to ¥659 million ($6,579 thousand). Such appropriations have not been accrued in the consolidated financial statements as of March 31, 2008.

11. INCOME TAXES

Income taxes applicable to the Company and its domestic consolidated subsidiaries comprised corporation tax, inhabitants' taxes and enterprise tax which, in the aggregate, resulted in a statutory tax rate of approximately 40.6% for the years ended March 31, 2008 and 2007.

Income taxes of the overseas consolidated subsidiaries are, in general, based on the tax rates applicable in their respective countries of incorporation.

The major components of deferred tax assets and liabilities as of March 31, 2008 and 2007 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Deferred tax assets:			
Allowance for doubtful accounts	¥ 562	¥ 464	$ 5,610
Accrued enterprise taxes	196	169	1,957
Impairment losses	175	1,105	1,747
Accrued bonuses	256	249	2,556
Accrued employees' retirement benefits	144	123	1,438
Accrued directors' retirement benefits	164	146	1,637
Other	309	228	3,084
Gross deferred tax assets	1,806	2,484	18,029
Valuation allowance	(759)	(1,583)	(7,577)
Total deferred tax assets	1,047	901	10,452
Deferred tax liabilities:			
Net unrealized gains/losses on other securities	(1,554)	(3,877)	(15,514)
Retained earnings appropriated for tax deductible reserves	(22)	(23)	(220)
Reserve for special depreciation for tax purpose	(18)	(21)	(180)
Prepaid pension expenses	(385)	(204)	(3,843)
Other	(120)	(125)	(1,197)
Total deferred tax liabilities	(2,099)	(4,250)	(20,954)
Net deferred tax assets	¥(1,052)	¥(3,349)	$(10,502)

Net deferred tax liabilities at March 31, 2008 and 2007 were included in the Consolidated Balance Sheets as follows;

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Deferred tax assets (noncurrent)	¥ 597	¥ 546	$ 5,960
Deferred tax assets (current)	114	40	1,138
Deferred tax liabilities (noncurrent)	(1,763)	(3,935)	(17,600)
Net deferred tax liabilities	¥(1,052)	¥(3,349)	$(10,502)

A reconciliation between the statutory tax rate and the effective tax rate for the years ended March 31, 2008 and 2007 is as follows:

	2008	2007
Statutory tax rate	40.7%	40.6%
Expenses not deductible for tax purposes and other	(4.8)	(3.5)
Equity in earnings of unconsolidated subsidiaries and affiliates and nontemporary differences not deductible for tax purposes	(1.1)	(1.6)
Entertainment expenses and other that are not deductible permanently	0.3	0.2
Dividend income and others that are not taxable permanently	(0.5)	(1.7)
Tax deduction	0.0	(1.0)
Other	0.2	0.0
Effective tax rate	34.8%	33.0%

12. INFORMATION FOR CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

The following tables present information related to the consolidated statements of changes in net assets for the year ended March 31, 2008:

(a) Number of shares issued

Type of shares	Balance at beginning of year	Increase	Decrease	Balance at end of year
Common stock (number of shares)	44,898,730	—	—	44,898,730

(b) Treasury stock

Type of shares	Balance at beginning of year	Increase	Decrease	Balance at end of year
Common stock (number of shares)	1,843,840	64	900,000	943,904

(C) Cash dividends

Amount of dividend payments

Date of approval	Type of shares	Total dividends (millions of yen)	Total dividends (thousands of U.S. dollars)	Dividends per share (yen)	Dividends per share (U.S. dollars)	Record date	Effective date
May 15, 2007 (Board of Directors)	Common stock	¥ 1,292	$12,898	¥ 30	$ 0.3	March 31, 2007	June 11, 2007

Date of approval	Type of shares	Total dividends (millions of yen)	Total dividends (thousands of U.S. dollars)	Dividends per share (yen)	Dividends per share (U.S. dollars)	Record date	Effective date
November 13, 2007 (Board of Directors)	Common stock	¥ 659	$ 6,579	¥ 15	$ 0.1	September 30, 2007	December 11, 2007

13. SUPPLEMENTARY CASH FLOW INFORMATION

The following table represents a reconciliation of cash and cash equivalents at March 31, 2008 and 2007:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Cash and time deposits	¥14,395	¥ 9,083	$143,706
Time deposits with a maturity of more than three months	(694)	(1,130)	(6,928)
Trust beneficiary right due within three months	454	2,411	4,532
Marketable securities due within three months	—	3,339	—
Cash and cash equivalents	¥14,155	¥13,703	$141,310

14. SEVERANCE AND RETIREMENT BENEFITS

The Company and its domestic consolidated subsidiaries have defined benefit plans and defined contribution pension plans.

The following table sets forth the funded and accrued status of the plans, and the amounts recognized in the consolidated balance sheets at March 31, 2008 and 2007 for the Company's and the consolidated subsidiaries' defined benefit plans:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Severance and retirement benefit obligation	¥(4,787)	¥(4,761)	$(47,789)
Plan assets at fair value	4,779	5,155	47,709
Unfunded severance and retirement benefit obligation	(8)	394	(80)
Unrecognized actuarial gain or loss	375	(412)	3,744
Unrecognized past service cost	222	251	2,216
Net severance and retirement benefit obligation	589	232	5,880
Prepaid pension expenses	947	501	9,454
Accrued severance and retirement benefits	¥ (358)	¥ (269)	$(3,574)

The components of retirement benefit expenses for the years ended March 31, 2008 and 2007 are outlined as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Service cost	¥426	¥299	$4,253
Interest cost	83	81	829
Expected return on plan assets	(72)	(57)	(719)
Amortization of past service cost	(9)	2	(90)
Amortization of actuarial gain or loss	29	29	290
Additional retirement benefit expenses	32	31	319
Total	¥489	¥385	$4,882

The assumptions used in accounting for the above plans are as follows:

	2008	2007
Method adopted for periodic distribution of projected retirement benefits	Equal amounts per period	Equal amounts per period
Discount rate	2.0%	2.0%
Expected rate of return on plan assets	1.5%	1.5%
Amortization of past service cost	10 years (straight-line method)	10 years (straight-line method)
Amortization of actuarial gain or loss	10 years (straight-line method)	10 years (straight-line method)

15. AMOUNTS PER SHARE

	Yen		U.S. dollars
Years ended March 31	2008	2007	2008
Net income	¥ 253.66	¥ 414.23	$ 2.53

	Yen		U.S. dollars
As of March 31	2008	2007	2008
Net assets	¥2,437.25	¥2,283.63	$24.33

Net income per share is computed based on the net income available for distribution to shareholders of common stock and the weighted average number of shares of common stock outstanding during the year.

Net assets per share is based on the net assets available for distribution to the shareholders and the number of shares of common stock outstanding at the balance sheet date.

The calculation of basic net income per share and diluted net income per share was determined as follows:

	Millions of yen		Thousands of U.S. dollars
Years ended March 31	2008	2007	2008
Basic net income per share:			
Net income	¥11,070	¥15,630	$110,512
Amounts not attributable to shareholders of common stock	—	—	—
Amounts attributable to shareholders of common stock	11,070	15,630	110,512
Weighted average number of shares outstanding	43,643 thousand shares	37,732 thousand shares	—

16. LEASES

Lessees' accounting

The following proforma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets at March 31, 2008 and 2007 which would have been reflected in the consolidated balance sheets if the finance leases currently accounted for as operating leases had been capitalized:

	Millions of yen				Thousands of U.S. dollars			
As of March 31, 2008	Tools and equipment	Machinery, equipment and vehicles	Other	Total	Tools and equipment	Machinery, equipment and vehicles	Other	Total
Acquisition costs	¥383	¥125	¥86	¥594	$3,824	$1,248	$858	$5,930
Accumulated depreciation	299	79	69	447	2,985	789	688	4,462
Net book value	¥ 84	¥ 46	¥17	¥147	$ 839	$ 459	$170	$1,468

	Millions of yen			
As of March 31, 2007	Tools and equipment	Machinery, equipment and vehicles	Other	Total
Acquisition costs	¥379	¥137	¥117	¥633
Accumulated depreciation	236	76	86	398
Net book value	¥143	¥ 61	¥ 31	¥235

Future minimum lease payments subsequent to March 31, 2008 for finance leases accounted for as operating leases are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
Due within one year	¥ 81	$ 809
Due after one year	66	659
Total	¥147	$1,468

Operating leases

Future minimum rents under non-cancelable operating leases at March 31, 2008 and 2007 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Due within one year	¥ 6	¥ 5	$ 60
Due after one year	13	15	130
Total	¥19	¥20	$190

17. SECURITIES

(a) Other securities with determinable market value

	Millions of yen			Thousands of U.S. dollars		
As of March 31, 2008	Acquisition costs	Carrying value	Unrealized gain (loss)	Acquisition costs	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds acquisition costs:						
Stock	¥1,551	¥6,433	¥4,882	$15,484	$64,221	$48,738
Bonds	115	115	0	1,148	1,148	0
Other	—	—	—	—	—	—
Securities whose carrying value does not exceed acquisition costs:						
Stock	3,771	2,571	(1,200)	37,646	25,666	(11,980)
Bonds	704	700	(4)	7,028	6,988	(40)
Other	—	—	—	—	—	—
Total	¥6,141	¥9,819	¥3,678	$61,306	$98,023	$36,718

As of March 31, 2007	Millions of yen Acquisition costs	 Carrying value	 Unrealized gain (loss)
Securities whose carrying value exceeds acquisition costs:			
Stock	¥2,417	¥11,770	¥9,353
Bonds	—	—	—
Other	—	—	—
Securities whose carrying value does not exceed acquisition costs:			
Stock	21	13	(8)
Bonds	1,818	1,815	(3)
Other	—	—	—
Total	¥4,256	¥13,598	¥9,342

(b) Other securities sold during the years ended March 31, 2008 and 2007

	Millions of yen 2008	 2007	Thousands of U.S. dollars 2008
Sales of other securities	¥ —	¥2,942	$ —
Profit on sales	¥ —	¥2,362	$ —

(c) Securities without determinable value

	Millions of yen 2008	 2007	Thousands of U.S. dollars 2008
Other securities:			
Unlisted securities	¥1,331	¥1,331	$13,287
Bonds	¥ —	¥2,139	$ —

(d) Schedule for redemption of other securities with maturities and held-to-maturity debt securities at March 31, 2008 and 2007

As of March 31, 2008	Millions of yen Due in one year or less	 Due after one year through five years	Thousands of U.S. dollars Due in one year or less	 Due after one year through five years
Bonds:				
Government and municipal bonds	¥615	¥ —	$6,140	$ —
Corporate bonds	—	—	—	—
Other	—	—	—	—
Others	—	—	—	—
Total	¥615	¥ —	$6,140	$ —

As of March 31, 2007	Millions of yen Due in one year or less	 Due after one year through five years
Bonds:		
Government and municipal bonds	¥ 500	¥115
Corporate bonds	2,842	—
Other	300	—
Others	—	—
Total	¥3,642	¥115

18. DERIVATIVES FINANCIAL INSTRUMENTS AND HEDGING TRANSACTIONS

The Company uses derivative transactions to manage future risks of fluctuation in interest rates. The Company uses interest rate swap contracts with respect to interest rates to mitigate interest on loans payable and avoid future risks of fluctuation in interest rates. The Company does not use such transactions for the purposes of speculation or short-term dealing.

The following summarizes the hedging derivative financial instruments used by the Company and the corresponding items hedged:

Hedging instruments:
Interest rate swap

Hedged items:
Interest on loans payable The Company hedges future risks of fluctuation in interest rates mainly according to internal management regulations. The Company evaluates hedge effectiveness for the whole hedge term by comparing the cumulative changes in fair value or the cumulative change in cash flows from hedging instruments and the corresponding hedged items.

In addition to future risks of interest rate changes, derivative transactions are subject to credit risks which arise from nonfulfillment of contracts by the collapse of the contract partner to the derivative transaction. Since the Companies execute derivative transactions using only counterparties of high credit rating, the Company believes there is almost no such credit risk. The derivative transactions are executed in accordance with internal management regulations and reported to the Board of Directors.

19. SEGMENT INFORMATION

The business and geographical segments and overseas sales of the Company and its consolidated subsidiaries for the years ended March 31, 2008 and 2007 are outlined as follows:

(a) Business Segments

	Millions of yen					
Year ended March 31, 2008	Steel	Material recycling	Others	Total	Eliminations or unallocated amounts	Consolidated
I. Sales and operating income						
Sales to external customers	¥173,048	¥8,077	¥ 451	¥181,576	¥ —	¥181,576
Intersegment sales and transfers	74	1,635	0	1,709	(1,709)	—
Total	173,122	9,712	451	183,285	(1,709)	181,576
Operating expenses	158,401	6,774	421	165,596	(1,209)	164,387
Operating income	¥ 14,721	¥2,938	¥ 30	¥ 17,689	¥(500)	¥ 17,189
II. Total assets, depreciation, impairment losses and capital expenditures						
Total assets	¥125,053	¥6,430	¥5,531	¥137,014	¥29,558	¥166,572
Depreciation and amortization	4,323	346	8	4,677	61	4,738
Impairment losses	22	—	—	22	145	167
Capital expenditures	5,224	238	6	5,468	82	5,550

(Note) 1. The business division is designated by internal management.
2. The main products and services of each segment
(1) Steel segment: Rebar, Round bar, Merchant bar
(2) Material recycling segment: Recycle, Disposal of industrial and medical waste
(3) Other segment: Engineering materials, Agent of insurance
3. Unallocated operating expenses in Eliminations or unallocated amounts, which mainly represent expenses of the corporate division of the Company, were 505 million yen.
4. Corporate assets included in Eliminations or unallocated amounts amounted to ¥37,098 million in FY2008 and consisted primarily of the Company's surplus funds (Cash and time deposits, and Marketable securities) and Long-term investments (Investment securities) and belong to the general control division in the head office of the Company.
5. Long-term prepaid expenses and their depreciation are included in Depreciation and Capital expenditures.
6. As stated in the Consolidated Financial Statements, pursuant to an amendment to the Corporation Tax Law, the Company and its domestic consolidated subsidiaries, effective from the period under review, depreciate the difference between 5% of the acquisition cost of an asset acquired on or before March 31, 2007 and the book value of the asset uniformly over a five-year period starting from the year following the fiscal year in which the depreciated value of the asset reaches 5% of the acquisition price using the pre-amendment depreciation method. Depreciated amounts are included in Depreciation expenses.
This adoption increased Operating expenses and decreased Operating income by ¥363 million for the Steel segment, ¥4 million for the Material recycling segment, ¥0 million for the Others segment, and ¥101 million for Eliminations or unallocated amounts, and ¥368 million for Consolidated, compared with the results that would have been obtained if the standard had not been adopted.

Thousands of U.S. dollars

Year ended March 31, 2008	Steel	Material recycling	Others	Total	Eliminations or unallocated amounts	Consolidated
I. Sales and operating income						
Sales to external customers	$1,727,543	$80,633	$ 4,502	$1,812,678	$ —	$1,812,678
Intersegment sales or transfers	739	16,322	0	17,061	(17,061)	—
Total	1,728,282	96,955	4,502	1,829,739	(17,061)	1,812,678
Operating expenses	1,581,322	67,625	4,203	1,653,150	(12,069)	1,641,081
Operating income	$ 146,960	$29,330	$ 299	$ 176,589	$ (4,992)	$ 171,597
II. Total assets, depreciation, impairment losses and capital expenditures						
Total assets	$1,248,408	$64,191	$55,216	$1,367,815	$295,078	$1,662,893
Depreciation and amortization	43,157	3,454	80	46,691	609	47,300
Impairment losses	220	—	—	220	1,447	1,667
Capital expenditures	52,151	2,376	60	54,587	819	55,406

Millions of yen

Year ended March 31, 2007	Steel	Material recycling	Others	Total	Eliminations or unallocated amounts	Consolidated
I. Sales and operating income						
Sales to external customers	¥151,499	¥6,887	¥ 487	¥158,873	¥ —	¥158,873
Intersegment sales or transfers	1	1,571	—	1,572	(1,572)	—
Total	151,500	8,458	487	160,445	(1,572)	158,873
Operating expenses	131,451	6,513	446	138,410	(1,000)	137,410
Operating income	¥ 20,049	¥1,945	¥ 41	¥ 22,035	¥ (572)	¥ 21,463
II. Total assets, depreciation, impairment losses and capital expenditures						
Total assets	¥124,602	¥6,093	¥7,873	¥138,568	¥30,329	¥168,897
Depreciation and amortization	4,073	517	0	4,590	57	4,647
Capital expenditures	6,508	128	—	6,635	64	6,699

(Note) 1. The business division is designated by internal management.
2. The main products and services of each segment
(1) Steel segment: Rebar, Round bar, Merchant bar
(2) Material recycling segment: Recycle, Disposal of industrial and medical waste
(3) Other segment: Engineering materials, Agent of insurance
3. Unallocated operating expenses in Eliminations or unallocated amounts, which mainly represent expenses of the general control division of the Company, were 602 million yen.
4. Corporate assets included in Eliminations or unallocated amounts amounted to ¥38,491 million in FY2007 and consisted primarily of the Company's surplus funds (Cash and time deposits and Marketable securities) and Long-term investments (Investment securities) and belong to the general control division in the head office of the Company.
5. Long-term prepaid expenses and their depreciation are included in Depreciation and Capital expenditures.
6. From the fiscal year under review, the Company adopted the Accounting Standard for Directors' Bonuses (ASBJ Statement No. 4 issued on November 29, 2005), as stated in Changes in Basis of Presentation of the Consolidated Financial Statements. This adoption increased Operating expenses and decreased Operating income by ¥95 million for the Steel segment, ¥5 million for the Material recycling segment, ¥0 million for the Others segment, ¥101 million for Eliminations or unallocated amounts, and ¥201 million for Consolidated, compared with the results that would have been obtained if said standard had not been adopted.

(b) Geographic Segment Information

As all consolidated subsidiaries and all branch offices are located in Japan, geographic segment information has not been presented for the years ended March 31, 2007 and 2008.

(c) Overseas Sales Amounts

Segment information for overseas sales is not disclosed since overseas sales amounts in the fiscal year ended March 31, 2007 were less than 10% of consolidated sales.

As overseas sales for the year ended March 31, 2008 were over 10% in the consolidated total sales, overseas sales are indicated as follows:

	Asia	North America	Other	Total
I. Sales to customers outside Japan (millions of yen)	¥17,583	¥1,946	¥6	¥19,535
II. Consolidated sales (millions of yen)				¥181,576
III. Ratio of sales to customers outside Japan to consolidated sales (%)	9.7	1.1	0.0	10.8

(Note) 1. Countries or regions are listed in the order of geographical proximity
2. Major countries or regions excluding Japan represented by categories
(1) Asia : Korea, China, Taiwan, Vietnam, Indonesian, Singapore
(2) North America: USA, Canada
(3) Other : Brazil
3. Sales to customers outside Japan represent the sales by the parent company and its consolidated subsidiaries in the countries

20. SUBSEQUENT EVENTS

(a) On May 8, 2008, the Company and Tokyo Tekko Co., Ltd. (Tokyo Tekko) agreed on a comprehensive technical alliance covering the material recycling and screw joint businesses. Details of this alliance are outlined below.

1. Purpose of the Comprehensive Technical Alliance

The Company and Tokyo Tekko are both involved in the business of mechanical joints and screw rebars, which are essential for the industrialized construction methods used in high-rise buildings and other areas. This alliance was formed to reduce the risk that these products would not be able to get to customers who need them in the case of a natural disaster or accident, and to make use of these construction methods and these products more widespread.

Although we have been working with Tohoku Tokyo Tekko, a subsidiary of Tokyo Tekko, in the material recycling business since 2003, this latest alliance is more comprehensive and significant and will lead to an expansion of business for both companies.

2. Contents of the comprehensive technical alliance

(1) Unification of the standard for the mechanical joint and threaded-type rebars, which contributes to development of industrialization industrial method of construction and engineering works overall.
(2) Contribution of business development regarding the construction of an environment for a recycling type society in Japan.

3. Corporate Data of Tokyo Tekko

Company Name: Tokyo Tekko Co., Ltd.
Representative: Tsunebumi Yoshihara, President and Chief Executive Officer
Capital: ¥ 5,839,000,000 (As of March 31, 2008)
Head Office: 520 Yokokurashinmachi, Oyama City, Tochigi Prefecture 323-0819, Japan
Founded: June 1939
Business Contents: Manufacturing , processing and sales of short rebars and mechanical joints, and processing of waste vehicle, household electrical appliances, other industrial waste.
Accounting period: March
Factories: Head factory (Oyama City, Tochigi Prefecture)
Fabrication center (Oyama City, Tochigi Prefecture)
Hachinohe factory (Hachinohe City, Aomori Prefecture)
Major business areas: Tokyo, Osaka, Nagoya, Sendai, Fukuoka

(b) Dividends whose record date falls in the fiscal year under review, but whose effective date is in the following fiscal year

Date of approval	Type of shares	Source of dividends	Total dividends (millions of yen)	Total dividends (thousands of U.S. dollars)	Dividends per share (yen)	Dividends per share (U.S. dollars)	Record date	Effective date
May 9, 2008 (Board of Directors)	Common stock	Retained earnings	¥659	$6,579	¥15	$0.1	March 31, 2008	June 11, 2008

KPMG

Independent Auditors' Report

To the Shareholders and Board of Directors of
KYOEI STEEL LTD.

We have audited the accompanying consolidated balance sheets of KYOEI STEEL LTD. and its consolidated subsidiaries as of March 31, 2008 and 2007, and the related consolidated statements of income, changes in net assets and cash flows for the years then ended, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of KYOEI STEEL LTD. and its consolidated subsidiaries as of March 31, 2008 and 2007, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

Without qualifying our opinion, we draw attention to the following.
As discussed in Note 20 to the consolidated financial statements, on May 8, 2008, KYOEI STEEL LTD. and Tokyo Tekko Co., Ltd. agreed on a comprehensive technical alliance covering the material recycling and screw joint businesses.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2008 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, the translation was made on the basis described in Note 1 to the Consolidated Financial Statements.

Osaka, Japan
October 31, 2008

KPMG AZSA & Co.

Board Directors, Corporate Auditors and Executive Officers

(As of June 25, 2008)

Board Directors and Corporate Auditors

Chairman and Representative Director	Akihiko Takashima
Vice Chairman and Representative Director	Hideichiro Takashima
Representative Director	Ryutaro Yoshioka
Board Directors	Hirofumi Nagata
	Nobuyuki Fukada
	Takeshi Ogata
	Koji Kawasaki
	Toshimasa Zako
	Naoyoshi Goroku
	Hirotaka Kimura
	Makoto Doi
	Yoshihiro Matsuda
	Hiroshi Aoki
Standing Corporate Auditor	Toshihiko Onigata
Corporate Auditors	Hirofumi Iseki
	Michiharu Takii

Executive Officers

President	Ryutaro Yoshioka
Executive Vice President	Hirofumi Nagata
Senior Executive Managing Officers	Nobuyuki Fukada
	Takeshi Ogata
Executive Managing Officers	Koji Kawasaki
	Toshimasa Zako
	Naoyoshi Goroku
	Hirotaka Kimura
Executive Officers	Makoto Doi
	Yoshihiro Matsuda
	Fumio Nakagawa
	Haruo Hiraiwa
	Yoshihiro Shima
	Yoshio Kitsukawa
	Shuji Ichihara
	Akira Okada
	Ei Takeda
	Naoki Harima

Investor Information

(As of March 31, 2008)

Date of Establishment	August 21, 1947
Common Stock	¥18,516 million
Number of Shares	Authorized: 150,300,000 Issued: 44,898,730
Number of Shareholders	3,808
Number of Employees	1,049 (Consolidated: regular employee)
Stock Listings	Tokyo, Osaka
Transfer Agent	The Sumitomo Trust and Banking Co., Ltd. 5-33 Kitahama 4-chome, Chuo-ku, Osaka, Japan

Major Shareholders (As of March 31, 2008)

Name of shareholder	Number of shares owned	% of total-shares issued
Sumitomo Metal Industries, Ltd.	11,592,932	25.82%
Hideichiro Takashima	5,375,460	11.97
Air Water Inc.	3,292,400	7.33
Japan Trustee Services Bank, Ltd. (Trust Account)	2,652,900	5.91
Akihiko Takashima	2,583,000	5.75
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,621,500	3.61
Mitsui & Co., Ltd.	1,470,000	3.27
Godo Steel, Ltd.	1,347,000	3.00
Kyoei Steel Ltd. (Treasury stock)	943,904	2.10
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	904,410	2.01

KYOEI STEEL

http://www.kyoeisteel.co.jp/