

# FY2022 1Q Financial Results

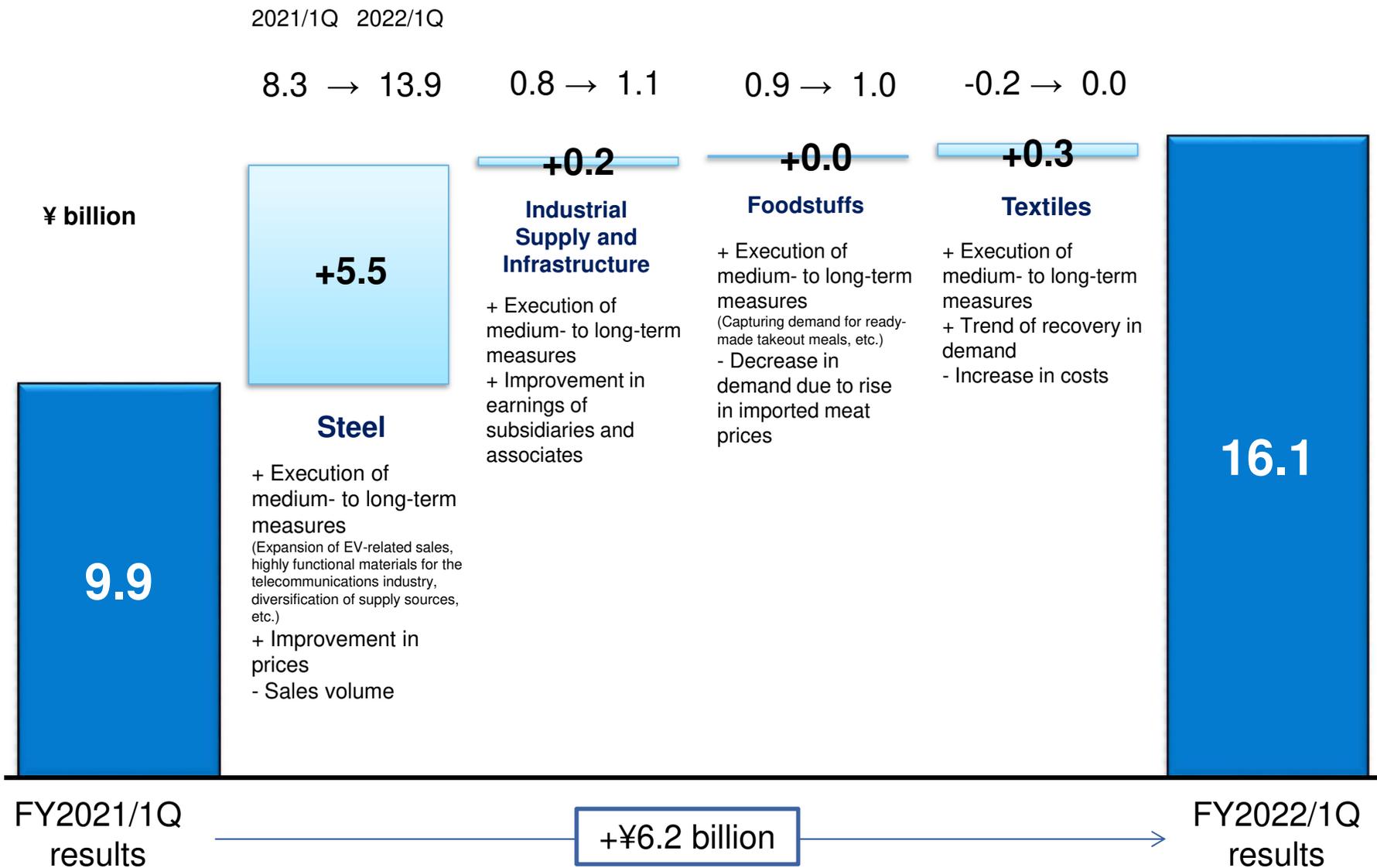
August 4, 2022



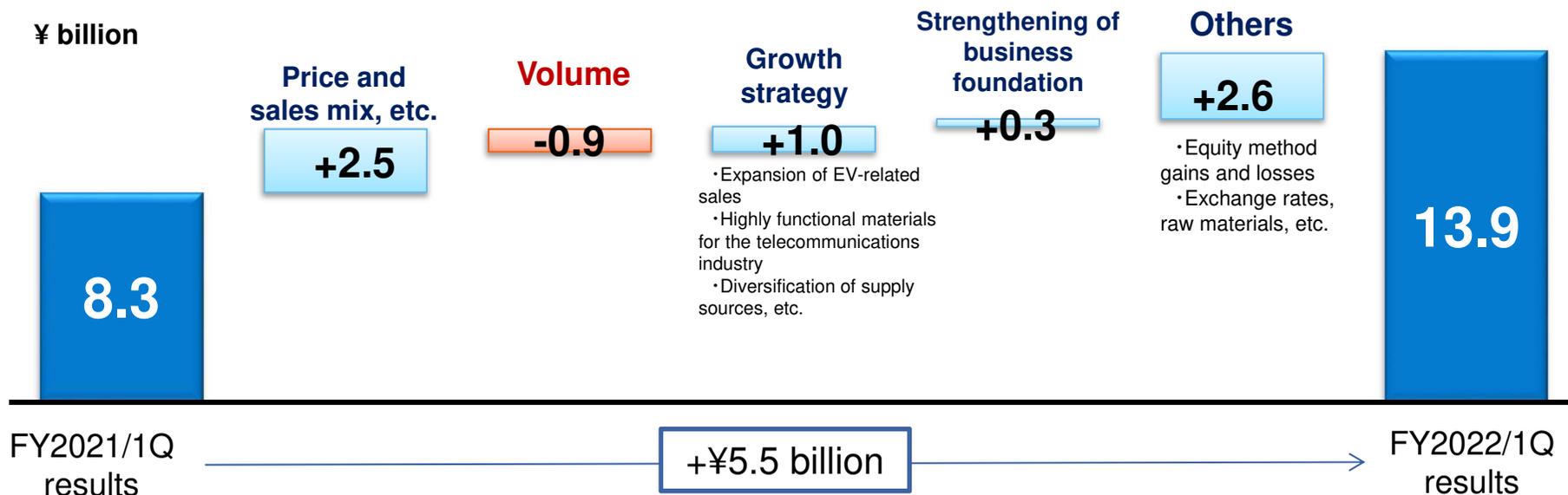
**日鉄物産**  
NIPPON STEEL TRADING



# Factors Increasing and Decreasing Ordinary Profit (FY2021 1Q Results→FY2022 1Q Results)



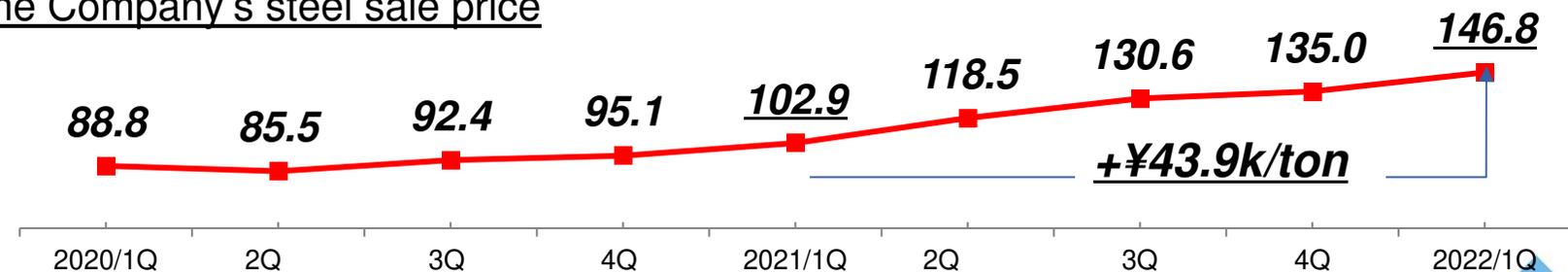
# Increases and Decreases in Ordinary Profit of Steel Business (FY2021/1Q Results→FY2022/1Q Results)



## Consolidated steel handling volume

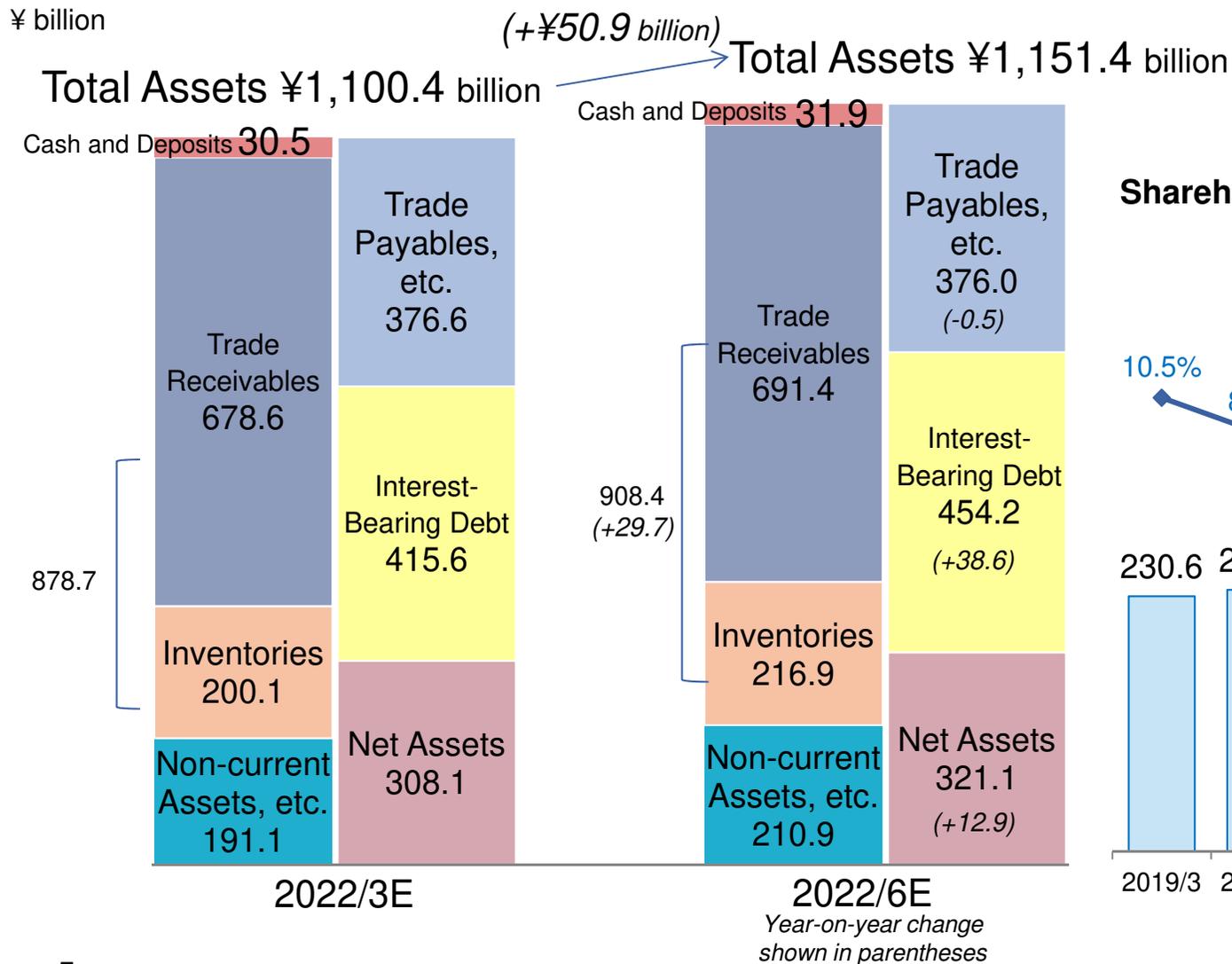
10,000 tons	2021/1Q	2022/1Q	Change
Consolidated total	469	435	-34
Non-consolidated	360	324	-36
Subsidiaries	109	111	+2

## The Company's steel sale price

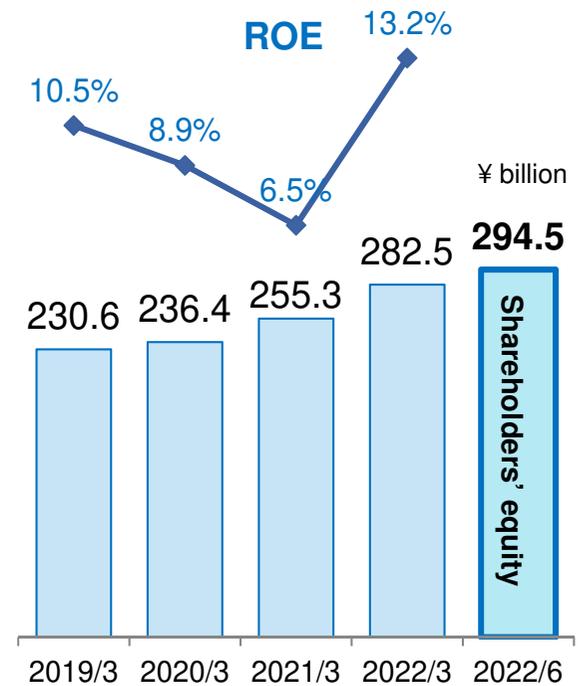


# Balance Sheet

- Working capital mainly increased due to an increase in revenue



## Shareholders' Equity and ROE



# FY2022 Earnings Forecasts

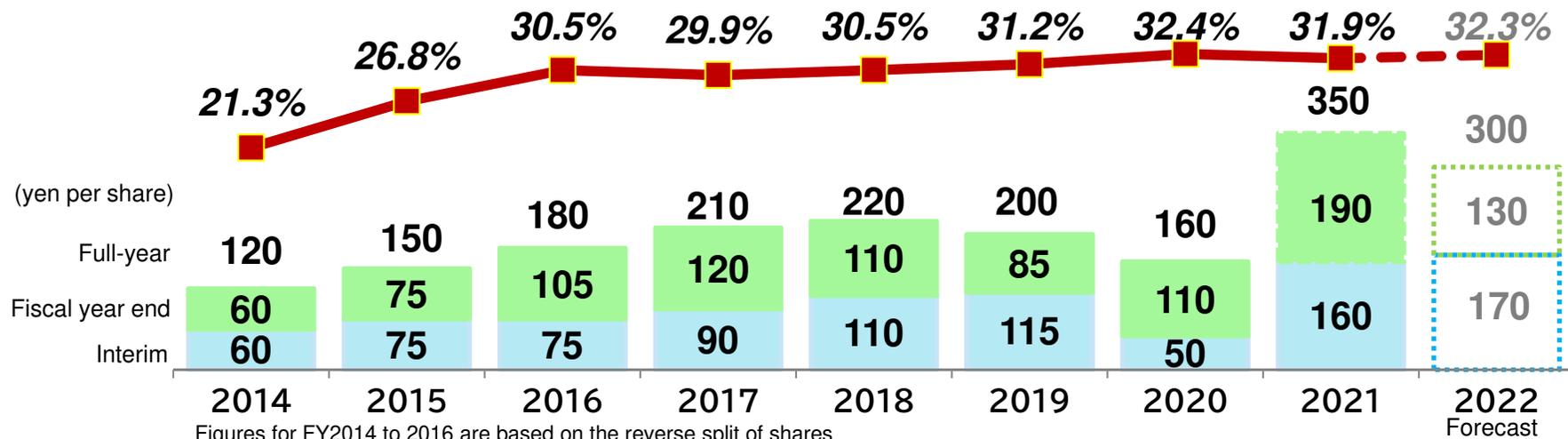
- First half earnings forecasts: Ordinary profit ¥25.5 billion (+¥2.8 billion year on year)  
 Net profit ¥17.0 billion (+¥1.1 billion year on year)  
 Dividend ¥170 per share (+¥10 per share year on year)
- The future economic outlook, including the impact of the global economic slowdown and other factors, is unclear and there are no changes to the full-year earnings forecasts.  
 (Full-year ordinary profit: ¥43.0 billion, full-year net profit: ¥30.0 billion, and full-year dividend: ¥300 per share)

¥ billion	FY2021 results		FY 2022 forecast		Change		<u>Main factors for changes in first half</u>
	First half		First half		First half	Full-year	
Steel	19.6	43.2	23.4	37.4	+3.8	-5.8	Overall: + Effect of medium-term measures + Price, - volume - Equity method gains and losses - Impact of rise in imported meat prices + Trend of recovery in demand
I & I	1.7	2.1	0.6	2.1	-1.1	-	
Foodstuffs	1.5	2.9	1.2	2.4	-0.3	-0.5	
Textiles	-0.1	-0.5	0.3	1.1	+0.4	+1.6	
<b>Ordinary profit</b>	<b>22.7</b>	<b>47.8</b>	<b>25.5</b>	<b>43.0</b>	<b>+2.8</b>	<b>-4.8</b>	
<b>Net profit</b>	<b>15.9</b>	<b>35.4</b>	<b>17.0</b>	<b>30.0</b>	<b>+1.1</b>	<b>-5.4</b>	
<b>Dividends (yen per share)</b>	<b>160</b>	<b>350</b>	<b>170</b>	<b>300</b>	<b>+10</b>	<b>-50</b>	
<b>Dividend payout ratio</b>		<b>31.9%</b>		<b>32.3%</b>			

# Dividend Forecast

## The Company's Dividends

	FY2020	FY2021 dividend		FY2022 forecast	
		Interim	Year-end	Interim forecast	FY2022 forecast
Net profit	¥15.9 billion	¥15.9 billion	¥19.4 billion	¥17.0 billion	¥30.0 billion
Dividend	¥160 per share	¥160 per share	¥190 per share	¥170 per share	¥300 per share
Dividend payout ratio	32.4%		31.9%		32.3%



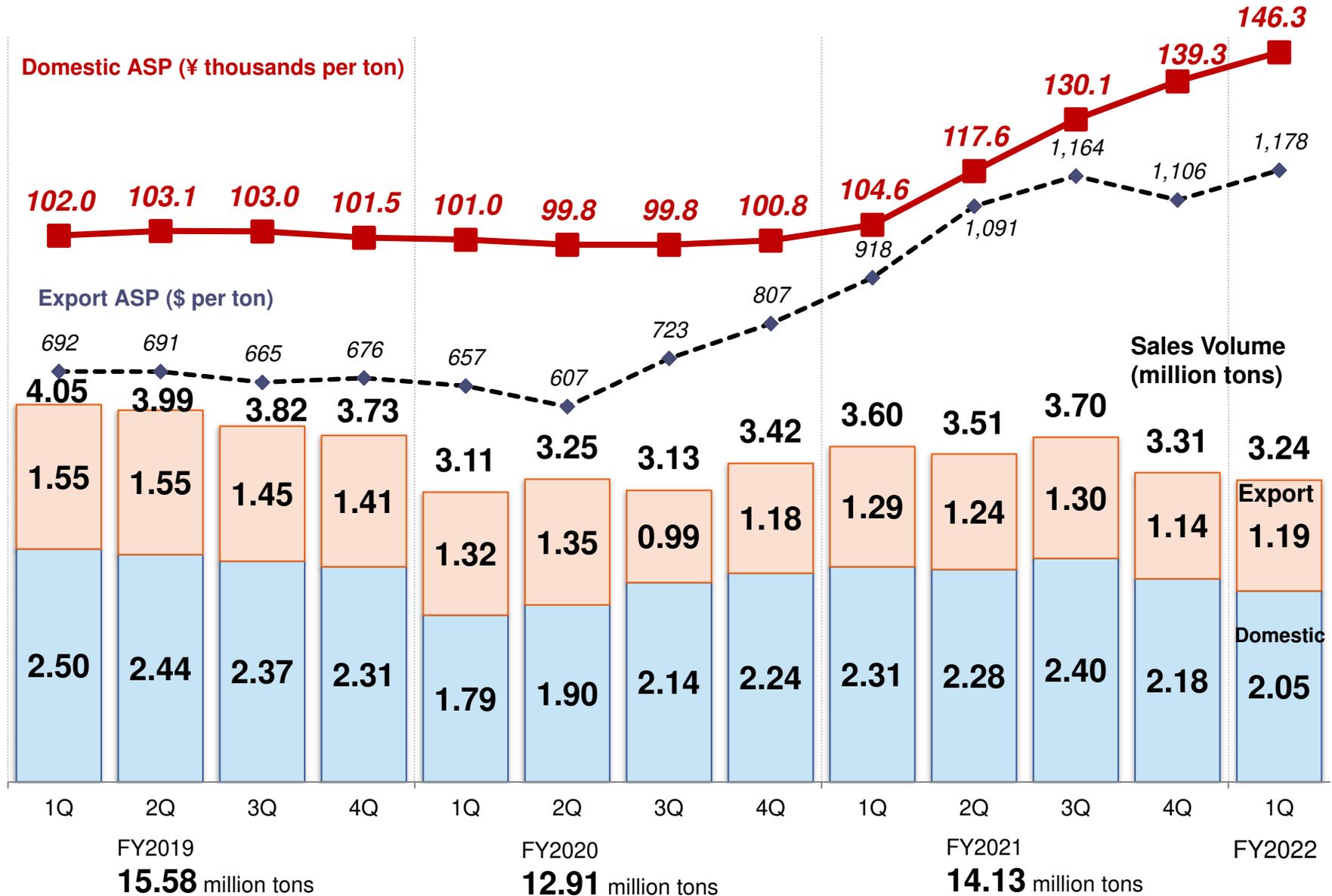
### (Reference) Dividend Policy

The Company regards the return of profits to shareholders as one of the top priorities of corporate management, and has a basic policy of providing dividends according to performance with the aim of a consolidated payout ratio of at least 30%, while improving its financial condition.

# Appendix

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# Non-Consolidated Sales Volume and ASP of Steel by Quarter



# Statements of Income

¥ billion					FY2021	FY2022 1Q	1Q change
	1Q	2Q	3Q	4Q			
<b>Net sales</b>	388.3	462.8	508.3	506.3	1,865.9	<b>521.3</b>	133.0
<i>(ratio)</i> <b>Overseas sales</b>	<i>(29.2%)</i> 113.3	<i>(29.5%)</i> 136.5	<i>(31.4%)</i> 159.8	<i>(36.5%)</i> 184.7	<i>(31.9%)</i> 594.4	<b><i>(38.9%)</i></b> <b>202.5</b>	<i>(9.7%)</i> 89.1
<i>(ratio)</i> <b>Gross profit</b>	<i>(9.4%)</i> 36.6	<i>(8.4%)</i> 39.0	<i>(8.7%)</i> 44.2	<i>(8.0%)</i> 40.2	<i>(8.6%)</i> 160.2	<b><i>(8.6%)</i></b> <b>44.8</b>	<i>(-0.8%)</i> +8.1
<b>Operating profit</b>	8.7	11.6	12.9	11.3	44.6	<b>13.5</b>	+4.8
<b>Equity method gains and losses</b>	0.8	1.0	1.1	(0.6)	2.4	<b>1.9</b>	+1.0
<b>Ordinary profit</b>	9.9	12.7	14.2	10.7	47.8	<b>16.1</b>	+6.2
<b>Extraordinary income (loss)</b>	(0.0)	0.8	0.0	3.4	4.2	<b>1.4</b>	+1.5
<b>Income taxes</b>	2.6	3.5	3.9	3.6	13.7	<b>4.9</b>	-2.3
<b>Profit attributable to non-controlling interests</b>	0.6	0.7	0.7	0.7	2.9	<b>0.7</b>	-0.1
<b>Net profit</b>	6.6	9.3	9.5	9.8	35.4	<b>11.9</b>	+5.3
<b>EPS (yen)</b>	206.35	289.49	296.74	305.44	1,098.03	<b>371.16</b>	164.81

# Extraordinary Income (Loss)

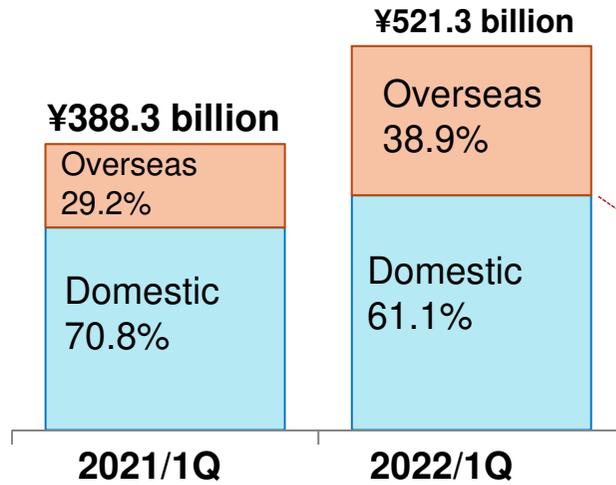
¥ billion	2021/1Q	2022/1Q	Change
Gain on sale of non-current assets	-	<b>1.63</b>	+1.63
Gain on sale of investment securities	0.04	<b>0.02</b>	-0.02
Gain on sales of investments in capital	-	<b>0.01</b>	+0.01
<b>Total extraordinary income</b>	<b>0.04</b>	<b>1.65</b>	<b>+1.62</b>
Loss on valuation of investment securities	0.08	<b>0.01</b>	+0.07
Loss on liquidation of subsidiaries and associates	-	<b>0.06</b>	-0.06
Loss on change in equity	-	<b>0.12</b>	-0.12
<b>Total extraordinary losses</b>	<b>0.08</b>	<b>0.18</b>	<b>-0.11</b>
<b>Total extraordinary income (loss)</b>	<b>(0.04)</b>	<b>1.47</b>	<b>+1.51</b>

# Sales and Ordinary Profit by Quarter

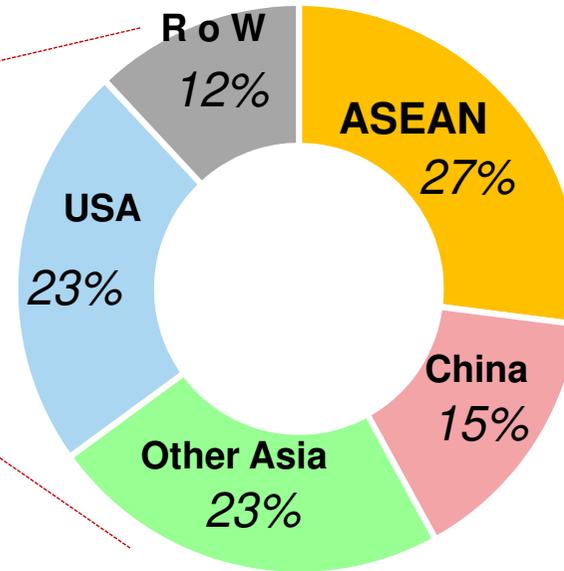
¥ billion	FY2020				FY2021				FY2022
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
<b>Steel</b>	237.2	240.6	259.0	284.8	323.4	390.1	428.6	451.5	<b>464.0</b>
<b>I &amp; I</b>	14.8	13.2	16.4	17.9	19.4	19.9	24.9	25.5	<b>24.5</b>
<b>Foodstuffs</b>	22.5	22.3	25.0	19.6	24.7	26.6	29.2	25.7	<b>30.5</b>
<b>Textiles</b>	19.8	26.3	25.3	25.2	20.5	26.1	25.4	3.5	<b>2.0</b>
<b>Others</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	<b>0.1</b>
<b>Sales</b>	<b>294.6</b>	<b>302.6</b>	<b>325.9</b>	<b>347.8</b>	<b>388.3</b>	<b>462.8</b>	<b>508.3</b>	<b>506.3</b>	<b>521.3</b>
<b>Steel</b>	4.6	2.9	5.8	5.7	8.3	11.2	12.6	10.8	<b>13.9</b>
<b>I &amp; I</b>	(0.0)	0.8	0.6	1.1	0.8	0.8	1.0	(0.6)	<b>1.1</b>
<b>Foodstuffs</b>	0.4	0.5	0.9	0.5	0.9	0.5	1.0	0.3	<b>1.0</b>
<b>Textiles</b>	(0.2)	0.6	0.3	0.9	(0.2)	0.0	(0.5)	0.1	<b>0.0</b>
<b>Others</b>	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>Ordinary profit</b>	<b>4.6</b>	<b>4.9</b>	<b>7.7</b>	<b>8.4</b>	<b>9.9</b>	<b>12.7</b>	<b>14.2</b>	<b>10.7</b>	<b>16.1</b>

# Overseas Sales

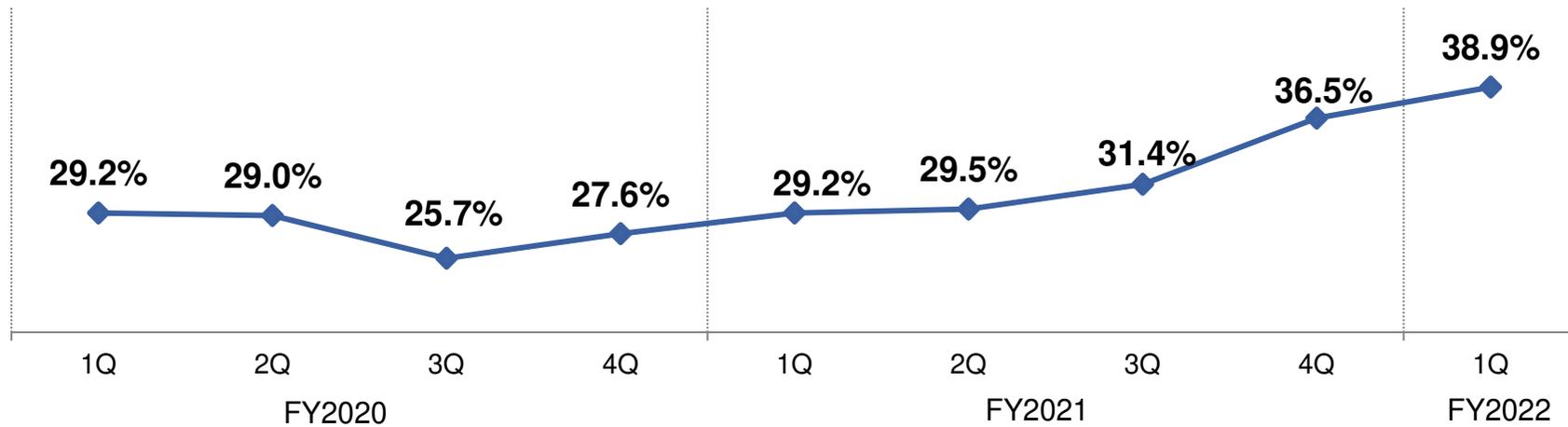
Net Sales



Overseas Sales by Region



Overseas Sales Trend



## Corporate Philosophy

1. Continuing to be a corporate group driven by the aspiration of providing goods and services that offer new value to the larger society.
2. Putting trust and reliability first, and by doing so developing together with our customers.
3. Aiming to become the kind of organization that increasingly cultivates, utilizes, and values human resources and their talents.

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