



# Flash Report

## Consolidated Basis

### Results for Fiscal 2022

(April 1, 2022—March 31, 2023)  
< under IFRS >

May 10, 2023

|                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Company name:</b><br><b>Stock listing:</b><br><b>Code number:</b><br><b>URL:</b><br><b>Representative:</b><br><b>Contact:</b><br><b>Telephone:</b><br><b>Scheduled date to Ordinary General Meeting of Shareholders:</b><br><b>Scheduled date to pay dividends:</b><br><b>Scheduled date to submit Securities Report:</b><br><b>Preparation of supplemental explanatory materials:</b><br><b>Holding of financial results meeting:</b> | NIPPON STEEL CORPORATION<br>Tokyo Stock Exchange / Nagoya Stock Exchange / Fukuoka Stock Exchange / Sapporo Securities Exchange<br>5401<br><a href="https://www.nipponsteel.com/en/index.html">https://www.nipponsteel.com/en/index.html</a><br>Eiji Hashimoto, Representative Director and President<br>Shinnosuke Arita, General Manager, Public Relations Center<br>+81-3-6867-2135, 2146, 2977, 3419<br>June 23, 2023<br>June 26, 2023<br>June 23, 2023<br>Yes<br>Yes (for investment analysts) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

(All amounts have been truncated to the nearest millions of Japanese yen.)

## 1. Consolidated Operating Results, Financial Position and Cash-Flows for Fiscal 2022

(April 1, 2022—March 31, 2023)

### (1) Consolidated Operating Results

(Percentage figures are changes from the same period of the previous fiscal year.)

|                    | Revenue          |             | Business profit (*) |              | Operating profit |            | Profit before income taxes |            | Profit for the year |             | Profit for the year attributable to owners of the parent |            |
|--------------------|------------------|-------------|---------------------|--------------|------------------|------------|----------------------------|------------|---------------------|-------------|----------------------------------------------------------|------------|
|                    | Millions of yen  | %           | Millions of yen     | %            | Millions of yen  | %          | Millions of yen            | %          | Millions of yen     | %           | Millions of yen                                          | %          |
| <b>Fiscal 2022</b> | <b>7,975,586</b> | <b>17.1</b> | <b>916,456</b>      | <b>(2.3)</b> | <b>883,646</b>   | <b>5.1</b> | <b>866,849</b>             | <b>6.2</b> | <b>738,732</b>      | <b>10.7</b> | <b>694,016</b>                                           | <b>8.9</b> |
| Fiscal 2021        | 6,808,890        | 41.0        | 938,130             | 752.5        | 840,901          | —          | 816,583                    | —          | 667,530             | —           | 637,321                                                  | —          |

|                    | Total comprehensive income for the year |             | Basic earnings per share | Diluted earnings per share | Ratio of profit to total equity attributable to owners of the parent | Ratio of profit before income taxes to total assets | Ratio of business profit to revenue | Ratio of operating profit to revenue |
|--------------------|-----------------------------------------|-------------|--------------------------|----------------------------|----------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------|--------------------------------------|
|                    | Millions of yen                         | %           | Yen                      | Yen                        | %                                                                    | %                                                   | %                                   | %                                    |
| <b>Fiscal 2022</b> | <b>926,920</b>                          | <b>13.5</b> | <b>753.66</b>            | <b>671.89</b>              | <b>18.1</b>                                                          | <b>9.5</b>                                          | <b>11.5</b>                         | <b>11.1</b>                          |
| Fiscal 2021        | 816,342                                 | 469.9       | 692.16                   | 657.48                     | 20.5                                                                 | 10.0                                                | 13.8                                | 12.4                                 |

(For reference) Share of profit in investments accounted for using the equity method: Fiscal 2022 ¥102,915 million  
Fiscal 2021 ¥214,480 million

(\*)Business Profit on Consolidated Statements of Profit or Loss indicates the results of sustainable business activities, and is an important measure to compare and evaluate the Company's consolidated performance continuously. It is defined as being deducted Cost of sales, Selling general and administrative expenses and Other operating expenses from Revenue, and added Share of profit in investments accounted for using the equity method and Other operating income. Other operating income and expenses are composed mainly of Dividend income, Foreign exchange gains or losses, and Losses on disposal of fixed assets.

### (2) Consolidated Financial Position

|                    | Total assets     | Total equity     | Total equity attributable to owners of the parent | Ratio of total equity attributable to owners of the parent to total assets | Total equity attributable to owners of the parent per share |
|--------------------|------------------|------------------|---------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------|
|                    | Millions of yen  | Millions of yen  | Millions of yen                                   | %                                                                          | Yen                                                         |
| <b>Fiscal 2022</b> | <b>9,567,099</b> | <b>4,646,417</b> | <b>4,181,155</b>                                  | <b>43.7</b>                                                                | <b>4,540.59</b>                                             |
| Fiscal 2021        | 8,752,346        | 3,897,008        | 3,466,799                                         | 39.6                                                                       | 3,764.69                                                    |

### (3) Consolidated Statements of Cash-Flows

|                    | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of the year |
|--------------------|--------------------------------------|--------------------------------------|--------------------------------------|----------------------------------------------|
|                    | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                              |
| <b>Fiscal 2022</b> | <b>661,274</b>                       | <b>(366,580)</b>                     | <b>(197,655)</b>                     | <b>670,410</b>                               |
| Fiscal 2021        | 615,635                              | (378,866)                            | (61,304)                             | 551,049                                      |

## 2. Dividends

|                         | Dividends per share  |                       |                      |                    |               |
|-------------------------|----------------------|-----------------------|----------------------|--------------------|---------------|
|                         | End of first quarter | End of second quarter | End of third quarter | End of fiscal year | Fiscal year   |
|                         | Yen                  | Yen                   | Yen                  | Yen                | Yen           |
| Fiscal 2021             | —                    | 70.00                 | —                    | 90.00              | 160.00        |
| <b>Fiscal 2022</b>      | —                    | <b>90.00</b>          | —                    | <b>90.00</b>       | <b>180.00</b> |
| Fiscal 2023 (Forecasts) | —                    | 70.00                 | —                    | 70.00              | 140.00        |

|                         | Cash dividends  | Ratio of cash dividends to profit | Ratio of cash dividends to total equity attributable to owners of the parent |
|-------------------------|-----------------|-----------------------------------|------------------------------------------------------------------------------|
|                         | Millions of yen | %                                 | %                                                                            |
| Fiscal 2021             | 147,512         | 23.1                              | 4.7                                                                          |
| <b>Fiscal 2022</b>      | <b>165,948</b>  | 23.9                              | <b>4.3</b>                                                                   |
| Fiscal 2023 (Forecasts) |                 | 34.8                              |                                                                              |

## 3. Consolidated Financial Forecasts for Fiscal 2023 (April 1, 2023—March 31, 2024)

(Percentage figures are changes from the same period of the previous fiscal year.)

|                               | Revenue         |      | Business profit |        | Total equity attributable to owners of the parent |        | Basic earnings per share |
|-------------------------------|-----------------|------|-----------------|--------|---------------------------------------------------|--------|--------------------------|
|                               | Millions of yen | %    | Millions of yen | %      | Millions of yen                                   | %      | Yen                      |
| The first half of fiscal 2023 | 4,500,000       | 16.1 | 270,000         | (50.2) | 120,000                                           | (67.8) | 130.00                   |
| Fiscal 2023                   | 9,000,000       | 12.8 | 650,000         | (29.1) | 370,000                                           | (46.7) | 402.00                   |

For further details, please refer to page 7, “1. Summary of Operating Results (2) Outlook for the Fiscal Year Ending March 31, 2024 (Fiscal 2023)” and “Results and dividends of Fiscal 2022 (Year ended March 31, 2023).”

### \* Notes

- (1) Changes in significant subsidiaries during the period: None
- (2) Changes in accounting policies and changes in accounting estimates
  - (a) Changes in accounting policies required by IFRS: None
  - (b) Changes in accounting policies other than those in (a) above: None
  - (c) Changes in accounting estimates: None
- (3) Number of shares outstanding (common shares)
  - (a) Number of shares outstanding at the end of the period (including treasury stock)
 

|             |                    |
|-------------|--------------------|
| Fiscal 2022 | 950,321,402 shares |
| Fiscal 2021 | 950,321,402 shares |
  - (b) Number of treasury stock at the end of the period
 

|             |                   |
|-------------|-------------------|
| Fiscal 2022 | 29,481,839 shares |
| Fiscal 2021 | 29,449,711 shares |
  - (c) Weighted average number of shares outstanding
 

|             |                    |
|-------------|--------------------|
| Fiscal 2022 | 920,858,089 shares |
| Fiscal 2021 | 920,765,686 shares |

**(For Reference)**

**1. A Summary of Non-Consolidated Operating Results and Financial Position for Fiscal 2022**

**(April 1, 2022—March 31, 2023)**

**(1) Non-Consolidated Operating Results**

(Percentage figures are changes from the same period of the previous fiscal year.)

|                    | Net sales        |             | Operating profit |        | Ordinary profit |       | Profit for the year |      |
|--------------------|------------------|-------------|------------------|--------|-----------------|-------|---------------------|------|
|                    | Millions of yen  | %           | Millions of yen  | %      | Millions of yen | %     | Millions of yen     | %    |
| <b>Fiscal 2022</b> | <b>4,973,537</b> | <b>13.9</b> | <b>318,399</b>   | (21.1) | <b>527,162</b>  | (1.8) | <b>503,643</b>      | 28.1 |
| Fiscal 2021        | 4,365,970        | 54.8        | 403,736          | —      | 536,792         | —     | 393,022             | —    |

|                    | Earnings per share | Diluted earnings per share |
|--------------------|--------------------|----------------------------|
|                    | Yen                | Yen                        |
| <b>Fiscal 2022</b> | <b>546.28</b>      | <b>487.07</b>              |
| Fiscal 2021        | 426.28             | 404.95                     |

**(2) Non-Consolidated Financial Position**

|                    | Total assets     | Net assets       | Ratio of shareholders' equity to total assets | Net assets per share |
|--------------------|------------------|------------------|-----------------------------------------------|----------------------|
|                    | Millions of yen  | Millions of yen  | %                                             | Yen                  |
| <b>Fiscal 2022</b> | <b>6,280,924</b> | <b>2,135,393</b> | <b>34.0</b>                                   | <b>2,316.22</b>      |
| Fiscal 2021        | 5,926,165        | 1,780,048        | 30.0                                          | 1,930.74             |

(For reference) Shareholders' equity:

Fiscal 2022 ¥2,135,393 million

Fiscal 2021 ¥1,780,048 million

**2. Non-Consolidated Financial Forecasts for Fiscal 2023 (April 1, 2023—March 31, 2024)**

(Percentage figures are changes from the same period of the previous fiscal year.)

|             | Net sales       |       | Ordinary profit |        | Profit for the year |        | Earnings per share |
|-------------|-----------------|-------|-----------------|--------|---------------------|--------|--------------------|
|             | Millions of yen | %     | Millions of yen | %      | Millions of yen     | %      | Yen                |
| Fiscal 2023 | 4,800,000       | (3.5) | 270,000         | (48.8) | 180,000             | (64.3) | 195.00             |

\* This flash report is not subject to audit procedures.

\* Explanation of the appropriate use of performance forecasts and other related items

(Explanation of the appropriate use of performance forecasts)

The forward-looking statements included in this flash report are based on the assumptions, forecasts, and plans of the Company as of the date on which this document is made public. The Company's actual results may differ substantially from such statements due to various risks and uncertainties.

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## 1. Summary of Operating Results

### (1) Summary of Operating Results and Financial Position for the Fiscal Year Ended March 31, 2023 (Fiscal 2022)

#### (Overview of Conditions in Fiscal 2022)

In fiscal 2022, the global economy remained firm overall, despite downward pressure from factors such as progressive inflation stemming from the situation in Ukraine and the effects of monetary tightening in Europe and the United States. The Japanese economy recovered moderately, but inflation progressed significantly due to the impact of the depreciation of the yen and other factors.

In the first half of the fiscal year, the recovery in steel demand was delayed, as it took time to normalize the supply chain in China after the lockdown was lifted, and inflation progressed in the United States and Europe, while economic conditions deteriorated in emerging countries due to the depreciation of currencies. These were among the factors which led to a rapid slowdown in the steel market. In the second half, although the Chinese economy was on a recovery track due to the end of its Zero-COVID policy, global demand for steel products was sluggish mainly due to the economic recession in the United States caused by its interest rate policy and continued economic deterioration in Europe and emerging countries. Under these circumstances, global crude steel production continued to decline over an unprecedented period of time and on a broader scale, while non-consolidated crude steel production of Nippon Steel (“the Company”) significantly decreased from 49.00 million tons level, the highest since its business integration in 2012, to 34.25 million tons in fiscal 2022.

In this business environment, the Nippon Steel Group (“the Group”) implemented various measures aimed at achieving the four pillars of its medium- to long-term management plan (formulated in March 2021): “Rebuilding the domestic steel business and strengthening the Group’s management”; “Promoting a global strategy to deepen and expand the overseas business”; “Taking on the challenge of carbon neutrality”; and “Promoting digital transformation strategies”.

#### (Operating Results by Segment in Fiscal 2022)

The Group’s business segments strived to respond to their changing business environments and have applied their utmost management effort. The operating results by business segment are as follows.

(Billions of yen)

|                                   | Revenue     |             | Business Profit |             |
|-----------------------------------|-------------|-------------|-----------------|-------------|
|                                   | Fiscal 2022 | Fiscal 2021 | Fiscal 2022     | Fiscal 2021 |
| Steelmaking and Steel Fabrication | 7,245.5     | 6,153.6     | 861.4           | 871.0       |
| Engineering and Construction      | 352.2       | 279.2       | 11.6            | 6.3         |
| Chemicals and Materials           | 274.5       | 249.8       | 16.1            | 25.3        |
| System Solutions                  | 292.5       | 271.3       | 32.1            | 30.8        |
| Total                             | 8,164.8     | 6,954.0     | 921.4           | 933.5       |
| Adjustments                       | (189.2)     | (145.1)     | (4.9)           | 4.5         |
| Consolidated total                | 7,975.5     | 6,808.8     | 916.4           | 938.1       |

## **[Steelmaking and Steel Fabrication]**

Although the business environment remained extremely harsh, the Steelmaking and Steel Fabrication segment strived to maximize profits by continuing to implement measures such as enhancing the fundamental profit structure, and also established a foundation that will enable the segment to stably record high-level profits compared to major steelmakers in East Asia. As a result, the segment recorded revenue of ¥7,245.5 billion (compared to ¥6,153.6 billion in fiscal 2021) and a business profit of ¥861.4 billion (compared to ¥871.0 billion).

Specifically, the following efforts were made during fiscal 2022.

With the aim of steadily implementing the production facility structural measures and establishing a more robust earnings base, regardless of the short-term improvement in the environment, the Company shut down facilities including parts of the No. 3 continuous casting machine in the Kansai Works Wakayama Area, the No. 1 hot-dip galvanizing and aluminizing line of the Setouchi Works Hanshin Area (Sakai), and the No. 1 pickling line of the East Nippon Works Kashima Area. Production was thereby consolidated into competitive lines. In addition, while non-consolidated crude steel production decreased by 30% from the peak after the business integration in 2012, we have worked to build a profit structure that does not rely on volume by improving marginal profit per ton of steel and drastically reducing fixed costs to fundamentally improve the break-even point. Specifically, we achieved “sophistication of the order mix” by selecting and discarding products to accommodate reduced production capacity, and implemented measures to increase production capacity for high value-added products such as electrical steel sheets and ultra-high-tensile steel sheets in response to their growing demand. Moreover, we have also changed the price negotiation system for direct contract-based sales and have realized “margin improvement in direct contract sales.” At the same time, the raw materials business continued to generate high profits, as it was supported by a favorable sales environment stemming from continuously high raw material prices and the depreciation of the Australian dollar against U.S. dollar. In addition, we also decided to make Nippon Steel Trading Corporation, which had been an equity method affiliate, a subsidiary and delist it from the stock market, and to expand our business domain to the distribution field, which is downstream of the steel manufacturing supply chain. Going forward, we intend to build a new business model by improving and strengthening the efficiency of the Group’s trading functions, strengthening our direct sales capabilities through the integrated use of our sales know-how and infrastructure, and further enhancing our supply chain.

Overseas, the Steelmaking and Steel Fabrication segment completed the withdrawal from unprofitable businesses, focused on the integrated steelmaking business with high added value, and made progress in selectively concentrating overseas business operations, with the aim of improving and expanding profitability. Specifically, at ArcelorMittal Nippon Steel India Limited in India, we have implemented aggressive measures such as the decision of investment to increase integrated capacity, including the construction of two blast furnaces, and to acquire infrastructure companies and key assets such as ports and electric power, the acquisition of downstream facilities, and the commencement of studies for the construction of a new integrated steelworks. Although profits decreased compared to the previous

fiscal year mainly due to one-off effects, including inventory valuation, we will continue to aim to improve profitability through expanding our integrated production system in major overseas markets.

With regard to our efforts to achieve carbon neutrality, we have implemented various measures to realize the Nippon Steel Carbon Neutral Vision 2050 (announced in March 2021). We also announced our commitment to realizing a carbon neutral society and improving the competitiveness of customers, and launched new brands: NSCarbolex™ Solution, a high-performance product and solution technology that contributes to reducing CO<sub>2</sub> emissions in society; and NSCarbolex™ Neutral, a steel product that is certified to reduce CO<sub>2</sub> emissions in the steelmaking process, as the two values we provide through carbon neutralization. We decided on the procurement of funds through the issuance of a green bond to improve the production capacity and product quality of non-oriented electrical steel sheets, which contribute to higher energy efficiency in eco-friendly car motors and other products. The green bond was then issued in March 2023. By expanding the supply of high-efficiency electrical steel sheets that reduce electrical energy loss, we will contribute to the reduction of CO<sub>2</sub> emissions in our customers' final products. Meanwhile, in order to decarbonize our steelmaking processes, we are taking a multi-track approach: we are developing three breakthrough technologies (hydrogen injection into blast furnace, high-grade steel production in large-sized electric arc furnaces, and 100% hydrogen use in the direct reduction process) and plan to offset some remaining CO<sub>2</sub> emissions with CCUS\*. Our target is to reduce total CO<sub>2</sub> emissions by 30% by 2030 and achieve carbon neutrality by 2050. As for hydrogen injection into blast furnace, we announced in February 2023 the start of the world's first demonstration experiment using an actual large-scale 4,500 m<sup>3</sup> blast furnace. In preparation for a full-scale blowing test (Green Innovation Fund Project), we will proceed with the introduction of hydrogen gas blowing demonstration facilities in the East Nippon Works Kimitsu Area. The Company's climate change risk information based on its CO<sub>2</sub> emission reduction targets and the framework of the Task Force on Climate-related Financial Disclosures (TCFD) are disclosed in the Sustainability Report 2022 (pages 19-20, 33). <https://www.nipponsteel.com/en/csr/report/>

\* Carbon Capture, Utilization and Storage (CCUS) is a technology that separates and captures CO<sub>2</sub>, and uses it either directly or by being converted into other materials, or stores it in the ground.

In the DX strategy, the Company has promoted business and production process reforms that make full use of data and digital technology. As a specific initiative, by expanding the application of NS-IoT, a wireless IoT sensor utilization platform, we aim to consolidate data from multiple sites and realize even more advanced analysis and monitoring. In the Kimitsu and Kashima Areas of the East Nippon Works, actual operations for the purpose of early abnormality detection of equipment began in April 2022, and in order to further expand the application, we decided to advance the investment plan to start operations in the North Nippon Works Muroran Area, Nagoya Works, Kansai Works Wakayama Area, and the Yawata and Oita Areas of the Kyushu Works in fiscal 2023.

## **[Engineering and Construction]**

Nippon Steel Engineering Co., Ltd. is working to contribute to a carbon-neutral society and expand businesses related to building resilient cities against disasters. The Environment and Energy sector recorded robust sales in the construction of offshore wind power plants and the construction and operation of waste-to-energy facilities, while the Urban Infrastructure sector also recorded robust sales, such as in seismic isolation devices and bridge products, and the construction of large-scale logistics facilities. As a result, sales and profit increased year-on-year. Nippon Steel Engineering will continue to work on business expansion while closely monitoring changes in the business environment, including the recent surge in labor costs and material prices. For fiscal 2022 the Engineering and Construction segment recorded revenue of ¥352.2 billion (compared to ¥279.2 billion in fiscal 2021) and business profit of ¥11.6 billion (compared to ¥6.3 billion).

## **[Chemicals and Materials]**

Nippon Steel Chemical & Material Co., Ltd. posted a year-on-year decline in earnings due to a rise in raw material and fuel prices and a decline in demand for semiconductors and other products from the middle of the year. In the Coal Chemical business, sales of carbon black for tires were strong, but demand for needle coke used in graphite electrodes remained sluggish. In the Chemicals business, the benzene market remained generally stable, but earnings deteriorated due to sluggish demand for styrene monomer and bisphenol A while progress was made to construct new production facilities in China. In the Function Materials business, sales volume decreased due to a rapid decline in demand for semiconductor-related materials and display-related materials. In the Composite Materials business, while demand for infrastructure upgrades is expected to continue, sales volume of reinforcement materials for mainstay civil engineering and construction decreased due to delays in construction starts. On the other hand, sales of carbon fiber remained strong, mainly in the sports field. The overall Chemicals and Materials segment recorded revenue of ¥274.5 billion (compared to ¥249.8 billion in fiscal 2021) and business profit of ¥16.1 billion (compared to ¥25.3 billion).

## **[System Solutions]**

NS Solutions Corporation has been making corporate-wide efforts to maximize DX needs and expand its business, while deepening relationships with customers, with a view to the full-scale DX deployment of Japanese companies. In the digital manufacturing area, which is one of the key areas of focus, NS-IoT (a platform using wireless IoT sensors) and NS-Lib (an integrated data platform) have been established to promote DX for the Company. NS Solutions has also worked to promote DX in the manufacturing industry such as by establishing an integrated data utilization platform jointly with a pharmaceutical company. Efforts have also been made to strengthen the company's ability to respond to DX needs by developing new solutions for the electric power, financial, and food industries, in addition to entering into capital and business alliances and strategic partnership agreements with companies that have respective strengths in the AI field, support for digitalization of business processes, the data utilization field, abundant DX human resources, and other fields. The System Solutions segment recorded revenue of ¥292.5 billion (compared to ¥271.3 billion in fiscal 2021) and business profit of ¥32.1 billion (compared to ¥30.8 billion).

## **(Revenue and Profit)**

For fiscal 2022, although the business environment remained extremely harsh, the Company strived to maximize profit by continuing to implement measures such as to fundamentally improve profit structure. As a result, the Company recorded consolidated revenue of ¥7,975.5 billion (compared to ¥6,808.8 billion in fiscal 2021), business profit of ¥916.4 billion (compared to ¥938.1 billion), and profit attributable to owners of the parent of ¥694.0 billion (compared to ¥637.3 billion).

## **(Assets, Liabilities, Equity, and Cash Flows)**

Consolidated total assets as of March 31, 2023 were ¥9,567.0 billion, an increase of ¥814.7 billion from ¥8,752.3 billion as of March 31, 2022. The main factors were an increase in cash and cash equivalents (¥119.3 billion), an increase in inventories (¥329.3 billion), an increase in property, plant and equipment (¥130.9 billion), and an increase in investments accounted for using the equity method (¥131.4 billion).

Consolidated total liabilities as of March 31, 2023 were ¥4,920.6 billion, an increase of ¥65.3 billion from ¥4,855.3 billion as of March 31, 2022. Interest-bearing debt increased by ¥46.0 billion from ¥2,653.3 billion as of March 31, 2022 to ¥2,699.3 billion and trade and other payables also increased (¥65.4 billion), which were more than offset a decrease in items such as income taxes payable (¥58.0 billion).

Consolidated total equity as of March 31, 2023 was ¥4,646.4 billion, an increase of ¥749.4 billion from ¥3,897.0 billion as of March 31, 2022. This was primarily contributed by an increase from profit attributable to owners of the parent of ¥694.0 billion, a decrease in dividend payment (¥165.9 billion), and an increase in the foreign exchange differences on translation of foreign operations (¥93.9 billion). As a result, total equity attributable to owners of the parent as of March 31, 2023 amounted to ¥4,181.1 billion, and the ratio of interest-bearing debt to total equity attributable to owners of the parent (D/E ratio) was 0.65 times (0.51 times after adjusting for equity credit attributes of subordinated loans and subordinated bonds).

Cash flows from operating activities in fiscal 2022 amounted to an inflow of ¥661.2 billion (compared to an inflow of ¥615.6 billion in fiscal 2021). The main inflow factors were profit before income taxes of ¥866.8 billion and depreciation and amortization (¥340.1 billion), while the outflow factors included deduction adjustment for share of profit in investments accounted for using the equity method (¥102.9 billion), an increase in inventories (¥309.5 billion) and income taxes paid (¥214.4 billion).

Cash flows from investing activities amounted to an outflow of ¥366.5 billion (compared to an outflow of ¥378.8 billion in fiscal 2021). The main inflow factor was proceeds from sales of investment securities (¥88.6 billion), while the outflow factors included purchases of property, plant and equipment and intangible assets (¥470.0 billion).

As a result, free cash flow was an inflow of ¥294.6 billion (compared to an inflow of ¥236.7 billion in fiscal 2021).

Cash flows from financing activities amounted to an outflow of ¥197.6 billion (compared to an outflow of ¥61.3 billion in fiscal 2021), largely due to an outflow from cash dividends paid (¥165.9 billion). As a result of these cash flows, the cash and cash equivalents at the end of fiscal 2022 were ¥670.4 billion.

### **(Basic Policy on Profit Distribution and Fiscal 2022 Dividend)**

The Company's basic profit distribution policy is to pay dividends from distributable funds at the end of the first half (interim) and second half (year-end) of the fiscal year, in consideration of the consolidated operating results and such factors as capital requirements for investment and other activities aimed at raising corporate value and performance prospects, while also considering the financial structure of the Company on both consolidated and non-consolidated bases. The Company has adopted a consolidated annual payout ratio target of around 30% as the benchmark for the "payment of dividends from distributable funds in consideration of the consolidated operating results." The level of the interim dividend is determined in consideration of the first-half performance results and forecasts for the full fiscal year.

In accordance with the basic profit distribution policy described above, the Company paid a dividend of ¥90 per share at the end of the first half. Regarding the fiscal year-end dividend, as disclosed at the third quarter results announcement (February 9, 2023), management has decided to propose a year-end dividend of ¥90 per share (the annual dividend will be a record-high at ¥180 per share) at the General Meeting of Shareholders.

## **(2) Outlook for the Fiscal Year Ending March 31, 2024 (Fiscal 2023)**

### **(Outlook for Operating Performance in Fiscal 2023)**

The current situation concerning global steel demand is unlikely to recover. In China, the real estate market remains sluggish and a recovery in domestic demand is unforeseeable. In Europe and the United States uncertainty over the outlook has not been ruled out. In addition, despite sluggish product prices, raw material prices are expected to remain at a high level, and the spread (price difference between raw materials and steel products) in the overseas general spot market cannot be expected to improve.

In response to this situation, in addition to continuing to implement our existing profit structure measures, we will evolve to a further vertically-integrated business structure to achieve our future vision of ¥1 trillion in business profit, and aim to build a foundation that enables us to record even higher profits regardless of the external environment.

For fiscal 2023, underlying business profit is expected to exceed the record high in fiscal 2022 and reach ¥800 billion or more. However, approximate consolidated business profit of ¥650 billion and profit attributable to owners of the parent of ¥370 billion are forecasts due to expected significant inventory valuation losses mainly in the first half of fiscal 2023, largely following a surge in raw material prices in fiscal 2022, as well as significant losses on reorganization associated with structural measures.

With the aim of becoming "the best steelmaker with world-leading capabilities," the Company is committed to steadily implementing various measures aimed at achieving the four pillars of its medium- to long-term management plan: "Rebuilding the domestic steel business and strengthening the Group's management"; "Promoting a global

strategy to deepen and expand the overseas business”; “Taking on the challenge of carbon neutrality” and “Promoting digital transformation strategies.”

**(Outlook for Dividends for Fiscal 2023)**

For fiscal 2023, the Company plans to distribute a full-year dividend of ¥140 or more per share (including an interim dividend of ¥70 or more).

**2. Basic Rationale for Selection of Accounting Standards**

The Group has applied the International Financial Reporting Standards (IFRS) to financial statements for purposes of increasing corporate value through enhancement of global business development and improving international comparability of financial information in capital markets.

### **3.Consolidated Financial Statements and Major Notes**

#### **(1) Consolidated Statements of Financial Position**

(Millions of Yen)

| <b>ASSETS</b>                                     | <b>March 31, 2022</b> | <b>March 31,2023</b> |
|---------------------------------------------------|-----------------------|----------------------|
| <b>Current assets :</b>                           |                       |                      |
| Cash and cash equivalents                         | 551,049               | 670,410              |
| Trade and other receivables                       | 939,406               | 1,062,384            |
| Inventories                                       | 1,756,589             | 2,085,971            |
| Other financial assets                            | 41,357                | 28,176               |
| Other current assets                              | 226,253               | 223,575              |
| <b>Total current assets</b>                       | <b>3,514,655</b>      | <b>4,070,518</b>     |
| <b>Non-current assets :</b>                       |                       |                      |
| Property, plant and equipment                     | 3,052,640             | 3,183,638            |
| Right-of-use assets                               | 78,162                | 83,935               |
| Goodwill                                          | 61,741                | 65,062               |
| Intangible assets                                 | 130,497               | 157,444              |
| Investments accounted for using the equity method | 1,079,068             | 1,210,542            |
| Other financial assets                            | 548,283               | 528,794              |
| Defined benefit assets                            | 123,563               | 124,628              |
| Deferred tax assets                               | 158,031               | 136,349              |
| Other non-current assets                          | 5,701                 | 6,185                |
| <b>Total non-current assets</b>                   | <b>5,237,691</b>      | <b>5,496,581</b>     |
| <b>Total assets</b>                               | <b>8,752,346</b>      | <b>9,567,099</b>     |

(Millions of Yen)

| LIABILITIES                                              | March 31, 2022   | March 31, 2023   |
|----------------------------------------------------------|------------------|------------------|
| <b>Current liabilities :</b>                             |                  |                  |
| Trade and other payables                                 | 1,526,719        | 1,592,137        |
| Bonds, borrowings and lease liabilities                  | 344,056          | 403,028          |
| Other financial liabilities                              | 1,042            | 5,878            |
| Income taxes payable                                     | 109,958          | 51,917           |
| Other current liabilities                                | 36,852           | 40,839           |
| <b>Total current liabilities</b>                         | <b>2,018,630</b> | <b>2,093,802</b> |
| <b>Non-current liabilities :</b>                         |                  |                  |
| Bonds, borrowings and lease liabilities                  | 2,309,339        | 2,296,322        |
| Other financial liabilities                              | 1,207            | 323              |
| Defined benefit liabilities                              | 188,350          | 185,441          |
| Deferred tax liabilities                                 | 39,805           | 37,685           |
| Other non-current liabilities                            | 298,005          | 307,105          |
| <b>Total non-current liabilities</b>                     | <b>2,836,707</b> | <b>2,826,879</b> |
| <b>Total liabilities</b>                                 | <b>4,855,337</b> | <b>4,920,682</b> |
| <b>EQUITY</b>                                            |                  |                  |
| Common stock                                             | 419,524          | 419,524          |
| Capital surplus                                          | 393,547          | 399,366          |
| Retained earnings                                        | 2,514,775        | 3,079,144        |
| Treasury stock                                           | (57,977)         | (58,054)         |
| Other components of equity                               | 196,928          | 341,173          |
| <b>Total equity attributable to owners of the parent</b> | <b>3,466,799</b> | <b>4,181,155</b> |
| Non-controlling interests                                | 430,209          | 465,261          |
| <b>Total equity</b>                                      | <b>3,897,008</b> | <b>4,646,417</b> |
| <b>Total liabilities and equity</b>                      | <b>8,752,346</b> | <b>9,567,099</b> |

## (2) Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income

| Consolidated Statements of Profit or Loss                            |                  | (Millions of Yen) |
|----------------------------------------------------------------------|------------------|-------------------|
|                                                                      | Fiscal 2021      | Fiscal 2022       |
| Revenue                                                              | 6,808,890        | 7,975,586         |
| Cost of sales                                                        | (5,587,331)      | (6,682,028)       |
| <b>Gross profit</b>                                                  | <b>1,221,559</b> | <b>1,293,557</b>  |
| Selling, general and administrative expenses                         | (544,725)        | (579,411)         |
| Share of profit in investments accounted for using the equity method | 214,480          | 102,915           |
| Other operating income                                               | 128,417          | 181,497           |
| Other operating expenses                                             | (81,601)         | (82,102)          |
| <b>Business profit</b>                                               | <b>938,130</b>   | <b>916,456</b>    |
| Losses on reorganization                                             | (97,229)         | (32,810)          |
| <b>Operating profit</b>                                              | <b>840,901</b>   | <b>883,646</b>    |
| Finance income                                                       | 1,928            | 8,091             |
| Finance costs                                                        | (26,245)         | (24,888)          |
| <b>Profit before income taxes</b>                                    | <b>816,583</b>   | <b>866,849</b>    |
| Income tax expense                                                   | (149,052)        | (128,117)         |
| <b>Profit for the year</b>                                           | <b>667,530</b>   | <b>738,732</b>    |
| <b>Profit for the year attributable to :</b>                         |                  |                   |
| Owners of the parent                                                 | 637,321          | 694,016           |
| Non-controlling interests                                            | 30,209           | 44,715            |
| <b>Earnings per share</b>                                            |                  |                   |
| Basic earnings per share (Yen)                                       | 692.16           | 753.66            |
| Diluted earnings per share (Yen)                                     | 657.48           | 671.89            |

| Consolidated Statements of Comprehensive Income                                                     |                | (Millions of Yen) |
|-----------------------------------------------------------------------------------------------------|----------------|-------------------|
|                                                                                                     | Fiscal 2021    | Fiscal 2022       |
| Profit for the year                                                                                 | 667,530        | 738,732           |
| Other comprehensive income                                                                          |                |                   |
| Items that cannot be reclassified to profit or loss                                                 |                |                   |
| Changes in fair value of financial assets measured at fair value through other comprehensive income | (7,962)        | 32,577            |
| Remeasurements of defined benefit plans                                                             | 14,324         | 16,567            |
| Share of other comprehensive income of investments accounted for using the equity method            | 5,293          | 1,355             |
| Subtotal                                                                                            | 11,655         | 50,500            |
| Items that might be reclassified to profit or loss                                                  |                |                   |
| Changes in fair value of cash flow hedges                                                           | 11,995         | (7,779)           |
| Foreign exchange differences on translation of foreign operations                                   | 56,497         | 88,768            |
| Share of other comprehensive income of investments accounted for using the equity method            | 68,663         | 56,700            |
| Subtotal                                                                                            | 137,156        | 137,688           |
| <b>Total other comprehensive income, net of tax</b>                                                 | <b>148,811</b> | <b>188,188</b>    |
| <b>Total comprehensive income for the year</b>                                                      | <b>816,342</b> | <b>926,920</b>    |
| <b>Comprehensive income for the year attributable to:</b>                                           |                |                   |
| Owners of the parent                                                                                | 779,815        | 874,564           |
| Non-controlling interests                                                                           | 36,526         | 52,356            |

### (3) Consolidated Statements of Changes in Equity

Fiscal 2021

(Millions of Yen)

|                                                               | Equity attributable to owners of the parent |                 |                   |                 |                                                                                                     |                                         |
|---------------------------------------------------------------|---------------------------------------------|-----------------|-------------------|-----------------|-----------------------------------------------------------------------------------------------------|-----------------------------------------|
|                                                               | Common stock                                | Capital surplus | Retained earnings | Treasury stock  | Other components of equity                                                                          |                                         |
|                                                               |                                             |                 |                   |                 | Changes in fair value of financial assets measured at fair value through other comprehensive income | Remeasurements of defined benefit plans |
| Balance as of March 31, 2021                                  | 419,524                                     | 393,168         | 1,910,333         | (58,342)        | 207,300                                                                                             | —                                       |
| Changes of the year                                           |                                             |                 |                   |                 |                                                                                                     |                                         |
| Comprehensive income                                          |                                             |                 |                   |                 |                                                                                                     |                                         |
| Profit for the year                                           |                                             |                 | 637,321           |                 |                                                                                                     |                                         |
| Other comprehensive income                                    |                                             |                 |                   |                 | (3,091)                                                                                             | 15,110                                  |
| Total comprehensive income                                    | —                                           | —               | 637,321           | —               | (3,091)                                                                                             | 15,110                                  |
| Transactions with owners and others                           |                                             |                 |                   |                 |                                                                                                     |                                         |
| Cash dividends                                                |                                             |                 | (73,757)          |                 |                                                                                                     |                                         |
| Purchases of treasury stock                                   |                                             |                 |                   | (66)            |                                                                                                     |                                         |
| Disposals of treasury stock                                   |                                             | 0               |                   | 19              |                                                                                                     |                                         |
| Changes in ownership interests in subsidiaries                |                                             | (288)           |                   |                 |                                                                                                     |                                         |
| Transfer from other components of equity to retained earnings |                                             |                 | 40,877            |                 | (25,766)                                                                                            | (15,110)                                |
| Changes in scope of consolidation                             |                                             | 667             |                   | 411             |                                                                                                     |                                         |
| Subtotal                                                      | —                                           | 379             | (32,880)          | 365             | (25,766)                                                                                            | (15,110)                                |
| <b>Balance as of March 31, 2022</b>                           | <b>419,524</b>                              | <b>393,547</b>  | <b>2,514,775</b>  | <b>(57,977)</b> | <b>178,442</b>                                                                                      | <b>—</b>                                |

|                                                               | Equity attributable to owners of the parent |                                                                   |          |                                                   | Non-controlling interests | Total equity |
|---------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------------|----------|---------------------------------------------------|---------------------------|--------------|
|                                                               | Other components of equity                  |                                                                   |          | Total equity attributable to owners of the parent |                           |              |
|                                                               | Changes in fair value of cash flow hedges   | Foreign exchange differences on translation of foreign operations | Total    |                                                   |                           |              |
| Balance as of March 31, 2021                                  | 3,397                                       | (115,385)                                                         | 95,311   | 2,759,996                                         | 371,390                   | 3,131,387    |
| Changes of the year                                           |                                             |                                                                   |          |                                                   |                           |              |
| Comprehensive income                                          |                                             |                                                                   |          |                                                   |                           |              |
| Profit for the year                                           |                                             |                                                                   | —        | 637,321                                           | 30,209                    | 667,530      |
| Other comprehensive income                                    | 55,455                                      | 75,019                                                            | 142,494  | 142,494                                           | 6,317                     | 148,811      |
| Total comprehensive income                                    | 55,455                                      | 75,019                                                            | 142,494  | 779,815                                           | 36,526                    | 816,342      |
| Transactions with owners and others                           |                                             |                                                                   |          |                                                   |                           |              |
| Cash dividends                                                |                                             |                                                                   | —        | (73,757)                                          | (6,805)                   | (80,562)     |
| Purchases of treasury stock                                   |                                             |                                                                   | —        | (66)                                              |                           | (66)         |
| Disposals of treasury stock                                   |                                             |                                                                   | —        | 20                                                |                           | 20           |
| Changes in ownership interests in subsidiaries                |                                             |                                                                   | —        | (288)                                             | (361)                     | (649)        |
| Transfer from other components of equity to retained earnings |                                             |                                                                   | (40,877) | —                                                 |                           | —            |
| Changes in scope of consolidation                             |                                             |                                                                   | —        | 1,078                                             | 29,459                    | 30,537       |
| Subtotal                                                      | —                                           | —                                                                 | (40,877) | (73,012)                                          | 22,292                    | (50,720)     |
| Balance as of March 31, 2022                                  | 58,852                                      | (40,366)                                                          | 196,928  | 3,466,799                                         | 430,209                   | 3,897,008    |

Fiscal 2022

(Millions of Yen)

|                                                               | Equity attributable to owners of the parent |                 |                   |                 |                                                                                                     |                                         |
|---------------------------------------------------------------|---------------------------------------------|-----------------|-------------------|-----------------|-----------------------------------------------------------------------------------------------------|-----------------------------------------|
|                                                               | Common stock                                | Capital surplus | Retained earnings | Treasury stock  | Other components of equity                                                                          |                                         |
|                                                               |                                             |                 |                   |                 | Changes in fair value of financial assets measured at fair value through other comprehensive income | Remeasurements of defined benefit plans |
| Balance as of March 31, 2022                                  | 419,524                                     | 393,547         | 2,514,775         | (57,977)        | 178,442                                                                                             | —                                       |
| Changes of the year                                           |                                             |                 |                   |                 |                                                                                                     |                                         |
| Comprehensive income                                          |                                             |                 |                   |                 |                                                                                                     |                                         |
| Profit for the year                                           |                                             |                 | 694,016           |                 |                                                                                                     |                                         |
| Other comprehensive income                                    |                                             |                 |                   |                 | 38,476                                                                                              | 14,289                                  |
| Total comprehensive income                                    | —                                           | —               | 694,016           | —               | 38,476                                                                                              | 14,289                                  |
| Transactions with owners and others                           |                                             |                 |                   |                 |                                                                                                     |                                         |
| Cash dividends                                                |                                             |                 | (165,950)         |                 |                                                                                                     |                                         |
| Purchases of treasury stock                                   |                                             |                 |                   | (69)            |                                                                                                     |                                         |
| Disposals of treasury stock                                   |                                             | 0               |                   | 2               |                                                                                                     |                                         |
| Changes in ownership interests in subsidiaries                |                                             | 5,818           |                   |                 |                                                                                                     |                                         |
| Transfer from other components of equity to retained earnings |                                             |                 | 36,302            |                 | (22,012)                                                                                            | (14,289)                                |
| Changes in scope of consolidation                             |                                             |                 |                   | (11)            |                                                                                                     |                                         |
| Subtotal                                                      | —                                           | 5,819           | (129,647)         | (77)            | (22,012)                                                                                            | (14,289)                                |
| <b>Balance as of March 31, 2023</b>                           | <b>419,524</b>                              | <b>399,366</b>  | <b>3,079,144</b>  | <b>(58,054)</b> | <b>194,905</b>                                                                                      | <b>—</b>                                |

|                                                               | Equity attributable to owners of the parent |                                                                   |          |                                                   | Non-controlling interests | Total equity |
|---------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------------|----------|---------------------------------------------------|---------------------------|--------------|
|                                                               | Other components of equity                  |                                                                   |          | Total equity attributable to owners of the parent |                           |              |
|                                                               | Changes in fair value of cash flow hedges   | Foreign exchange differences on translation of foreign operations | Total    |                                                   |                           |              |
| Balance as of March 31, 2022                                  | 58,852                                      | (40,366)                                                          | 196,928  | 3,466,799                                         | 430,209                   | 3,897,008    |
| Changes of the year                                           |                                             |                                                                   |          |                                                   |                           |              |
| Comprehensive income                                          |                                             |                                                                   |          |                                                   |                           |              |
| Profit for the year                                           |                                             |                                                                   | —        | 694,016                                           | 44,715                    | 738,732      |
| Other comprehensive income                                    | 33,846                                      | 93,935                                                            | 180,547  | 180,547                                           | 7,641                     | 188,188      |
| Total comprehensive income                                    | 33,846                                      | 93,935                                                            | 180,547  | 874,564                                           | 52,356                    | 926,920      |
| Transactions with owners and others                           |                                             |                                                                   |          |                                                   |                           |              |
| Cash dividends                                                |                                             |                                                                   | —        | (165,950)                                         | (10,235)                  | (176,186)    |
| Purchases of treasury stock                                   |                                             |                                                                   | —        | (69)                                              |                           | (69)         |
| Disposals of treasury stock                                   |                                             |                                                                   | —        | 3                                                 |                           | 3            |
| Changes in ownership interests in subsidiaries                |                                             |                                                                   | —        | 5,818                                             | (7,346)                   | (1,528)      |
| Transfer from other components of equity to retained earnings |                                             |                                                                   | (36,302) | —                                                 |                           | —            |
| Changes in scope of consolidation                             |                                             |                                                                   | —        | (11)                                              | 278                       | 266          |
| Subtotal                                                      | —                                           | —                                                                 | (36,302) | (160,208)                                         | (17,304)                  | (177,512)    |
| Balance as of March 31, 2023                                  | 92,699                                      | 53,568                                                            | 341,173  | 4,181,155                                         | 465,261                   | 4,646,417    |

#### (4) Consolidated Statements of Cash-Flows

|                                                                                            | (Millions of yen) |                  |
|--------------------------------------------------------------------------------------------|-------------------|------------------|
|                                                                                            | Fiscal 2021       | Fiscal 2022      |
| <b>Cash flows from operating activities :</b>                                              |                   |                  |
| Profit before income taxes                                                                 | 816,583           | 866,849          |
| Depreciation and amortization                                                              | 330,611           | 340,171          |
| Impairment losses                                                                          | 21,500            | —                |
| Finance income                                                                             | (1,928)           | (8,091)          |
| Finance costs                                                                              | 26,245            | 24,888           |
| Share of profit in investments accounted for using the equity method                       | (214,480)         | (102,915)        |
| Losses on reorganization                                                                   | 97,229            | 32,810           |
| (Increase) decrease in trade and other receivables                                         | (116,242)         | (81,796)         |
| (Increase) decrease in inventories                                                         | (383,438)         | (309,525)        |
| Increase (decrease) in trade and other payables                                            | 211,354           | 58,431           |
| Other, net                                                                                 | (110,687)         | (2,038)          |
| Subtotal                                                                                   | 676,747           | 818,783          |
| Interest received                                                                          | 1,890             | 7,588            |
| Dividends received                                                                         | 44,905            | 70,911           |
| Interest paid                                                                              | (21,899)          | (21,575)         |
| Income taxes paid                                                                          | (86,008)          | (214,433)        |
| <b>Net cash flows provided by operating activities</b>                                     | <b>615,635</b>    | <b>661,274</b>   |
| <b>Cash flows from investing activities :</b>                                              |                   |                  |
| Purchases of property, plant and equipment and intangible assets                           | (466,902)         | (470,018)        |
| Proceeds from sales of property, plant and equipment and intangible assets                 | 70,251            | 15,483           |
| Purchases of investment securities                                                         | (9,267)           | (6,981)          |
| Proceeds from sales of investment securities                                               | 81,717            | 88,698           |
| Proceeds from sales of investments in affiliates                                           | 3,898             | 5,231            |
| Purchases of shares of subsidiaries resulting in change in scope of consolidation          | (48,950)          | (735)            |
| Payments for acquisition of businesses                                                     | —                 | (4,369)          |
| Loans to associates and others                                                             | (3,150)           | (3,977)          |
| Collection of loans from associates and others                                             | 1,062             | 1,730            |
| Other, net                                                                                 | (7,524)           | 8,358            |
| <b>Net cash flows used in investing activities</b>                                         | <b>(378,866)</b>  | <b>(366,580)</b> |
| <b>Cash flows from financing activities :</b>                                              |                   |                  |
| Increase (decrease) in short-term borrowings, net                                          | 11,112            | 27,240           |
| Proceeds from long-term borrowings                                                         | 20,322            | 150,273          |
| Repayments of long-term borrowings                                                         | (252,478)         | (207,909)        |
| Proceeds from issuance of bonds                                                            | 300,000           | 50,000           |
| Redemption of bonds                                                                        | (15,000)          | (20,000)         |
| Purchases of treasury stock                                                                | (59)              | (58)             |
| Cash dividends paid                                                                        | (73,757)          | (165,950)        |
| Dividends paid to non-controlling interests                                                | (6,805)           | (10,235)         |
| Proceeds from issuance of stock to non-controlling interests                               | 2,888             | 1,922            |
| Purchases of shares of subsidiaries that do not result in change in scope of consolidation | —                 | (1,843)          |
| Other, net                                                                                 | (47,528)          | (21,094)         |
| <b>Net cash flows provided by (used in) financing activities</b>                           | <b>(61,304)</b>   | <b>(197,655)</b> |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>                        | <b>16,119</b>     | <b>22,322</b>    |
| <b>Net increase in cash and cash equivalents</b>                                           | <b>191,583</b>    | <b>119,361</b>   |
| <b>Cash and cash equivalents at beginning of the year</b>                                  | <b>359,465</b>    | <b>551,049</b>   |
| <b>Cash and cash equivalents at end of the year</b>                                        | <b>551,049</b>    | <b>670,410</b>   |

## (5) Notes to the Consolidated Financial Statements

### (Going Concern Assumption)

Not applicable

### (Segment Information)

#### 1) Summary of reportable segment

The Company engages in the Steelmaking and Steel Fabrication business and acts as the holding company of the Group. The Group has four operating segments determined mainly based on products and services, which are Steelmaking and Steel Fabrication, Engineering and Construction, Chemicals and Materials, and System Solutions. Each operating segment shares the management strategy of the Group, while conducting its business activities independently from and in parallel with other companies of the Group. The following summary describes the operations of each reportable segment:

| Reportable segments               | Principal businesses                                                                                                                                                                                                                                             |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Steelmaking and Steel Fabrication | Manufacturing and sale of steel products                                                                                                                                                                                                                         |
| Engineering and Construction      | Manufacturing and sale of industrial machinery, equipment and steel structures, construction projects under contract, waste processing and recycling, and supplying electricity, gas, and heat                                                                   |
| Chemicals and Materials           | Manufacturing and sale of coal-based chemical products, petrochemicals, electronic materials, materials and components for semiconductors and electronic parts, carbon fiber and composite products, and products that utilize technologies for metal processing |
| System Solutions                  | Computer systems engineering and consulting services; IT-enabled outsourcing and other services                                                                                                                                                                  |

#### 2) Information on the amounts of revenue and profit for reportable segments

##### Fiscal 2021 (April 1, 2021—March 31, 2022)

(Millions of Yen)

|                                     | Reportable segments               |                              |                         |                  | Total     | Adjustments | Consolidated |
|-------------------------------------|-----------------------------------|------------------------------|-------------------------|------------------|-----------|-------------|--------------|
|                                     | Steelmaking and Steel Fabrication | Engineering and Construction | Chemicals and Materials | System Solutions |           |             |              |
| Revenue                             |                                   |                              |                         |                  |           |             |              |
| Revenue from external customers     | 6,105,157                         | 253,415                      | 245,083                 | 205,233          | 6,808,890 | —           | 6,808,890    |
| Inter-segment revenue or transfers  | 48,474                            | 25,844                       | 4,733                   | 66,091           | 145,144   | (145,144)   | —            |
| Total                               | 6,153,632                         | 279,260                      | 249,816                 | 271,325          | 6,954,034 | (145,144)   | 6,808,890    |
| Segment profit<br><Business Profit> | 871,051                           | 6,302                        | 25,377                  | 30,859           | 933,591   | 4,539       | 938,130      |

**Fiscal 2022 (April 1, 2022—March 31, 2023)**

(Millions of Yen)

|                                     | Reportable segments               |                              |                         |                  | Total     | Adjustments | Consolidated |
|-------------------------------------|-----------------------------------|------------------------------|-------------------------|------------------|-----------|-------------|--------------|
|                                     | Steelmaking and Steel Fabrication | Engineering and Construction | Chemicals and Materials | System Solutions |           |             |              |
| Revenue                             |                                   |                              |                         |                  |           |             |              |
| Revenue from external customers     | 7,176,756                         | 319,365                      | 257,648                 | 221,815          | 7,975,586 | —           | 7,975,586    |
| Inter-segment revenue or transfers  | 68,791                            | 32,865                       | 16,937                  | 70,698           | 189,292   | (189,292)   | —            |
| Total                               | 7,245,547                         | 352,231                      | 274,586                 | 292,513          | 8,164,879 | (189,292)   | 7,975,586    |
| Segment profit<br><Business Profit> | 861,443                           | 11,674                       | 16,170                  | 32,111           | 921,401   | (4,944)     | 916,456      |

**(Earnings per Share)**

**1) Basic earnings per share**

Profit for the year attributable to common shares of the parent

(Millions of Yen)

|                                                                               | Fiscal 2021<br>(April 1, 2021—March 31, 2022) | Fiscal 2022<br>(April 1, 2022—March 31, 2023) |
|-------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Profit for the year attributable to owners of the parent                      | 637,321                                       | 694,016                                       |
| Profit for the year not attributable to ordinary equity holders of the parent | —                                             | —                                             |
| Profit for the year used to calculate basic earnings per share                | 637,321                                       | 694,016                                       |

Weighted average number of ordinary shares outstanding

|                                                        | Fiscal 2021<br>(April 1, 2021—March 31, 2022) | Fiscal 2022<br>(April 1, 2022—March 31, 2023) |
|--------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Weighted average number of ordinary shares outstanding | 920,765,686 Shares                            | 920,858,089 Shares                            |

**2) Diluted earnings per share**

Profit for the year attributable to common shares of the parent after adjustment for the effects of dilutive potential shares

(Millions of Yen)

|                                                                  | Fiscal 2021<br>(April 1, 2021—March 31, 2022) | Fiscal 2022<br>(April 1, 2022—March 31, 2023) |
|------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Profit for the year used to calculate basic earnings per share   | 637,321                                       | 694,016                                       |
| Adjustment to profit                                             | —                                             | —                                             |
| Profit for the year used to calculate diluted earnings per share | 637,321                                       | 694,016                                       |

### Weighted average number of ordinary shares outstanding

|                                                                                         | Fiscal 2021<br>(April 1, 2021 — March 31, 2022) | Fiscal 2022<br>(April 1, 2022 — March 31, 2023) |
|-----------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Weighted average number of ordinary shares outstanding                                  | 920,765,686 Shares                              | 920,858,089 Shares                              |
| Dilutive effect                                                                         | 48,559,263 Shares                               | 112,067,646 Shares                              |
| Weighted average number of ordinary shares used to calculate diluted earnings per share | 969,324,949 Shares                              | 1,032,925,735 Shares                            |

### (Significant Subsequent Events)

#### Business combination through acquisition / Acquisition of shares of Nippon Steel Trading Corporation (making it a subsidiary)

On December 21, 2022, Nippon Steel Corporation (the “Company”) decided to acquire the shares of common stock of Nippon Steel Trading Corporation (“NSTC”) through a tender offer (the “Tender Offer”) under the Financial Instruments and Exchange Act of Japan, and implemented the Tender Offer from March 13, 2023 to April 10, 2023. As a result of the Tender Offer, NSTC became a consolidated subsidiary of the Company as of April 14, 2023. Following the results of the Tender Offer, the Company intends to implement the procedures to make the Company and Mitsui & Co., Ltd. the only shareholders of NSTC.

#### 1) Purpose of share acquisition, etc.

The Company Group believes that to enhance its ability to promptly and appropriately respond to structural changes in the global steel market, it must increase direct contact with domestic and overseas customers and enhance its ability to conduct integrated operations regarding steel transactions, and further strengthen its competitiveness throughout the supply chain in order to ensure integrated profitability of the Company Group by optimizing and streamlining from steel manufacturing to distribution and processing thereof, and creating new added value. Under such understanding, the Company determined that it is desirable to make NSTC a consolidated subsidiary of the Company and delist NSTC in order to make the relationship between the Company and NSTC stronger and implement measures with a medium- to long-term perspective.

#### 2) Name, business content, and scale of the company whose shares were acquired

|       |                                                                                                      |                                                                                                             |        |
|-------|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|--------|
| (i)   | Name                                                                                                 | Nippon Steel Trading Corporation                                                                            |        |
| (ii)  | Location                                                                                             | 2-7-1 Nihonbashi, Chuo-ku, Tokyo                                                                            |        |
| (iii) | Name and Title of Representative                                                                     | Shinichi Nakamura, President and Representative Director                                                    |        |
| (iv)  | Description of Business Activities                                                                   | Marketing and import/export of steel, industrial supply and infrastructure, foodstuffs, textiles and others |        |
| (v)   | Capital                                                                                              | 16,389 million yen (as of December 31, 2022)                                                                |        |
| (vi)  | Date of Establishment                                                                                | August 2, 1977                                                                                              |        |
| (vii) | Major Shareholders and Ownership Percentage (as of September 30, 2022)<br>*Excluding treasury shares | Nippon Steel Corporation                                                                                    | 34.54% |
|       |                                                                                                      | Mitsui & Co., Ltd.                                                                                          | 19.93% |
|       |                                                                                                      | (Custody Bank of Japan, Ltd. as Standing Proxy)                                                             |        |
|       |                                                                                                      | The Master Trust Bank of Japan, Ltd. (trust account)                                                        | 7.57%  |
|       |                                                                                                      | Custody Bank of Japan, Ltd. (trust account)                                                                 | 3.74%  |
|       |                                                                                                      | Employee Stock Ownership                                                                                    | 1.36%  |
|       |                                                                                                      | DFA INTL SMALL CAP VALUE PORTFOLIO (Citibank, N.A., Tokyo Branch as Standing Proxy)                         | 1.04%  |
|       |                                                                                                      | Custody Bank of Japan, Ltd. (trust account, 4)                                                              | 0.87%  |

|                                                                                                             |                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                              |
|-------------------------------------------------------------------------------------------------------------|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|                                                                                                             |                              | Custody Bank of Japan, Ltd (Sumitomo Mitsui Trust and Bank, Limited Retrust Account / Nippon Denko Co., Ltd. Retirement Benefit Trust Account)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0.67%                        |
|                                                                                                             |                              | UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT (Citibank, N.A., Tokyo Branch as Standing Proxy)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.62%                        |
|                                                                                                             |                              | JP MORGAN CHASE BANK 385781 (Mizuho Bank, Ltd., Settlement & Clearing Services Department as Standing Proxy)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0.58%                        |
| (viii) Relationship between the Company and NSTC                                                            |                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                              |
|                                                                                                             | Capital Relationship         | The Company directly owns 11,141,529 Target Company Shares (ownership ratio: 34.54%), and together with NSTC Shares indirectly owned by Nippon Steel Metal Products Co., Ltd. (the number of shares owned: 129,800 shares, ownership ratio: 0.40%), Nippon Steel Logistics Co., Ltd. (the number of shares owned: 8,400 shares, ownership ratio: 0.03%) and Nippon Steel SG Wire Co., Ltd. (the number of shares owned: 4,400 shares, ownership ratio: 0.01%), which are the Company’s wholly-owned subsidiaries, and Oji Steel Co., Ltd. (the number of shares owned: 20,000 shares, ownership ratio: 0.06%), Sanyo Special Steel Co., Ltd. (the number of shares owned: 7,700 shares, ownership ratio: 0.02%) and Nippon Steel Cement Co., Ltd. (the number of shares owned: 4,400 shares, ownership ratio: 0.01%), which are the Company’s consolidated subsidiaries, the Company owns 11,316,229 Target Company Shares in total (ownership ratio: 35.08%), making NSTC its equity-method affiliate. |                              |
|                                                                                                             | Personnel Relationship       | Four directors and one Audit and Supervisory Board Member of NSTC are from the Company.<br>In addition, as of December 31, 2022, nine employees of the Company are seconded to NSTC, and six employees of NSTC are seconded to the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                              |
|                                                                                                             | Business Relationship        | The Company sells steel products to, and purchases raw fuels, machinery, and other items from, NSTC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                              |
|                                                                                                             | Status as Related Parties    | NSTC is an equity-method affiliate of the Company and is thus a related party.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                              |
| (ix) NSTC’s Consolidated Business Performance and Consolidated Financial Condition for the Last Three Years |                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                              |
| Fiscal Year                                                                                                 | Fiscal Year Ended March 2020 | Fiscal Year Ended March 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Fiscal Year Ended March 2022 |
| Consolidated net assets                                                                                     | 254,877 million yen          | 278,090 million yen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 308,198 million yen          |
| Consolidated total assets                                                                                   | 857,744 million yen          | 883,285 million yen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 1,100,441 million yen        |
| Consolidated net assets per share                                                                           | 7,329.73 yen                 | 7,917.51 yen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 8,759.36 yen                 |
| Consolidated net sales                                                                                      | 2,480,256 million yen        | 1,271,050 million yen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 1,865,907 million yen        |
| Consolidated operating profit                                                                               | 32,088 million yen           | 22,361 million yen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 44,627 million yen           |
| Consolidated ordinary profit                                                                                | 33,244 million yen           | 25,772 million yen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 47,810 million yen           |
| Profit for the year attributable to owner of the parent                                                     | 20,708 million yen           | 15,992 million yen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 35,417 million yen           |
| Consolidated earnings for the year per share                                                                | 641.97 yen                   | 495.79 yen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 1,098.03 yen                 |
| Cash dividends per share (interim dividends shown in brackets)                                              | 200.00 yen (115.00)          | 160.00 yen (50.00)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 350.00 yen (160.00)          |

(Note) The “(vii) Major Shareholders and Ownership Percentage (as of September 30, 2022)” is described based on the “Major Shareholders” in the 46th second quarterly report submitted by NSTC on November 14, 2022.

### 3) Date of stock acquisition

April 14, 2023

#### 4) Number of Shares Acquired, Acquisition Price, and Status of Shareholding owned Before and After the Acquisition

|                                              |                                                                                                                          |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| (1) Number of shares owned before the change | 11,141,529 shares<br>(Number of voting rights: 111,415 voting rights)<br>(Ownership ratio of voting rights: 34.54%)      |
| (2) Number of shares acquired                | 11,507,774 NSTC Shares<br>(Number of voting rights: 115,077 voting rights)<br>(Ownership ratio of voting rights: 35.67%) |
| (3) Acquisition price                        | NSTC Shares: 107,022 million yen                                                                                         |
| (4) Number of shares owned after the change  | 22,649,303 shares<br>(Number of voting rights: 226,493 voting rights)<br>(Ownership ratio of voting rights: 70.21%)      |

(Note 1) For the purpose of calculating the “Ownership ratio of voting rights,” the number of voting rights (322,572 voting rights) pertaining to the number of shares, which is obtained by deducting the number of treasury shares owned by NSTC as of December 31, 2022, notified by NSTC to the Company (50,533 shares) from the total number of issued shares of NSTC as of December 31, 2022, stated in NSTC’s Third Quarterly Report (32,307,800 shares), was used as the denominator.

(Note 2) With regard to the “Ownership ratio of voting rights,” any fraction is rounded off to two decimal places.

(Note 3) The “Acquisition price” is rounded down to the nearest million yen. Advisory fees, etc. are not included.

#### 5) Others

At this point in time, the accounting treatment for the business combination has not been completed, so detailed information on the accounting treatment is not provided.

**Results and dividends of Fiscal 2022 (Year ended March 31, 2023)**

## &lt;Consolidated Operating Result&gt;

|                                                                                                 | FY 2022            |                    |                    | 1st half ⇒<br>2nd half    | FY 2021            | FY 2021 ⇒<br>FY 2022     | (Billions of Yen)<br>Previous Forecasts<br>(Released on Feb 9, 2023) |
|-------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|---------------------------|--------------------|--------------------------|----------------------------------------------------------------------|
| <b>Revenue</b>                                                                                  | 7,975.5            | 3,874.4            | 4,101.1            | + 226.7                   | 6,808.8            | + 1,166.7                | 8,000.0                                                              |
| <b>Business Profit</b> ※1<br>[ R O S ]                                                          | 916.4<br>[11.5%]   | 541.7<br>[14.0%]   | 374.7<br>[9.1%]    | ※6 < -167.0 ><br>[ -4.8%] | 938.1<br>[13.8%]   | ※6 < -21.7 ><br>[ -2.3%] | 870.0<br>[10.9%]                                                     |
| Underlying Business Profit※2                                                                    | 734.0              | 300.0              | 434.0              | 134.0                     | 690.0              | 44.0                     | 690.0                                                                |
| Additional line items※3                                                                         | (32.8)             | —                  | (32.8)             | - 32.8                    | (97.2)             | + 64.4                   | —                                                                    |
| <b>Profit for the year attributable to owners of the parent</b><br>< Earnings per share (Yen) > | 694.0<br>< 753.7 > | 372.3<br>< 404.4 > | 321.6<br>< 349.3 > | - 50.7<br>< -55.1 >       | 637.3<br>< 692.2 > | + 56.7<br>< +61.6 >      | 670.0<br>< 728.0 >                                                   |
| <b>EBITDA</b> ※4                                                                                | 1,256.6            | 706.9              | 549.6              | - 157.3                   | 1,290.2            | - 33.6                   | 1,220.0                                                              |
| <b>Interest-bearing debt</b>                                                                    | 2,699.3            | 2,606.8            | 2,699.3            | + 92.5                    | 2,653.3            | + 46.0                   |                                                                      |
| D/E ratio ※5                                                                                    | 0.51               | 0.52               | 0.51               | -0.01                     | 0.59               | -0.08                    |                                                                      |

(※1) Business Profit on Consolidated Statements of Profit or Loss indicates the results of sustainable business activities, and is an important measure to compare and evaluate the Company's consolidated performance continuously. It is defined as being deducted Cost of sales, Selling general and administrative expenses and Other operating expenses from Revenue, and added Share of profit in investments accounted for using the equity method and Other operating income. Other operating income and expenses are composed mainly of Dividend income, Foreign exchange gains or losses, and Losses on disposal of fixed assets.

(※2) Underlying Business Profit is Business Profit excluding inventory valuation impact and other items and recognized as representing the Group's actual profitability. In fiscal 2022, Underlying Business Profit excludes gains of 182.4 billion yen including inventory valuation, etc.

(※3) Additional line items refer to the items that are not recurrent and are remotely related to operational activities, but have a material impact in terms of amount.

(※4) Business Profit + Depreciation + Impairment losses (※5) After adjusting for equity credit attributes of subordinated loans and subordinated bonds

## (※6) Analysis in Business Profit (Billions of Yen)

Changes from the previous forecasts

|                                                                  | 1st half<br>⇒ 2nd half | FY 2021<br>⇒ FY 2022 | Changes from the previous forecasts |
|------------------------------------------------------------------|------------------------|----------------------|-------------------------------------|
| <b>Change in Business Profit</b>                                 | <b>-167.0</b>          | <b>-22.0</b>         | <b>+46.0</b>                        |
| <b>1. Steel business</b>                                         | <b>-170.0</b>          | <b>-10.0</b>         | <b>+41.0</b>                        |
| ① Manufacturing shipment volume                                  | ~                      | -135.0               | ~                                   |
| ② Spread<br>(including impact from FX rate fluctuation)          | +150.0                 | +60.0                | +30.0                               |
| ③ Cost improvement                                               | +15.0                  | +50.0                | ~                                   |
| ④ Overseas steel business                                        | -31.0                  | -40.0                | +10.0                               |
| ⑤ Raw material business                                          | +8.0                   | +23.0                | +2.0                                |
| ⑥ Other group companies                                          | +27.0                  | +76.0                | +10.0                               |
| ⑦ Inventory valuation impact etc.<br>(including group companies) | -260.0                 | -35.0                | -10.0                               |
| ⑧ Others                                                         | -79.0                  | -9.0                 | -1.0                                |
| <b>2. Three non-steel segments</b>                               | <b>-6.0</b>            | <b>-2.0</b>          | <b>+2.0</b>                         |
| <b>3. Adjustments</b>                                            | <b>+9.0</b>            | <b>-10.0</b>         | <b>+3.0</b>                         |

## (※3) Additional line items

(Billions of Yen)

|                                    | FY 2022       | FY 2021       | FY 21<br>⇒ FY 22 |
|------------------------------------|---------------|---------------|------------------|
| <b>Additional line items Total</b> | <b>(32.8)</b> | <b>(97.2)</b> | <b>+ 64.4</b>    |
| Losses on reorganization           | (32.8)        | (97.2)        | + 64.4           |

&lt;FY 2022&gt;

• Losses on inactive facilities: ¥23.5 billion  
• Losses on business withdrawal: ¥9.3 billion

&lt;FY 2021&gt;

• Losses on inactive facilities: ¥157.2 billion (associated with the decision to close the upstream facility in Kure Area and the One Series of upstream facilities in Wakayama Area, etc.)  
• Gain on sale of land (ex-Tokyo Works) etc.

## 【Dividends】

The Board of Directors has decided to propose a year-end dividend of ¥90 per share at the General Meeting of Shareholders as released on February 9, 2023 at the time of the announcement of the financial results for the third quarter of fiscal 2022. This would bring the full-year dividend distribution amount to ¥180 per share, reaching a record high as a full-year dividend.

## &lt;Factors Influencing Performance&gt;

## (1) NIPPON STEEL CORPORATION

|                                                          |       |       |       |       |       |        |               |
|----------------------------------------------------------|-------|-------|-------|-------|-------|--------|---------------|
| Consolidated crude steel output volume (10,000 tons)     | 4,032 | 2,021 | 2,011 | - 10  | 4,446 | - 414  | Approx. 4,020 |
| Non-Consolidated crude steel output volume (10,000 tons) | 3,425 | 1,704 | 1,721 | + 17  | 3,868 | - 443  | Approx. 3,420 |
| Steel materials shipment volume (10,000 tons)            | 3,147 | 1,569 | 1,579 | + 10  | 3,556 | - 409  | Approx. 3,140 |
| Steel materials price (¥1,000/ton)                       | 148.9 | 146.0 | 151.7 | + 5.6 | 117.7 | + 31.2 | Approx. 149   |
| Exchange rate (¥/\$)                                     | 135   | 132   | 139   | + 7   | 112   | + 23   | Approx. 134   |

## (2) All Japan

|                                                                    |                   |                   |                   |                |                   |                |                                  |
|--------------------------------------------------------------------|-------------------|-------------------|-------------------|----------------|-------------------|----------------|----------------------------------|
| Crude steel output volume (10,000 tons)                            | 8,784             | 4,480             | 4,303             | - 177          | 9,564             | - 780          | Approx. 8,830                    |
| Steel consumption (10,000 tons)*1<br>(In manufacturing industries) | 5,440<br>( 3,490) | 2,697<br>( 1,702) | 2,743<br>( 1,788) | + 47<br>(+ 86) | 5,465<br>( 3,474) | - 25<br>(+ 16) | Approx. 5,480<br>(Approx. 3,510) |
| <% of manufacturing>                                               | < 64.2% >         | < 63.1% >         | < 65.2% >         | <+ 2.1% >      | < 63.6% >         | <+ 0.6% >      | <Approx. 64% >                   |
| Plain carbon steel consumption (10,000 tons)                       | 4,280             | 2,122             | 2,158             | + 35           | 4,305             | - 25           | Approx. 4,320                    |
| In construction                                                    | 1,880             | 957               | 923               | - 33           | 1,917             | - 37           | Approx. 1,900                    |
| In manufacturing                                                   | 2,400             | 1,166             | 1,234             | + 68           | 2,388             | + 12           | Approx. 2,420                    |
| Specialty steel consumption (10,000 tons)                          | 1,160             | 574               | 586               | + 12           | 1,160             | + 0            | Approx. 1,160                    |
| Inventory volume (10,000 tons)                                     | *2 536            | 597               | 536               | - 61           | 598               | - 62           |                                  |
| Rolled sheets (10,000 tons)                                        | *2 411            | 443               | 411               | - 31           | 452               | - 41           |                                  |

\*1 The Company estimates \*2 The end of Mar.2023, preliminary figures

## &lt;Segment Information&gt;

|                                   | FY 2022        |                |                | 1st half ⇒<br>2nd half | FY 2021        | FY 2021 ⇒<br>FY 2022 | (Billions of Yen)<br>Previous Forecasts |
|-----------------------------------|----------------|----------------|----------------|------------------------|----------------|----------------------|-----------------------------------------|
| <b>Revenue</b>                    | <b>7,975.5</b> | <b>3,874.4</b> | <b>4,101.1</b> | <b>+ 226.7</b>         | <b>6,808.8</b> | <b>+ 1,166.7</b>     | <b>8,000.0</b>                          |
| Steelmaking and Steel Fabrication | 7,245.5        | 3,528.6        | 3,716.9        | + 188.3                | 6,153.6        | + 1,091.9            | 7,250.0                                 |
| Engineering and Construction      | 352.2          | 164.0          | 188.1          | + 24.1                 | 279.2          | + 73.0               | 360.0                                   |
| Chemicals and Materials           | 274.5          | 144.9          | 129.6          | - 15.3                 | 249.8          | + 24.7               | 280.0                                   |
| System Solutions                  | 292.5          | 135.0          | 157.4          | + 22.4                 | 271.3          | + 21.2               | 290.0                                   |
| Adjustment                        | (189.2)        | (98.2)         | (91.0)         | + 7.2                  | (145.1)        | - 44.1               | (180.0)                                 |
| <b>Business Profit</b>            | <b>916.4</b>   | <b>541.7</b>   | <b>374.7</b>   | <b>- 167.0</b>         | <b>938.1</b>   | <b>- 21.7</b>        | <b>870.0</b>                            |
| Steelmaking and Steel Fabrication | 861.4          | 515.8          | 345.6          | - 170.2                | 871.0          | - 9.6                | 820.0                                   |
| Engineering and Construction      | 11.6           | 5.3            | 6.3            | + 1.0                  | 6.3            | + 5.3                | 11.0                                    |
| Chemicals and Materials           | 16.1           | 13.6           | 2.4            | - 11.2                 | 25.3           | - 9.2                | 16.0                                    |
| System Solutions                  | 32.1           | 14.0           | 18.0           | + 4.0                  | 30.8           | + 1.3                | 31.0                                    |
| Adjustment                        | (4.9)          | (7.1)          | 2.1            | + 9.2                  | 4.5            | - 9.4                | (8.0)                                   |

## Forecasts and dividends for Fiscal 2023 (Year ending March 31, 2024)

### <Forecasts of Consolidated Operating Result>

|                                                                 | FY 2023 forecasts |                               | FY 2022          |                 | FY 2022 2nd half<br>⇒<br>FY 2023 1st half forecasts |  | (Billions of Yen)             |
|-----------------------------------------------------------------|-------------------|-------------------------------|------------------|-----------------|-----------------------------------------------------|--|-------------------------------|
|                                                                 | FY 2023 forecasts | FY 2023<br>1st half forecasts | FY 2022          | 2nd half        |                                                     |  | FY 2022⇒<br>FY 2023 forecasts |
| <b>Revenue</b>                                                  | 9,000.0           | 4,500.0                       | 7,975.5          | 4,101.1         | + 398.9                                             |  | + 1,024.5                     |
| <b>Business Profit※1</b><br>[ R O S ]                           | 650.0<br>[7.2%]   | 270.0<br>[6.0%]               | 916.4<br>[11.5%] | 374.7<br>[9.1%] | ※5 - 104.7<br>[-3.1%]                               |  | ※5 - 266.4<br>[-4.3%]         |
| Underlying Business Profit※2                                    | 800.0             | 370.0                         | 734.0            | 434.0           | - 64.0                                              |  | + 66.0                        |
| Additional line items※3                                         | (70.0)            | (60.0)                        | (32.8)           | (32.8)          | - 27.2                                              |  | - 37.2                        |
| <b>Profit for the year attributable to owners of the parent</b> | 370.0             | 120.0                         | 694.0            | 321.6           | - 201.6                                             |  | - 324.0                       |
| < Earnings per share (Yen) >                                    | < 402.0 >         | < 130.0 >                     | < 753.7 >        | < 349.3 >       | < -219.3 >                                          |  | < -351.7 >                    |
| <b>EBITDA ※4</b>                                                | 1,010.0           | 450.0                         | 1,256.6          | 549.6           | - 99.6                                              |  | - 246.6                       |

- (※1) Business Profit on Consolidated Statements of Profit or Loss indicates the results of sustainable business activities, and is an important measure to compare and evaluate the Company's consolidated performance continuously. It is defined as being deducted Cost of sales, Selling general and administrative expenses and Other operating expenses from Revenue, and added Share of profit in investments accounted for using the equity method and Other operating income. Other operating income and expenses are composed mainly of Dividend income, Foreign exchange gains or losses, and Losses on disposal of fixed assets.
- (※2) Underlying Business Profit is Business Profit excluding inventory valuation impact and other items and recognized as representing the Group's actual profitability. In fiscal 2023, Underlying Business Profit excludes losses of 150.0 billion yen including inventory valuation, etc.
- (※3) Additional line items refer to the items that are not recurrent and are remotely related to operational activities, but have a material impact in terms of amount.
- (※4) Business Profit + Depreciation

### (※5) Analysis in Business Profit

(Billions of Yen)

FY 2022 2nd half  
→FY 2023 1st  
half forecasts

FY 2022  
→FY 2023  
forecasts

|                                                                 |                |                |
|-----------------------------------------------------------------|----------------|----------------|
| <b>Change in Business Profit</b>                                | <b>- 105.0</b> | <b>- 266.0</b> |
| <b>1. Steel business</b>                                        | <b>- 96.0</b>  | <b>- 261.0</b> |
| ①Manufacturing shipment volume                                  | + 10.0         | + 20.0         |
| ②Spread<br>(including impact from FX rate fluctuation)          | - 70.0         | ~              |
| ③Cost improvement                                               | + 10.0         | + 50.0         |
| ④Overseas steel business                                        | + 23.0         | + 25.0         |
| ⑤Raw material business                                          | - 15.0         | - 17.0         |
| ⑥Other group companies                                          | - 31.0         | + 5.0          |
| ⑦Inventory valuation impact etc.<br>(including group companies) | - 70.0         | - 320.0        |
| ⑧Others                                                         | + 47.0         | - 24.0         |
| <b>2. Three non-steel segments</b>                              | <b>- 3.0</b>   | <b>- 2.0</b>   |
| <b>3. Adjustments</b>                                           | <b>- 6.0</b>   | <b>- 3.0</b>   |

### (※3) Additional line items

(Billions of Yen)

|                                    | FY 2023 forecasts | FY 2022       | FY 22<br>→FY 23 forecasts |
|------------------------------------|-------------------|---------------|---------------------------|
| <b>Additional line items Total</b> | <b>(70.0)</b>     | <b>(32.8)</b> | <b>- 37.2</b>             |
| Losses on reorganization           | (70.0)            | (32.8)        | - 37.2                    |

### <FY 2023>

• Losses on inactive facilities: ¥70.0 billion  
(downstream facilities in Kure Area and all facilities in Hanshin (Osaka) etc.)

### <FY 2022>

• Losses on inactive facilities: ¥23.5 billion  
• Losses on business withdrawal: ¥9.3 billion

### 【Dividends】

The Company plans to distribute a full-year dividend of ¥140 or more per share (including an interim dividend of ¥70 or more).

### <Factors Influencing Performance>

#### (1) NIPPON STEEL CORPORATION

|                                                             |               |               |       |       |     |     |
|-------------------------------------------------------------|---------------|---------------|-------|-------|-----|-----|
| Consolidated crude steel output volume<br>(10,000 tons)     | Approx. 4,100 | Approx. 2,050 | 4,032 | 2,011 | +39 | +68 |
| Non-Consolidated crude steel output volume<br>(10,000 tons) | Approx. 3,500 | Approx. 1,750 | 3,425 | 1,721 | +29 | +75 |
| Steel materials shipment volume<br>(10,000 tons)            | Approx. 3,200 | Approx. 1,600 | 3,147 | 1,579 | +21 | +53 |
| Exchange rate (¥/\$)                                        | Approx. 130   | Approx. 130   | 135   | 139   | - 9 | - 5 |

#### (2) All Japan

|                                   |               |               |       |       |      |     |
|-----------------------------------|---------------|---------------|-------|-------|------|-----|
| Steel consumption (10,000 tons)*1 | Approx. 5,440 | Approx. 2,680 | 5,440 | 2,743 | - 63 | + 0 |
|-----------------------------------|---------------|---------------|-------|-------|------|-----|

\* 1 The Company estimates

### <Segment Information>

|                                   | FY 2023 forecasts |                               | FY 2022        |                | FY 2022 2nd half<br>⇒<br>FY 2023 1st half forecasts |  | (Billions of Yen)             |
|-----------------------------------|-------------------|-------------------------------|----------------|----------------|-----------------------------------------------------|--|-------------------------------|
|                                   | FY 2023 forecasts | FY 2023<br>1st half forecasts | FY 2022        | 2nd half       |                                                     |  | FY 2022⇒<br>FY 2023 forecasts |
| <b>Revenue</b>                    | <b>9,000.0</b>    | <b>4,500.0</b>                | <b>7,975.5</b> | <b>4,101.1</b> | <b>+ 398.9</b>                                      |  | <b>+ 1,024.5</b>              |
| Steelmaking and Steel Fabrication | 8,400.0           | 4,200.0                       | 7,245.5        | 3,716.9        | + 483.1                                             |  | + 1,154.5                     |
| Engineering and Construction      | 400.0             | 200.0                         | 352.2          | 188.1          | + 11.9                                              |  | + 47.8                        |
| Chemicals and Materials           | 280.0             | 140.0                         | 274.5          | 129.6          | + 10.4                                              |  | + 5.5                         |
| System Solutions                  | 305.0             | 140.0                         | 292.5          | 157.4          | - 17.4                                              |  | + 12.5                        |
| Adjustment                        | (385.0)           | (180.0)                       | (189.2)        | (91.0)         | - 89.0                                              |  | - 195.8                       |
| <b>Business Profit</b>            | <b>650.0</b>      | <b>270.0</b>                  | <b>916.4</b>   | <b>374.7</b>   | <b>- 104.7</b>                                      |  | <b>- 266.4</b>                |
| Steelmaking and Steel Fabrication | 600.0             | 250.0                         | 861.4          | 345.6          | - 95.6                                              |  | - 261.4                       |
| Engineering and Construction      | 15.0              | 7.0                           | 11.6           | 6.3            | + 0.7                                               |  | + 3.4                         |
| Chemicals and Materials           | 9.5               | 2.5                           | 16.1           | 2.4            | + 0.1                                               |  | - 6.6                         |
| System Solutions                  | 33.5              | 14.0                          | 32.1           | 18.0           | - 4.0                                               |  | + 1.4                         |
| Adjustment                        | (8.0)             | (3.5)                         | (4.9)          | 2.1            | - 5.6                                               |  | - 3.1                         |

Note: The forward-looking statements included in this report are based on the assumptions, forecasts, and plans of the Company as of the date on which this document is made public.  
The Company's actual results may differ substantially from such statements due to various risks and uncertainties.

## Nippon Steel's Business Environment and Actions Taken and To Be Taken

### 1. Full-year results for FY2022

- In FY2022, global crude steel production continued to decline over period of time and on a broader scale, while Nippon Steel's non-consolidated crude steel production decreased significantly from the post-integration peak of 49.00 million tons level to 34.25 million tons in FY2022, amid sluggish global demand for steel products and strong downward pressure on the domestic economy.
- Even in an extremely severe business environment, Nippon Steel strived to maximize profits by continuing to implement measures such as to enhance fundamental profit structure, and also established a foundation to generate stable high profits compared to major steelmakers in East Asia. As a result, Nippon Steel recorded **underlying business profit of 734.0 billion, consolidated business profit of ¥916.4 billion, and profit attributable to owners of the parent of ¥694.0 billion (record-high)**, which exceeded the previously announced forecasts, for FY2022.

### 2. Recognition of business environment and full-year earnings forecasts for FY2023

- The current situation concerning global steel demand is unlikely to recover. In China, the real estate market remains sluggish and a recovery in domestic demand is unforeseeable. In Europe and the United States uncertainty over the outlook has not been ruled out. In addition, despite sluggish product prices, raw material prices are expected to remain at a high level, and the spread in the overseas general spot market cannot be expected to improve.
- In response to this situation, in addition to continuing to implement the existing profit structure measures, Nippon Steel will evolve to a further vertically-integrated business structure to achieve its future vision of ¥1 trillion in business profit, and aim to build a foundation that enables to record even higher profits regardless of the external environment. The full-year forecasts for **underlying business profit for FY2023 is expected to be ¥800 billion or more (exceeding the record high in FY2022)**.
- However, **approximate consolidated business profit of ¥650 billion and profit attributable to owners of the parent of ¥370 billion are forecasts** due to expected significant inventory valuation losses mainly in the 1H of FY2023, largely following a surge in raw material prices in FY2022, as well as significant losses on reorganization associated with structural measures.

### 3. Actions to improve profits at present and achieve medium- to long-term growth

#### **(1) Strengthening and restructuring the domestic steelmaking business**

- 1) **Steady improvement of base operation performance and continuous efforts in the business with direct contract-based sales to customers**
  - Pursue cost reduction by continuing efforts to stabilize operations and facilities, and by further improving operation efficiency.
  - Concerning the direct contract-based sales, we will thereby maintain appropriate margins at selling prices that take into account the intrinsic value of our products and services as well as the value of stable supply.
- 2) **Completion of structural measures for production facilities, and promotion of renewal and improvement of facilities and sophistication of order mix**
  - Steadily implement the production facility structural measures based on the medium- to long-term management plan (announced in March 2021) and upgrade production facilities through investment in measures to replace aging facilities.
  - Promote investment in capacity expansion to realize a production structure for concentrated production of high value-added products using state-of-the-art facilities.  
*Cf. Decided to expand production capacity of non-oriented electrical steel sheets in the Setouchi Works Hanshin Area (Sakai) and the Kyushu Works Yawata Area (Total investment: ¥90.0 billion).*
  - Strengthen the facility engineering system to support high-level capital investment.  
*Cf. Transfer the steelmaking plant sector of Nippon Steel Engineering to Nippon Steel, aimed at optimal allocation of management resources within the Group.*

#### **(2) Evolution to a further vertically-integrated business structure**

- As a measure to respond swiftly and appropriately to structural changes in the market, Nippon Steel Trading Corporation, a group trading company, became a subsidiary on April 14, 2023, with the aim of strengthening competitiveness throughout the supply chain, from steelmaking to distribution and processing. (TOB completion on April 10, 2023)
- Expand the business of raw materials for steelmaking, which is indispensable for the future carbon-neutral steel production processes.

### **(3) Acceleration of global strategy to deepen and expand overseas business: Aiming to achieve “100 million tons of global crude steel capacity per year”**

- Continue to focus on selective concentration, and securely acquire global steel demand.  
*Cf. Expect earnings of the overseas business to increase in FY2023, mainly by AM/NS India. Will capture growing local demand in India and other markets with potential growth.*

### **(4) Challenge to realize carbon neutral steelmaking and contribution to realization of a carbon-neutral society**

- 1) **Promote plans to reduce CO<sub>2</sub> emissions by 30% by 2030 and achieve carbon neutrality by 2050, which is ambitious compared to global peers and is aligned to the Japanese government’s national targets, through the development and practical implementation of breakthrough technologies (steelmaking process) ahead of other countries.**  
*Cf. Commence full-scale studies on the conversion of the blast furnace processes to the electric arc furnace processes in the Kyushu Works Yawata Area and Setouchi Works Hirohata Area as candidate sites.*
- 2) **Launched new brands as the two values we provide through carbon neutrality, contributing to the realization of a carbon-neutral society and the improvement of the competitiveness of our customers.**
  - *NSCarbolex™ Solution*: a high-performance product and solution technology that contributes to reducing CO<sub>2</sub> emissions in society
  - *NSCarbolex™ Neutral*: a steel product that is certified to reduce CO<sub>2</sub> emissions in the steelmaking process
- 3) **Diversify financing methods for the realization of carbon neutrality.**
  - In the fourth quarter of FY2022, issued ¥50 billion green bonds to invest in improving the capacity and quality of green-eligible non-oriented electrical steel sheets.

### **(5) Digital transformation strategies**

- Remote management, predictive monitoring, and automation of operation and facility maintenance using the IoT and AI. Centralized and accelerated performance management and integrated production planning to align with DX measures.

### **(6) Implement specific personnel and public relations measures to secure human resources and promote their empowerment**

- Promote overall personnel and public relations measures to strengthen the securing of human resources and their empowerment, as one of the most important management issues.

### **(7) Maintaining and strengthening a solid financial base and financial structure, and realizing high-level shareholder returns**

- Maintain and strengthen the financial structure through asset reduction, including the sale of shares and inventory appropriation, in order to continually implement a flexible and robust growth strategy over the medium to long term.
- Achieve high-level shareholder returns while maintaining a financial structure by strengthening profit structure based on capital efficiency.  
*Cf. Plan for FY2023: A full-year dividend of ¥140 or more per share, including an interim dividend of ¥70 or more)*

End

NIPPON STEEL CORPORATION

Code Number: 5401

Listings: Tokyo Stock Exchange / Nagoya Stock Exchange /  
Fukuoka Stock Exchange / Sapporo Securities Exchange

Contact: Shinnosuke Arita, General Manager,  
Public Relations Center-Tel: +81-3-6867-2135, 2146, 2977, 3419

## Supplementary Information on the Financial Results for Fiscal 2022

### Japanese Steel Industry

#### 1. Crude Steel Production

| (million tons)    |                  |             |          |             |             |          |       |
|-------------------|------------------|-------------|----------|-------------|-------------|----------|-------|
|                   | 1st quarter      | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
| FY 2021           | 24.35            | 24.07       | 48.42    | 24.20       | 23.01       | 47.21    | 95.64 |
| FY 2022           | 22.98            | 21.82       | 44.80    | 21.42       | 21.61       | 43.03    | 87.84 |
| FY 2023 forecasts | (*)Approx. 21.92 |             |          |             |             |          |       |

(\*)METI forecast

#### 2. Inventory Volume

| At the end of: |      | Inventory at<br>manufacturers<br>and distributors<br>(million tons) | Inventory /shipment<br>ratio<br>(%) | Rolled sheets *1<br>(million tons) | H-flange beams *2<br>(million tons) |
|----------------|------|---------------------------------------------------------------------|-------------------------------------|------------------------------------|-------------------------------------|
| Mar.           | 2021 | 5.07                                                                | (134.6)                             | 3.51                               | 0.209                               |
| Apr.           | 2021 | 5.25                                                                | (160.6)                             | 3.68                               | 0.207                               |
| May            | 2021 | 5.52                                                                | (172.7)                             | 3.91                               | 0.203                               |
| June           | 2021 | 5.39                                                                | (147.3)                             | 3.88                               | 0.197                               |
| July           | 2021 | 5.38                                                                | (158.2)                             | 3.88                               | 0.189                               |
| Aug.           | 2021 | 5.62                                                                | (184.7)                             | 4.10                               | 0.183                               |
| Sep.           | 2021 | 5.87                                                                | (175.1)                             | 4.32                               | 0.180                               |
| Oct.           | 2021 | 6.02                                                                | (172.5)                             | 4.54                               | 0.183                               |
| Nov.           | 2021 | 6.04                                                                | (170.5)                             | 4.47                               | 0.184                               |
| Dec.           | 2021 | 6.13                                                                | (179.5)                             | 4.55                               | 0.190                               |
| Jan.           | 2022 | 6.21                                                                | (185.8)                             | 4.65                               | 0.200                               |
| Feb.           | 2022 | 6.23                                                                | (202.1)                             | 4.65                               | 0.204                               |
| Mar.           | 2022 | 5.98                                                                | (161.6)                             | 4.52                               | 0.203                               |
| Apr.           | 2022 | 5.97                                                                | (191.6)                             | 4.51                               | 0.192                               |
| May            | 2022 | 6.21                                                                | (205.6)                             | 4.66                               | 0.188                               |
| June           | 2022 | 6.03                                                                | (176.1)                             | 4.52                               | 0.188                               |
| July           | 2022 | 5.90                                                                | (177.9)                             | 4.37                               | 0.186                               |
| Aug.           | 2022 | 5.96                                                                | (200.0)                             | 4.47                               | 0.185                               |
| Sep.           | 2022 | 5.97                                                                | (188.9)                             | 4.43                               | 0.185                               |
| Oct.           | 2022 | 5.88                                                                | (175.7)                             | 4.40                               | 0.184                               |
| Nov.           | 2022 | 5.76                                                                | (174.2)                             | 4.29                               | 0.187                               |
| Dec.           | 2022 | 5.63                                                                | (189.9)                             | 4.22                               | 0.191                               |
| Jan.           | 2023 | 5.66                                                                | (193.4)                             | 4.27                               | 0.191                               |
| Feb.           | 2023 | 5.57                                                                | (188.2)                             | 4.21                               | 0.196                               |
| Mar. *3        | 2023 | 5.36                                                                | (150.7)                             | 4.11                               | 0.196                               |

\*1 Hot-rolled, cold-rolled and coated sheets

\*2 Inventories at distributors dealing with H-flange beams manufactured by NIPPON STEEL CORPORATION

\*3 Preliminary report

## NIPPON STEEL CORPORATION

### 3. Pig Iron Production

(million tons)

|         | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|---------|-------------|-------------|----------|-------------|-------------|----------|-------|
| FY 2021 | 10.04       | 9.89        | 19.93    | 9.72        | 8.75        | 18.48    | 38.41 |
| FY 2022 | 8.52        | 8.29        | 16.81    | 8.63        | 8.52        | 17.15    | 33.96 |

Including Hokkai Iron & Coke Co., Ltd.

### 4. Crude Steel Production

(Consolidated basis (The Company and its consolidated subsidiaries))

(million tons)

|                   | 1st quarter | 2nd quarter | 1st half     | 3rd quarter | 4th quarter | 2nd half     | total        |
|-------------------|-------------|-------------|--------------|-------------|-------------|--------------|--------------|
| FY 2021           | 11.88       | 11.37       | 23.25        | 11.06       | 10.14       | 21.20        | 44.46        |
| FY 2022           | 10.33       | 9.87        | 20.21        | 10.04       | 10.07       | 20.11        | 40.32        |
| FY 2023 forecasts |             |             | Approx.20.50 |             |             | Approx.20.50 | Approx.41.00 |

(Non-consolidated basis)

(million tons)

|                   | 1st quarter | 2nd quarter | 1st half     | 3rd quarter | 4th quarter | 2nd half     | total        |
|-------------------|-------------|-------------|--------------|-------------|-------------|--------------|--------------|
| FY 2021           | 10.18       | 10.05       | 20.23        | 9.64        | 8.81        | 18.45        | 38.68        |
| FY 2022           | 8.69        | 8.34        | 17.04        | 8.59        | 8.62        | 17.21        | 34.25        |
| FY 2023 forecasts |             |             | Approx.17.50 |             |             | Approx.17.50 | Approx.35.00 |

### 5. Steel Products Shipment

(million tons)

|                   | 1st quarter | 2nd quarter | 1st half     | 3rd quarter | 4th quarter | 2nd half     | Total        |
|-------------------|-------------|-------------|--------------|-------------|-------------|--------------|--------------|
| FY 2021           | 9.20        | 9.09        | 18.28        | 8.96        | 8.31        | 17.28        | 35.56        |
| FY 2022           | 8.19        | 7.49        | 15.69        | 7.98        | 7.80        | 15.79        | 31.47        |
| FY 2023 forecasts |             |             | Approx.16.00 |             |             | Approx.16.00 | Approx.32.00 |

### 6. Average Price of Steel Products

(thousands of yen / ton)

|         | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | Total |
|---------|-------------|-------------|----------|-------------|-------------|----------|-------|
| FY 2021 | 97.2        | 116.1       | 106.6    | 124.4       | 134.6       | 129.3    | 117.7 |
| FY 2022 | 140.0       | 152.7       | 146.0    | 155.9       | 147.3       | 151.7    | 148.9 |

### 7. Export Ratio of Steel Products (Value basis)

(%)

|         | 1st quarter | 2nd quarter | 1st half | 3rd quarter | 4th quarter | 2nd half | total |
|---------|-------------|-------------|----------|-------------|-------------|----------|-------|
| FY 2021 | 43          | 45          | 44       | 42          | 39          | 40       | 42    |
| FY 2022 | 48          | 42          | 45       | 41          | 40          | 40       | 43    |

## 8. Foreign Exchange Rate

(¥/\$)

|                   | 1st quarter | 2nd quarter | 1st half   | 3rd quarter | 4th quarter | 2nd half   | total      |
|-------------------|-------------|-------------|------------|-------------|-------------|------------|------------|
| FY 2021           | 110         | 110         | 110        | 113         | 115         | 114        | 112        |
| FY 2022           | 126         | 137         | 132        | 144         | 133         | 139        | 135        |
| FY 2023 forecasts |             |             | Approx.130 |             |             | Approx.130 | Approx.130 |

## 9. Amount of Capital Expenditure and Depreciation

(Consolidated basis)

(billions of yen)

|                   | Capital Expenditure | Depreciation  |
|-------------------|---------------------|---------------|
| FY 2021           | 407.4               | 330.6         |
| FY 2022           | 437.6               | 340.2         |
| FY 2023 forecasts | Approx. 450.0       | Approx. 360.0 |