



Flash Report

Consolidated Basis

Results for the First Quarter of Fiscal 2023

(April 1, 2023—June 30, 2023)

< under IFRS >

August 4, 2023

Company name: Stock listing: Code number: URL: Representative: Contact: Telephone: Scheduled date to submit quarterly securities report: Scheduled date to commence dividend payments: Preparation of supplemental explanatory materials: Holding of quarterly financial results meeting:	NIPPON STEEL CORPORATION Tokyo Stock Exchange / Nagoya Stock Exchange / Fukuoka Stock Exchange / Sapporo Securities Exchange 5401 https://www.nipponsteel.com/en/index.html Eiji Hashimoto, Representative Director and President Shinnosuke Arita, General Manager, Public Relations Center +81-3-6867-2135, 2146, 2977, 3419 August 7, 2023 - Yes Yes (for investment analysts)
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(All amounts have been truncated to the nearest millions of Japanese yen.)

1. Consolidated Operating Results and Financial Position through the First Quarter of Fiscal 2023

(April 1, 2023—June 30, 2023)

(1) Consolidated Operating Results (Accumulated)

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

	Revenue		Business profit (*)		Operating profit		Profit before income taxes		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First quarter of Fiscal 2023	2,199,786	14.6	248,700	(26.6)	248,700	(26.6)	244,793	(26.7)	188,477	(22.8)
First quarter of Fiscal 2022	1,919,181	27.7	338,873	56.1	338,873	32.2	334,014	33.4	244,145	41.7

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
First quarter of Fiscal 2023	177,064	(23.3)	264,435	(26.2)	192.28	170.47
First quarter of Fiscal 2022	230,972	42.5	358,534	53.0	250.82	224.28

(*)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
	Millions of yen	Millions of yen	Millions of yen	%
First quarter of Fiscal 2023	10,418,535	4,884,228	4,343,829	41.7
Fiscal 2022	9,567,099	4,646,417	4,181,155	43.7

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 2022	—	90.00	—	90.00	180.00
Fiscal 2023	—				
Fiscal 2023 (Forecasts)		75.00	—	75.00	150.00

Notes: Whether the dividends forecasts have been revised: Yes

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		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half of Fiscal 2023	4,500,000	16.1	360,000	(33.5)	200,000	(46.3)	217.00
Fiscal 2023	9,000,000	12.8	690,000	(24.7)	400,000	(42.4)	434.00

Notes: Whether the consolidated financial forecasts for fiscal 2023 under review have been revised: Yes

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Number of newly consolidated: 1

Company name: NIPPON STEEL TRADING CORPORATION

Number of excluded from consolidation: 0

- (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)

First quarter of Fiscal 2023 950,321,402 shares

Fiscal 2022 950,321,402 shares

- (b) Number of treasury stock at the end of the period

First quarter of Fiscal 2023 29,497,763 shares

Fiscal 2022 29,481,839 shares

- (c) Weighted average number of shares outstanding

First quarter of Fiscal 2023 920,829,621 shares

First quarter of Fiscal 2022 920,869,014 shares

* This quarterly flash report is not subject to quarterly review 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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Quarterly Condensed Consolidated Financial Statements and Major Notes

(1) Quarterly Condensed Consolidated Statements of Financial Position

(Millions of Yen)

ASSETS	March 31, 2023	June 30, 2023
Current assets :		
Cash and cash equivalents	670,410	597,714
Trade and other receivables	1,062,384	1,523,130
Inventories	2,085,971	2,322,268
Other financial assets	28,176	44,584
Other current assets	223,575	269,220
Total current assets	4,070,518	4,756,918
Non-current assets :		
Property, plant and equipment	3,183,638	3,274,115
Right-of-use assets	83,935	89,387
Goodwill	65,062	68,123
Intangible assets	157,444	162,420
Investments accounted for using the equity method	1,210,542	1,186,158
Other financial assets	528,794	624,599
Defined benefit assets	124,628	130,119
Deferred tax assets	136,349	119,751
Other non-current assets	6,185	6,939
Total non-current assets	5,496,581	5,661,616
Total assets	9,567,099	10,418,535

(Millions of Yen)

LIABILITIES	March 31, 2023	June 30, 2023
Current liabilities :		
Trade and other payables	1,592,137	1,707,820
Bonds, borrowings and lease liabilities	403,028	774,312
Other financial liabilities	5,878	2,918
Income taxes payable	51,917	59,449
Other current liabilities	40,839	81,782
Total current liabilities	2,093,802	2,626,281
Non-current liabilities :		
Bonds, borrowings and lease liabilities	2,296,322	2,371,265
Other financial liabilities	323	761
Defined benefit liabilities	185,441	183,385
Deferred tax liabilities	37,685	43,372
Other non-current liabilities	307,105	309,240
Total non-current liabilities	2,826,879	2,908,025
Total liabilities	4,920,682	5,534,306
EQUITY		
Common stock	419,524	419,524
Capital surplus	399,366	399,020
Retained earnings	3,079,144	3,185,983
Treasury stock	(58,054)	(58,105)
Other components of equity	341,173	397,406
Total equity attributable to owners of the parent	4,181,155	4,343,829
Non-controlling interests	465,261	540,398
Total equity	4,646,417	4,884,228
Total liabilities and equity	9,567,099	10,418,535

**(2) Quarterly Condensed Consolidated Statements of Profit or Loss and
Quarterly Condensed Consolidated Statements of Comprehensive Income**

Quarterly Condensed Consolidated Statements of Profit or Loss		(Millions of Yen)
	First quarter of Fiscal 2022	First quarter of Fiscal 2023
Revenue	1,919,181	2,199,786
Cost of sales	(1,544,162)	(1,866,755)
Gross profit	375,018	333,030
Selling, general and administrative expenses	(142,769)	(181,519)
Share of profit in investments accounted for using the equity method	45,212	27,250
Other operating income	72,220	85,629
Other operating expenses	(10,808)	(15,691)
Business profit	338,873	248,700
Operating profit	338,873	248,700
Finance income	981	4,951
Finance costs	(5,840)	(8,858)
Profit before income taxes	334,014	244,793
Income tax expense	(89,868)	(56,315)
Profit	244,145	188,477
Profit attributable to :		
Owners of the parent	230,972	177,064
Non-controlling interests	13,173	11,412
Earnings per share		
Basic earnings per share (Yen)	250.82	192.28
Diluted earnings per share (Yen)	224.28	170.47

Quarterly Condensed Consolidated Statements of Comprehensive Income		(Millions of Yen)
	First quarter of Fiscal 2022	First quarter of Fiscal 2023
Profit	244,145	188,477
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	(18,398)	48,701
Remeasurements of defined benefit plans	(4,393)	8,847
Share of other comprehensive income of investments accounted for using the equity method	(2,027)	4,291
Subtotal	(24,818)	61,839
Items that might be reclassified to profit or loss		
Changes in fair value of cash flow hedges	(268)	7,984
Foreign exchange differences on translation of foreign operations	64,073	15,671
Share of other comprehensive income of investments accounted for using the equity method	75,401	(9,538)
Subtotal	139,207	14,117
Total other comprehensive income, net of tax	114,388	75,957
Total comprehensive income	358,534	264,435
Comprehensive income attributable to:		
Owners of the parent	339,772	246,044
Non-controlling interests	18,762	18,390

(3) Quarterly Condensed Consolidated Statements of Changes in Equity

First Quarter of 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			230,972			
Other comprehensive income					(16,018)	(6,076)
Total comprehensive income	—	—	230,972	—	(16,018)	(6,076)
Transactions with owners and others						
Cash dividends			(82,975)			
Purchases of treasury stock				(10)		
Disposals of treasury stock		0		0		
Changes in ownership interests in subsidiaries		7,867				
Transfer from other components of equity to retained earnings			(4,212)		(1,863)	6,076
Changes in scope of consolidation				(3)		
Subtotal	—	7,867	(87,188)	(13)	(1,863)	6,076
Balance as of June 30, 2022	419,524	401,414	2,658,559	(57,991)	160,560	—

	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			—	230,972	13,173	244,145
Other comprehensive income	37,042	93,851	108,799	108,799	5,588	114,388
Total comprehensive income	37,042	93,851	108,799	339,772	18,762	358,534
Transactions with owners and others						
Cash dividends			—	(82,975)	(5,245)	(88,221)
Purchases of treasury stock			—	(10)		(10)
Disposals of treasury stock			—	0		0
Changes in ownership interests in subsidiaries			—	7,867	(9,335)	(1,468)
Transfer from other components of equity to retained earnings			4,212	—		—
Changes in scope of consolidation			—	(3)	633	629
Subtotal	—	—	4,212	(75,122)	(13,948)	(89,070)
Balance as of June 30, 2022	95,895	53,485	309,941	3,731,449	435,023	4,166,472

First Quarter of Fiscal 2023

(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, 2023	419,524	399,366	3,079,144	(58,054)	194,905	—
Changes of the year						
Comprehensive income						
Profit			177,064			
Other comprehensive income					49,372	8,732
Total comprehensive income	—	—	177,064	—	49,372	8,732
Transactions with owners and others						
Cash dividends			(82,973)			
Purchases of treasury stock				(14)		
Disposals of treasury stock		(0)		18		
Changes in ownership interests in subsidiaries		(346)				
Transfer from other components of equity to retained earnings			12,747		(4,014)	(8,732)
Changes in scope of consolidation				(54)		
Subtotal	—	(346)	(70,225)	(50)	(4,014)	(8,732)
Balance as of June 30, 2023	419,524	399,020	3,185,983	(58,105)	240,263	—

	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, 2023	92,699	53,568	341,173	4,181,155	465,261	4,646,417
Changes of the year						
Comprehensive income						
Profit			—	177,064	11,412	188,477
Other comprehensive income	(11,440)	22,314	68,980	68,980	6,977	75,957
Total comprehensive income	(11,440)	22,314	68,980	246,044	18,390	264,435
Transactions with owners and others						
Cash dividends			—	(82,973)	(5,939)	(88,912)
Purchases of treasury stock			—	(14)		(14)
Disposals of treasury stock			—	18		18
Changes in ownership interests in subsidiaries			—	(346)	(78)	(424)
Transfer from other components of equity to retained earnings			(12,747)	—		—
Changes in scope of consolidation			—	(54)	62,764	62,710
Subtotal	—	—	(12,747)	(83,370)	56,746	(26,623)
Balance as of June 30, 2023	81,259	75,883	397,406	4,343,829	540,398	4,884,228

(4) Notes to the Quarterly Condensed Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Segment Information)

Information on the amounts of revenue and profit or loss for reportable segments

First quarter of Fiscal 2022 (April 1, 2022—June 30, 2022)

(Millions of Yen)

	Reportable segments				Total	Adjustments	Consolidated
	Steelmaking and Steel Fabrication	Engineering and Construction	Chemicals and Materials	System Solutions			
Revenue	1,750,287	70,984	74,149	65,312	1,960,733	(41,552)	1,919,181
Segment profit <Business Profit>	331,683	3,335	9,230	6,686	350,934	(12,061)	338,873

First quarter of Fiscal 2023 (April 1, 2023—June 30, 2023)

(Millions of Yen)

	Reportable segments				Total	Adjustments	Consolidated
	Steelmaking and Steel Fabrication	Engineering and Construction	Chemicals and Materials	System Solutions			
Revenue	2,029,333	82,410	64,495	68,895	2,245,135	(45,349)	2,199,786
Segment profit <Business Profit>	243,429	3,192	2,770	7,000	256,392	(7,692)	248,700

NIPPON STEEL CORPORATION

Code Number: 5401

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

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Supplementary Information on the Financial Results for the First Quarter of Fiscal 2023

Japanese Steel Industry

1. Crude Steel Production

(million tons)							
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
FY 2022	22.98	21.82	44.80	21.41	21.62	43.03	87.84
FY 2023	22.21	(*)Approx. 22.31	Approx. 44.50				

(*)METI forecast

2. Inventory Volume

At the end of:		Inventory at manufacturers and distributors (million tons)	Inventory /shipment ratio (%)	Rolled sheets *1 (million tons)	H-flange beams *2 (million tons)
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	6.22	(186.4)	4.65	0.200
Feb.	2022	6.24	(202.4)	4.65	0.204
Mar.	2022	5.99	(161.8)	4.52	0.203
Apr.	2022	5.95	(189.0)	4.48	0.192
May	2022	6.18	(204.1)	4.63	0.188
June	2022	6.03	(177.7)	4.52	0.188
July	2022	5.90	(177.7)	4.37	0.186
Aug.	2022	5.96	(199.9)	4.47	0.185
Sep.	2022	5.97	(188.9)	4.43	0.185
Oct.	2022	5.88	(175.5)	4.39	0.184
Nov.	2022	5.75	(174.1)	4.29	0.187
Dec.	2022	5.63	(190.1)	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.	2023	5.39	(153.3)	4.13	0.196
Apr.	2023	5.29	(174.0)	3.97	0.189
May	2023	5.41	(177.7)	4.04	0.190
June *3	2023	5.31	(165.1)	4.01	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 2022	8.52	8.29	16.81	8.63	8.52	17.15	33.96
FY 2023	8.57	Approx. 8.60	Approx. 17.20				

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 2022	10.33	9.87	20.21	10.04	10.07	20.11	40.32
FY 2023	10.17	Approx. 10.30	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 2022	8.69	8.34	17.04	8.59	8.62	17.21	34.25
FY 2023	8.68	Approx. 8.80	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 2022	8.19	7.49	15.69	7.98	7.80	15.79	31.47
FY 2023	8.07	Approx. 7.90	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 2022	140.0	152.7	146.0	155.9	147.3	151.7	148.9
FY 2023	143.4	Approx. 142	Approx. 143				

7. Export Ratio of Steel Products (Value basis)

(%)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
FY 2022	48	42	45	41	40	40	43
FY 2023	46	Approx. 43	Approx. 44				

8. Foreign Exchange Rate

(¥/\$)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
FY 2022	126	137	132	144	133	139	135
FY 2023	136	Approx. 140	Approx. 138			Approx. 140	Approx. 139

9. Amount of Capital Expenditure and Depreciation

(Consolidated basis)

(billions of yen)

	Capital Expenditure	Depreciation
FY 2022	437.6	340.2
FY 2023	Approx. 450.0	Approx. 360.0