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## Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2022 (Japanese GAAP)

November 2, 2021  
Stock Exchange: Tokyo

Listed company name: **NIPPON STEEL TRADING CORPORATION**  
Code No.: 9810  
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Quarterly securities report to be submitted: November 15, 2021  
Start of cash dividend payments: December 2, 2021  
Supplementary materials: Yes (Japanese only)  
IR conference: Yes (for institutional investors and analysts; Japanese only)

(Figures rounded down to nearest million yen)

### 1. Consolidated Earnings through the Second Quarter of the Fiscal Year Ending March 31, 2022 (April 1, 2021 to September 30, 2021)

#### (1) Consolidated Operating Results (Cumulative) (%: change from the same period of the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2Q FYE March 31, 2022	851,195	42.5	20,376	145.7	22,738	135.8	15,993	203.5
2Q FYE March 31, 2021	597,257	—	8,292	—	9,641	—	5,269	—

Note: Comprehensive income  
2Q FYE March 31, 2022: ¥18,954 million (258.8%)  
2Q FYE March 31, 2021: ¥5,282 million (-%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
2Q FYE March 31, 2022	495.85		—	
2Q FYE March 31, 2021	163.35		—	

\* As we have applied the changes in the accounting policies retrospectively, the financial figures shown for the second quarter of the fiscal year ended March 2021 are the figures after the retrospective application. The percentage change from the same period of the previous year is not shown.

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	968,230	292,763	27.8
As of March 31, 2021	883,285	278,090	28.9

Reference: Equity capital

As of September 30, 2021: ¥268,816 million

As of March 31, 2021: ¥255,389 million

\* As we have applied the changes in the accounting policies retrospectively, the financial figures shown for the fiscal year ended March 2021 are the figures after the retrospective application.

## 2. Dividends

	Annual dividends per share				
	1Q	2Q	3Q	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
FYE March 31, 2021	—	50.00	—	110.00	160.00
FYE March 31, 2022	—	160.00			
FYE March 31, 2022 (Est.)			—	140.00	300.00

Note: Revisions of dividends projections since most recent announcement: Yes

## 3. Projected Consolidated Results for Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(%: change from the previous year)

	Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	40,000	78.9	43,000	66.8	30,000	87.6	930.07

Note: Revisions of earnings projections since most recent announcement: Yes

\* As we have applied the changes in the accounting policies retrospectively, the percentage change from the previous year is calculated using the figures after the retrospective application.

\* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None
- (2) Use of special accounting methods for creating quarterly consolidated financial statements: None
- (3) Changes of accounting policies, changes of accounting estimates and retrospective restatements
  - i. Changes in accounting policies resulting from changes in accounting standards, etc.: Yes
  - ii. Other accounting policy changes: None
  - iii. Changes in accounting estimates: None
  - iv. Restatements: None
- (4) Number of issued shares (common shares)
  - i. Number of issued shares at the end of the period (including treasury shares)

As of September 30, 2021	32,307,800 shares
As of March 31, 2021	32,307,800 shares
  - ii. Number of treasury shares at the end of the period

As of September 30, 2021	52,165 shares
As of March 31, 2021	51,577 shares
  - iii. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

2Q FYE March 31, 2022	32,255,905 shares
2Q FYE March 31, 2021	32,257,562 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Explanation for the proper use of earnings projections, and other special matters

(Caution on description of future events, etc.)

The preceding projections are based on information available at the time of the publication of these materials, and are not intended as pledges on the part of the Company that the said projections will be achieved. Actual results may differ materially from projections due to various factors that may occur in the future. For the assumptions on which these earnings projections were based, see “1. Qualitative Information on Quarterly Settlement of Accounts, (3) Explanation of Consolidated Earnings Projections and Other Forecasts” on page 3 of the attachment.

(How to acquire supplementary materials)

Supplementary materials were published on TDnet as of November 2, 2021, and they were published on the Company’s website on the same date.

(How to acquire materials for briefing session)

The Company has scheduled a briefing session for institutional investors and analysts on November 4, 2021. Soon after the session is over, the presentation materials distributed during the event will be posted on the Company’s website (Japanese only).

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## 1. Qualitative Information on Quarterly Settlement of Accounts

Forward-looking statements in this document are based on the Group's views as of the end of the quarter under review. The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations have been applied from the beginning of the first quarter. The Company has compared with the same period of the previous fiscal year and with the previous fiscal year, and analyzed the data using the figures after retrospectively applying the accounting standard and relevant ASBJ regulations.

### (1) Explanation of Operating Results

The world economy during the first six months of the fiscal year ending March 31, 2022 was on the road to recovery in general, with a continuing recovery in the United States as the COVID-19 pandemic receded and due to economic measures, and signs of a recovery from the COVID-19 pandemic in Europe, although there was an impact from a resurgence in infections in some regions including Southeast Asia.

In the Japanese economy, the overall trend indicated a recovery against the backdrop of progress in the number of vaccinations and improvement of the world economy, although personal consumption and the employment situation are still weakening.

In this business environment, the Group has been working hard to implement the medium- to long-term management plan, and the Company's consolidated earnings for the first six months under review, as compared with the same period of the previous fiscal year, were as follows: Net sales were ¥851.1 billion, up ¥253.9 billion (42.5%). Operating profit was ¥20.3 billion, up ¥12.0 billion (145.7%) and ordinary profit was ¥22.7 billion, up ¥13.0 billion (135.8%). Profit attributable to owners of parent was ¥15.9 billion, up ¥10.7 billion (203.5%).

Earnings for reportable segments are as below.

(Steel)

In the Steel business, net sales increased by 49.3%, or ¥235.7 billion year on year, to ¥713.6 billion, and ordinary profit increased by 160.4%, or ¥12.1 billion, to ¥19.6 billion, thanks to improved domestic steel demand for the construction industry, manufacturing industry, etc., and also to higher steel prices in and outside Japan.

(Industrial Supply and Infrastructure)

In the Industrial Supply and Infrastructure business, mainly due to an earnings improvement at subsidiaries and associates in and outside Japan, net sales increased by 40.3%, or ¥11.3 billion year on year, to ¥39.4 billion, and ordinary profit rose by 117.7%, or ¥900 million, to ¥1,700 million.

(Textiles)

In the Textiles business, the management environment remained harsh, with intermittent reinstatement of the state of emergency during the first six months under review as well. Moreover, there was a significant decline in the operating rates at production plants due to lockdown measures in ASEAN countries, and there was also the impact of cost increases due to the transfer of production to other regions with shorter delivery periods, resulting in an ordinary loss of ¥100 million.

(Foodstuffs)

In the Foodstuffs business, due to solid performance of our mainstay meat sales business, etc., net sales increased by 14.5%, or ¥6.5 billion year on year, to ¥51.3 billion, and ordinary profit increased by 58.6%, or ¥500 million, to ¥1,500 million.

### (2) Explanation of Financial Position

#### A. Assets, Liabilities and Net Assets

Total assets at the end of the second quarter under review increased by ¥84.9 billion from the end of the previous fiscal year to ¥968.2 billion, due to an increase in notes and accounts receivable - trade and inventories, despite a decrease in cash and deposits.

Total liabilities increased by ¥70.2 billion from the end of the previous fiscal year to ¥675.4 billion, due to increases in notes and accounts payable - trade and interest-bearing debt.

Total net assets increased by ¥14.6 billion from the end of the previous fiscal year to ¥292.7 billion, primarily due to the recording of profit attributable to owners of parent for the six months under review, despite the payment of dividends.

As of the end of the second quarter under review, equity capital was ¥268.8 billion and the equity ratio was 27.8%.

#### **B. Cash Flows**

Cash and cash equivalents at the end of the second quarter under review decreased by ¥30.0 billion from the end of the previous fiscal year to ¥25.8 billion.

Net cash used in operating activities in the six months under review was ¥48.1 billion (compared to ¥56.8 billion provided a year before). The main factors in this decrease in funds were increases in trade receivables of ¥73.5 billion and inventories of ¥31.3 billion, while the main factor leading to an increase in funds was an increase in trade payables of ¥39.8 billion.

Net cash used in investment activities was ¥2.0 billion (compared to ¥6.3 billion used a year before). The main factors in cash outflows were purchase of investment securities of ¥2.2 billion and purchase of property, plant and equipment of ¥1.8 billion, while the major factor resulting in cash inflows was proceeds from sale of investment securities of ¥3.0 billion.

Net cash provided by financing activities was ¥19.4 billion (compared to ¥10.9 billion used a year before). The main factors in cash inflows were an increase in short-term borrowings of ¥15.4 billion and proceeds from the issuance of commercial papers of ¥9.0 billion.

### **(3) Explanation of Consolidated Earnings Projections and Other Forecasts**

In light of the results of the first six months under review, revisions have been made to the consolidated earnings projections and dividend projections for the fiscal year ending March 31, 2022 that were announced on August 2, 2021. For details, please refer to “Notice Regarding Revisions to Full-Year Consolidated Earnings Projections, Dividends of Surplus (Interim Dividend), and Revisions to Year-End Dividend Projections,” which was published today (November 2, 2021).

## 2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2021)	Second Quarter Under Review (As of September 30, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	56,857	27,755
Notes and accounts receivable - trade	542,576	619,437
Inventories	113,143	145,677
Other	20,337	25,124
Allowance for doubtful accounts	(1,413)	(1,759)
Total current assets	731,502	816,235
Non-current assets		
Property, plant and equipment	61,747	61,992
Intangible assets		
Goodwill	326	279
Other	584	631
Total intangible assets	910	911
Investments and other assets		
Other	92,001	91,981
Allowance for doubtful accounts	(2,875)	(2,890)
Total investments and other assets	89,125	89,090
Total non-current assets	151,783	151,994
Total assets	883,285	968,230

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2021)	Second Quarter Under Review (As of September 30, 2021)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	255,025	296,246
Short-term borrowings	87,482	103,971
Commercial papers	46,000	55,000
Income taxes payable	4,705	6,610
Provisions	4,174	4,287
Other	29,772	32,215
Total current liabilities	427,159	498,330
Non-current liabilities		
Bonds payable	80,000	80,000
Long-term borrowings	84,915	85,344
Provisions	1,338	1,148
Retirement benefit liability	3,297	3,415
Other	8,483	7,227
Total non-current liabilities	178,035	177,137
Total liabilities	605,195	675,467
<b>Net assets</b>		
Shareholders' equity		
Share capital	16,389	16,389
Capital surplus	54,492	54,485
Retained earnings	175,270	187,698
Treasury shares	(158)	(161)
Total shareholders' equity	245,993	258,412
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,184	6,275
Deferred gains or losses on hedges	(71)	(184)
Foreign currency translation adjustment	1,784	3,877
Remeasurements of defined benefit plans	498	435
Total accumulated other comprehensive income	9,395	10,404
Non-controlling interests	22,701	23,946
Total net assets	278,090	292,763
<b>Total liabilities and net assets</b>	883,285	968,230



**(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income**

**(Quarterly Consolidated Statements of Income)**

**Second Quarter (Cumulative)**

(Millions of yen)

	Six Months of Previous Fiscal Year (April 1, 2020 to September 30, 2020)	Six Months of Fiscal Year Under Review (April 1, 2021 to September 30, 2021)
Net sales	597,257	851,195
Cost of sales	540,943	775,466
Gross profit	56,314	75,729
Selling, general and administrative expenses	48,021	55,352
Operating profit	8,292	20,376
Non-operating income		
Interest income	235	160
Dividend income	731	770
Share of profit of entities accounted for using equity method	1,092	1,869
Purchase discounts	181	280
Other	1,064	1,138
Total non-operating income	3,305	4,219
Non-operating expenses		
Interest expenses	1,268	1,213
Other	687	643
Total non-operating expenses	1,956	1,857
Ordinary profit	9,641	22,738
Extraordinary income		
Gain on sale of non-current assets	342	-
Gain on sale of investment securities	44	946
Reversal of provision for loss on guarantees	-	13
Total extraordinary income	386	959
Extraordinary losses		
Loss on sale of investment securities	11	68
Loss on valuation of investment securities	399	75
Loss on valuation of investments in capital	204	-
Loss on liquidation of subsidiaries and associates	395	-
Provision for loss on guarantees	587	-
Total extraordinary losses	1,597	143
Profit before income taxes	8,431	23,554
Income taxes	2,796	6,140
Profit	5,634	17,414
Profit attributable to non-controlling interests	365	1,420
Profit attributable to owners of parent	5,269	15,993

**(Quarterly Consolidated Statements of Comprehensive Income)**

**Second Quarter (Cumulative)**

(Millions of yen)

	Six Months of Previous Fiscal Year (April 1, 2020 to September 30, 2020)	Six Months of Fiscal Year Under Review (April 1, 2021 to September 30, 2021)
Profit	5,634	17,414
Other comprehensive income		
Valuation difference on available-for-sale securities	1,854	(952)
Deferred gains or losses on hedges	9	(113)
Foreign currency translation adjustment	(1,445)	2,671
Remeasurements of defined benefit plans, net of tax	32	(65)
Share of other comprehensive income of entities accounted for using equity method	(801)	(0)
Total other comprehensive income	(351)	1,540
Comprehensive income	5,282	18,954
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,087	17,002
Comprehensive income attributable to non-controlling interests	195	1,952

**(3) Quarterly Consolidated Cash Flow Statements**

(Millions of yen)

	Six Months of Previous Fiscal Year (April 1, 2020 to September 30, 2020)	Six Months of Fiscal Year Under Review (April 1, 2021 to September 30, 2021)
<b>Cash flows from operating activities</b>		
Profit before income taxes	8,431	23,554
Depreciation	2,753	3,100
Amortization of goodwill	90	56
Increase (decrease) in allowance for doubtful accounts	(118)	304
Increase (decrease) in provisions	722	91
Increase (decrease) in retirement benefit liability	(59)	592
Interest and dividend income	(966)	(931)
Interest expenses	1,268	1,213
Share of loss (profit) of entities accounted for using equity method	(1,092)	(1,869)
Loss (gain) on sale of non-current assets	(342)	-
Loss (gain) on sale of investment securities	(32)	(877)
Loss (gain) on valuation of investment securities	399	75
Loss on valuation of investments in capital	204	-
Decrease (increase) in trade receivables	89,383	(73,580)
Decrease (increase) in inventories	6,319	(31,378)
Increase (decrease) in trade payables	(44,770)	39,832
Other, net	(1,824)	(4,113)
Subtotal	60,366	(43,929)
Interest and dividends received	1,609	1,744
Interest paid	(1,237)	(1,183)
Income taxes paid	(3,857)	(4,781)
Net cash provided by (used in) operating activities	56,881	(48,148)
<b>Cash flows from investing activities</b>		
Decrease (increase) in time deposits	(216)	(859)
Purchase of property, plant and equipment	(3,053)	(1,855)
Proceeds from sale of property, plant and equipment	1,299	95
Purchase of intangible assets	(66)	(33)
Purchase of investment securities	(125)	(2,224)
Proceeds from sale of investment securities	85	3,027
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,680)	-
Decrease (increase) in short-term loans receivable	(53)	226
Long-term loan advances	(9)	(349)
Proceeds from collection of long-term loans receivable	13	8
Other, net	(1,554)	(50)
Net cash provided by (used in) investing activities	(6,361)	(2,014)

NIPPON STEEL TRADING CORPORATION (9810)  
Consolidated Financial Statements for the Second Quarter of the Fiscal Year Ending March 31, 2022

(Millions of yen)

	Six Months of Previous Fiscal Year (April 1, 2020 to September 30, 2020)	Six Months of Fiscal Year Under Review (April 1, 2021 to September 30, 2021)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(16,809)	15,495
Net increase (decrease) in commercial papers	10,000	9,000
Proceeds from long-term borrowings	15,500	7,000
Repayments of long-term borrowings	(15,648)	(7,200)
Dividends paid	(2,740)	(3,547)
Dividends paid to non-controlling interests	(684)	(699)
Other, net	(534)	(589)
Net cash provided by (used in) financing activities	(10,917)	19,459
Effect of exchange rate change on cash and cash equivalents	(496)	690
Net increase (decrease) in cash and cash equivalents	39,107	(30,013)
Cash and cash equivalents at beginning of period	25,314	55,881
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	119	-
Cash and cash equivalents at end of period	64,541	25,867

#### (4) Notes on Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes in Case of Significant Changes to Shareholders' Equity)

Not applicable.

(Changes in Accounting Policies)

*Application of Accounting Standard for Revenue Recognition, Etc.*

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services. The major changes are as follows:

- Revenue recognition relating to agent transaction

The full amount of consideration received from customers was previously recognized as revenue for some transactions, but for transactions in which the role of the Group in providing goods or services to customers was as an agent, the revenue is recognized at the net amount calculated by deducting the amount paid to suppliers from the amount received from the customer.

The change in the accounting policy has been applied retrospectively, in principle. Therefore, the new accounting policy was reflected in the consolidated financial statements for the same period of the previous fiscal year and for the previous fiscal year; provided, however, that in the retrospective application, the methods set forth in paragraph 85 of the Accounting Standard for Revenue Recognition were applied.

- (1) Comparative information is not retrospectively restated for contracts where nearly all the revenue amounts have been recognized prior to the beginning of the previous fiscal year subject to the previous treatment
- (2) Comparative information is retrospectively restated for the amount of variable consideration included in contracts where nearly all the revenue amounts have been recognized prior to the beginning of the current fiscal year subject to the previous treatment, using the amount when the uncertainty associated with the variable consideration is subsequently resolved
- (3) Quarterly consolidated financial statements for the previous fiscal year are not retrospectively restated for the contracts that began and ended within the previous fiscal year

For the first six months of the previous fiscal year, as a result of this change, and compared with the figures before the retrospective application, net sales decreased by ¥367,047 million, cost of sales decreased by ¥367,136 million, while operating profit, ordinary profit and profit before income taxes each increased by ¥89 million. In addition, because the cumulative effect was reflected in net assets as of the beginning of the previous fiscal year, retained earnings as of the beginning of the previous fiscal year decreased by ¥215 million.

*Application of Accounting Standard for Fair Value Measurement, Etc.*

The "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations have been applied from the beginning of the first quarter, and the new accounting policies provided in the Accounting Standard for Fair Value Measurement and relevant ASBJ regulations will be applied going forward in accordance with the transitional treatment stipulated in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). There is no effect on the quarterly consolidated financial statements.

(Additional Information)

*Accounting Estimates in Relation to the Impact of the Spread of COVID-19*

During the first six months under review, there were no material changes to the "Accounting estimates in relation to the impact of the spread of COVID-19" stated in the securities report for the previous consolidated fiscal year.

*Conclusion of Agreement for Alliance in Textiles Business with Mitsui Bussan Group*

At the Board of Directors meeting held on August 25, 2021, the Company adopted resolutions on execution of a shareholders agreement relating to an alliance (the “Alliance”) in the textiles business between Mitsui & Co., Ltd. (“Mitsui & Co.”), Mitsui Bussan I-Fashion Ltd. (“MIF”) and the Company, as well as on execution of a basic integration agreement (the “Integration Agreement”) to specify conditions relating to integration (the “Integration”) of the Textiles business of the Company and MIF. In addition, as the Company decided to select an absorption-type company split as the integration method considering the relevant laws and regulations, the Company also adopted a resolution on execution of an absorption-type company split agreement with MIF, which will make MIF the succeeding company of the Textiles business operated by the Company. The effective date of the agreements is January 1, 2022.

1. Objective of the Alliance

The Alliance aims at the realization of the following matters by promoting collaboration between the Company and Mitsui & Co., centered on integration of the Company’s Textiles business and MIF.

(1) Strengthening of the Foundation of the OEM Business, as the Company’s Core Business

The two companies aim to improve their business competitiveness and build a solid business foundation. By combining the sales capabilities and the customer networks of both companies, as well as the products and services that each company excels at, the companies will maximize the synergies of mutually complementary collaboration. Also, by making use of scale as a result of the Integration, the companies are pursuing improved efficiency and enhanced functions centered on procurement.

(2) Creating Business Opportunities in a New Growth Field

By maximizing the use of the business resources of both companies in the entire supply chain from upstream to downstream, the companies will expand business for overseas markets where growth is expected. In addition, the companies aim to provide new services that make full use of digital technology and achieve sustainable growth by creating new business opportunities from the perspective of sustainability, such as the utilization of reusable materials and the construction of product recycling systems.

(3) Deepening Value Provided to Customers

Based on the textiles business knowledge, comprehensive strengths, and procurement networks that both companies have cultivated over many years, the companies will robustly support customer transformation (cost reduction, digitalization of operations, sustainability response, etc.) through new initiatives that utilize digital technology in each of the functional processes such as planning, production, and logistics.

2. Outline of the Integration

(1) Schedule of the Integration

Resolution of the Board of Directors meeting of the Company relating to approval of execution of the Integration Agreement and absorption-type company split agreement (“Split Agreement”), which will make MIF the succeeding company of the Textiles business operated by the Company.	August 25, 2021
Conclusion of the Integration Agreement	August 25, 2021
Conclusion of the shareholders agreement	August 25, 2021
Conclusion of the Split Agreement	August 25, 2021
Effective date of the absorption-type company split (the “Split”)	January 1, 2022 (scheduled)

(Note 1) As the Split falls under simplified absorption-type company split as set forth in Article 784, paragraph 2 of the Companies Act, it is planned to be conducted without approval of the general meeting of shareholders of the Company.

(Note 2) The Integration will be carried out after obtaining permissions and authorizations from the relevant authorities under the domestic and international competition laws necessary for the Integration and other necessary procedures. The above schedule is as of the current point of time, and if there is a change in the above schedule due to the acquisition of permissions and authorizations, etc. from the relevant authorities or other reasons during the Integration procedures, we will promptly make an announcement.

(2) Method of the Split

The method of the Split is absorption-type company split where the Company is the splitting company and MIF is the succeeding company (simplified absorption-type company split).

- (3) Details of business to be split  
Textiles business operated by the Textiles Division of the Company.

(Segment Information, etc.)

[Segment Information]

I Six Months of Previous Fiscal Year (April 1, 2020 to September 30, 2020)

1. Information on sales and profit/loss in each reportable segment

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjusted amount (Note 2)	Amount recorded in quarterly consolidated statements of income (Note 3)
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Total				
Net sales									
Sales to external customers	477,901	28,091	46,214	44,878	597,086	171	597,257	–	597,257
Intersegment sales or transfers	182	247	1	–	432	28	461	(461)	–
Total	478,084	28,339	46,215	44,878	597,518	200	597,719	(461)	597,257
Segment profit (Ordinary profit)	7,554	793	338	951	9,637	4	9,642	(0)	9,641

- (Notes) 1. “Others” represents items not included under “reportable segments,” and it includes real estate business.  
2. The adjustment in “segment profit” represents the elimination of inter-segment trade.  
3. The total profit of the “reportable segments” and “others” aligns with the ordinary profit in the quarterly consolidated statements of income excepting the adjustment.

2. Information on impairment losses on non-current assets, goodwill, etc., for each reportable segment

Not applicable.

II Six Months of Fiscal Year Under Review (April 1, 2021 to September 30, 2021)

1. Information on sales and profit/loss in each reportable segment

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjusted amount (Note 2)	Amount recorded in quarterly consolidated statements of income (Note 3)
	Steel	Industrial Supply and Infrastructure	Textiles	Foodstuffs	Total				
Net sales									
Sales to external customers	713,618	39,403	46,612	51,396	851,031	163	851,195	–	851,195
Intersegment sales or transfers	273	311	1	–	586	29	616	(616)	–
Total	713,891	39,715	46,614	51,396	851,618	193	851,811	(616)	851,195
Segment profit (loss) (Ordinary profit (loss))	19,673	1,728	(193)	1,508	22,717	21	22,738	(0)	22,738

- (Notes) 1. “Others” represents items not included under “reportable segments,” and it includes real estate business.  
2. The adjustment in “segment profit” represents the elimination of inter-segment trade.  
3. The total profit of the “reportable segments” and “others” aligns with the ordinary profit in the quarterly consolidated statements of income excepting the adjustment.

2. Information on impairment losses on non-current assets, goodwill, etc., for each reportable segment

Not applicable.

3. Information regarding change to reportable segments, etc.

*Application of Accounting Standard for Revenue Recognition, Etc.*

As described in “Changes in Accounting Policies,” the Accounting Standard for Revenue Recognition, etc. have been applied from the beginning of the first quarter. For the first six months under review, as a result, compared with the figures obtained by the previous method, net sales decreased by ¥501,584 million in the Steel business, by ¥8,133 million in the Industrial Supply and Infrastructure business, by ¥784 million in the Textiles business, and by ¥21,850 million in the Foodstuffs business.



million in the Foodstuffs business. The effect on ordinary profit is immaterial. Please note that the segment information for the first six months of the previous fiscal year were prepared based on the new method of measuring segment profit or loss.