

# FY2021 Financial Results and FY2022 Earnings Forecasts

May 11, 2022



**日鉄物産**  
NIPPON STEEL TRADING

# Executive Summary

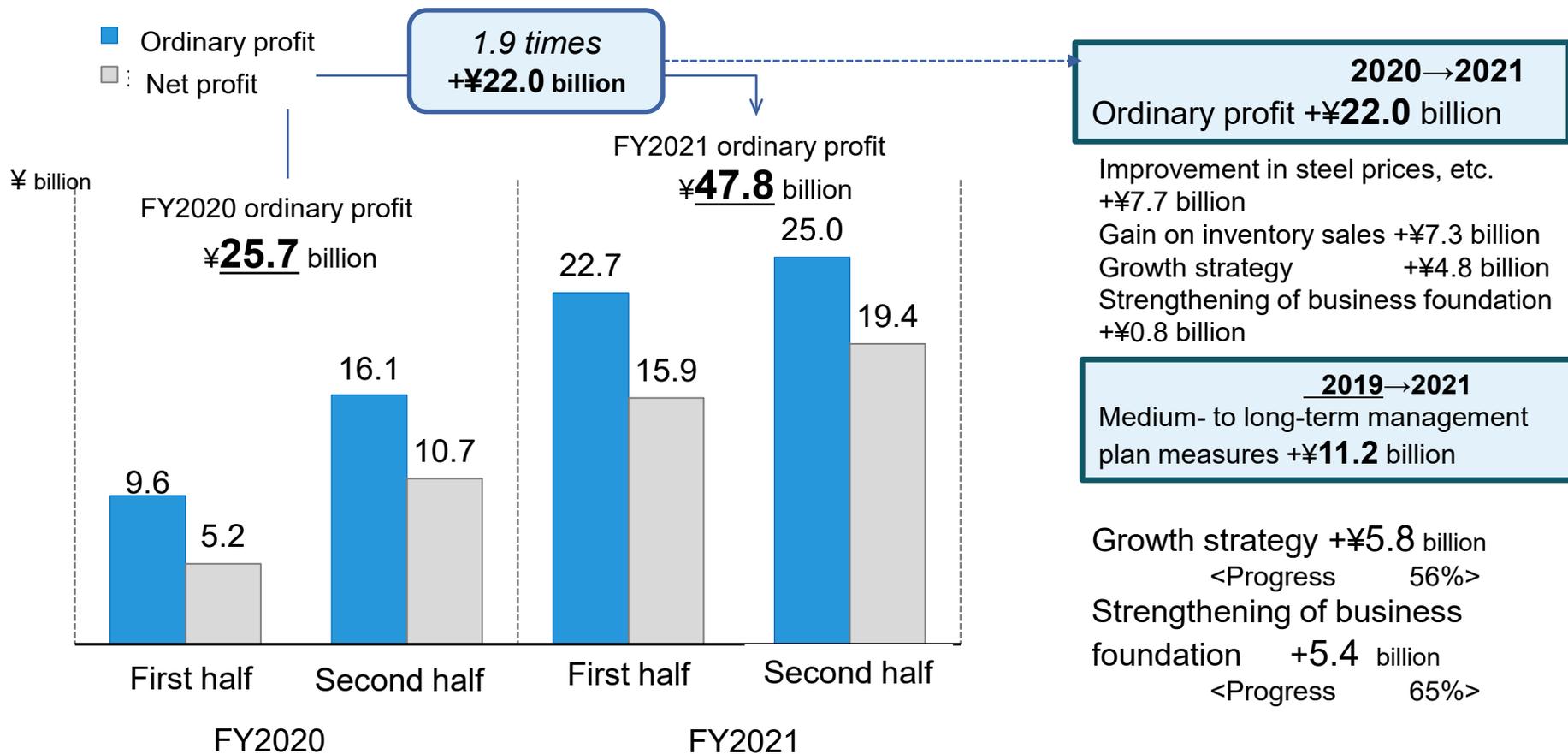
- In addition to the effects of executing measures in the medium- to long-term management plan, the highest levels on record were reached for ordinary profit at ¥47.8 billion and net profit at ¥35.4 billion in FY2021 due to factors such as the rise in steel market prices.
- Although the outlook for economic conditions remains very unclear for FY2022, the Company will aim to achieve ¥43.0 billion in ordinary profit by executing the measures in the medium- to long-term management plan ahead of schedule.

	FY2019 results	FY2020 results	<i>(February forecast)</i>		FY2021 results	FY2022 forecast
			First half	Second half		
Ordinary profit (billions of yen)	33.2	25.7	22.7	(22.3) 25.0	(45.0) <b>47.8</b>	43.0
Net profit (billions of yen)	20.7	15.9	15.9	(16.0) 19.4	(32.0) <b>35.4</b>	30.0
Dividends (yen)	200	160	160	(160) 190*	(320) <b>350*</b>	300

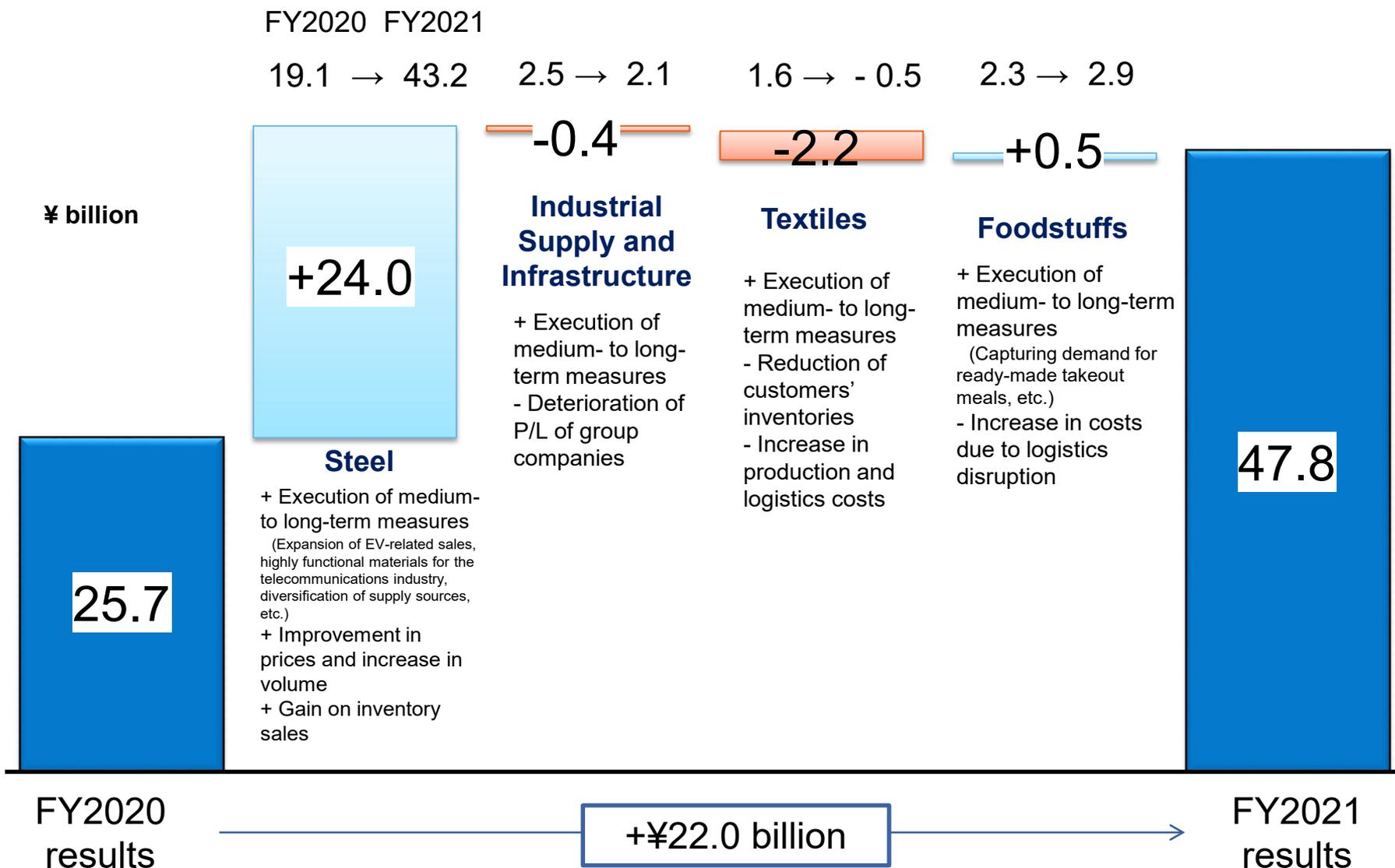
\* The year-end dividend for FY2021 will be determined in the general meeting of shareholders.

# Key Points of the FY2021 Financial Results

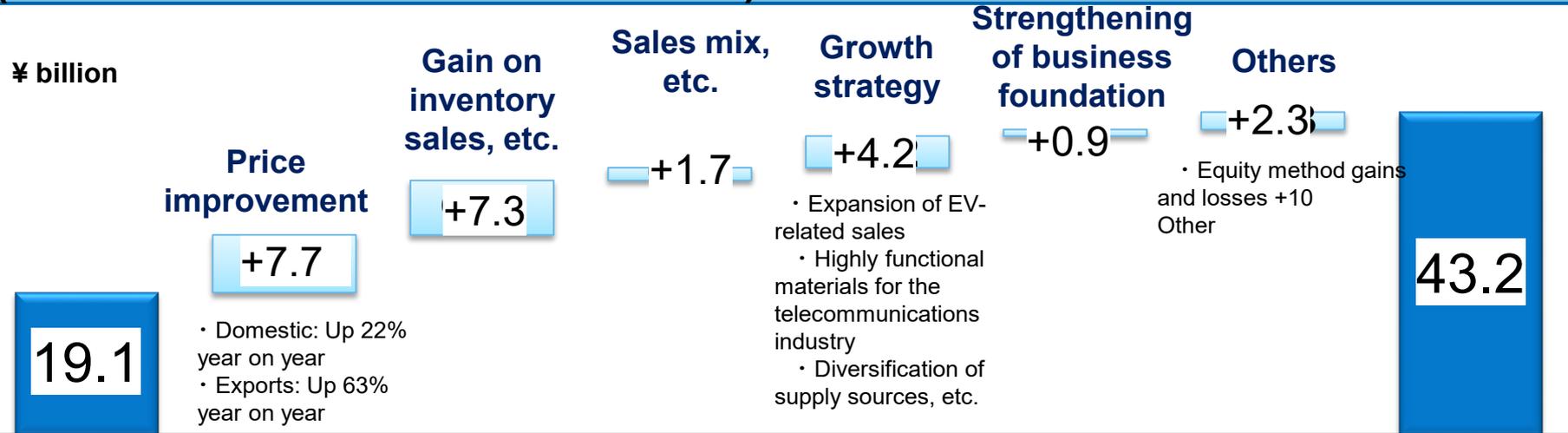
- The highest levels on record were achieved due to execution of measures under the medium- to long-term management plan (strengthening the business foundation and growth strategy) in addition to a recovery in the market environment (steel volume, price, etc.)
- Ordinary profit ¥47.8 billion (+¥22.0 billion year on year)
- Net profit ¥35.4 billion (+¥19.4 billion year on year)
- Proposed full-year dividend ¥350 per share (+¥190 per share year on year)



# Factors Increasing and Decreasing Ordinary Profit (FY2020 Results → FY2021 Results)



# Increases and Decreases in Ordinary Profit of Steel Business (FY2020 Results→FY2021 Results)



FY2020 results

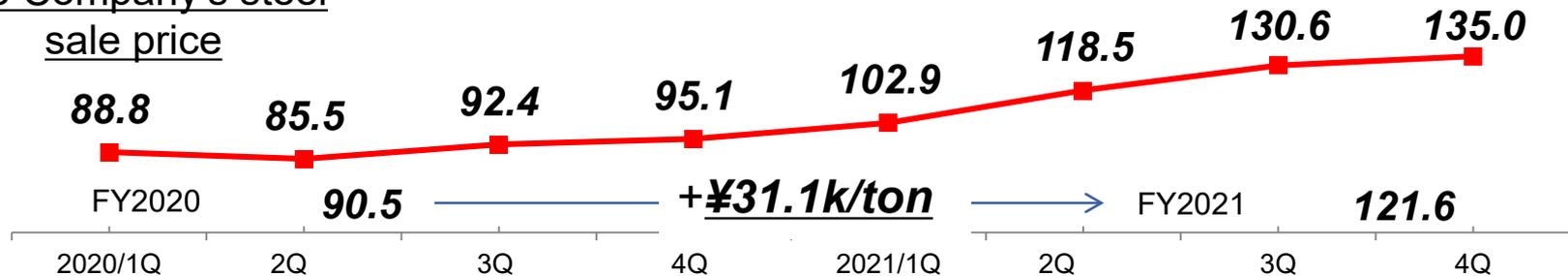
Ordinary +¥24.0 billion

FY2021 results

## Consolidated steel handling volume

10,000 tons	FY2020	FY2021	Change
Consolidated total	1,686	1,865	+179
Non-consolidated	1,291	1,413	+121
Subsidiaries	395	452	+ 58

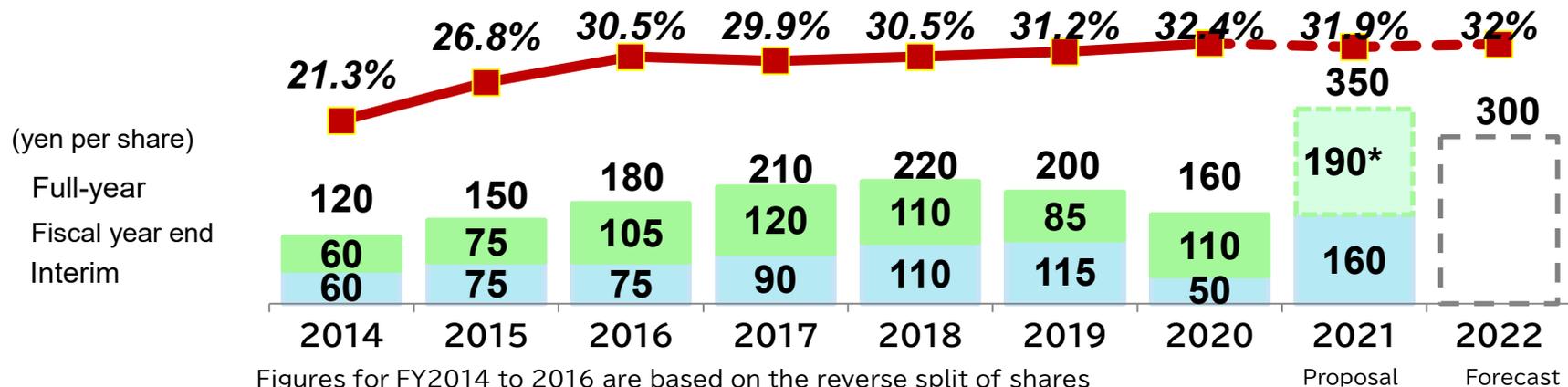
## The Company's steel sale price



# Dividend Outlook

## The Company's Dividends

	FY2020	FY2021		FY2022 forecast	
		Interim	(February forecast) Year-end		dividend proposal
Net profit	¥15.9 billion	¥15.9 billion	(¥16.0) ¥19.4 billion	(¥32.0) ¥35.4 billion	¥30.0 billion
<b>Dividend</b>	<b>¥160 per share</b>	<b>¥160 per share</b>	<b>(¥160) ¥190 per share*</b>	<b>(¥320) ¥350 per share*</b>	<b>¥300 per share</b>
Dividend payout ratio	32.4%			31.9%	32%



### (Reference) Dividend Policy

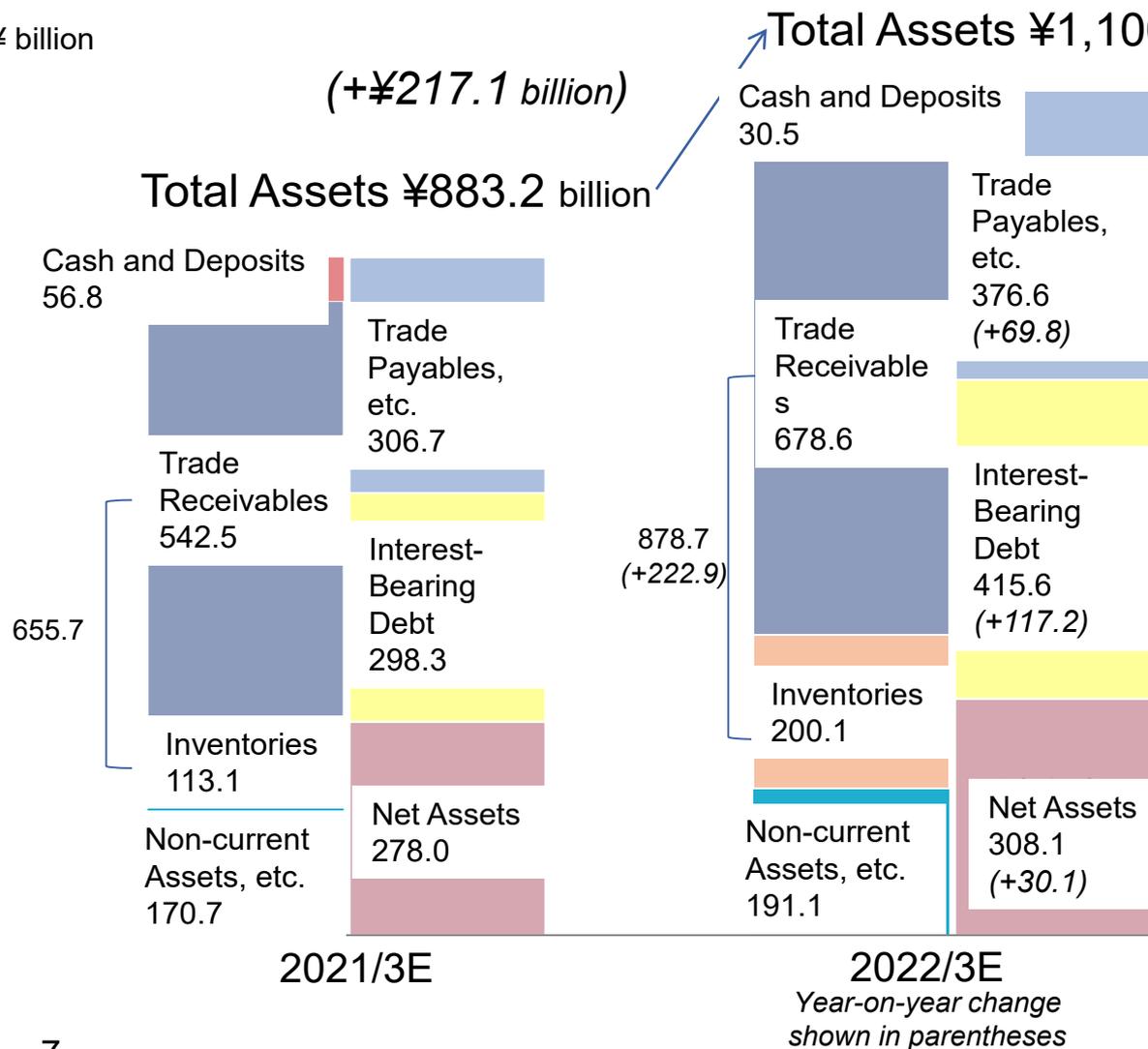
\* The year-end dividend for FY2021 will be determined in the general meeting of shareholders.

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

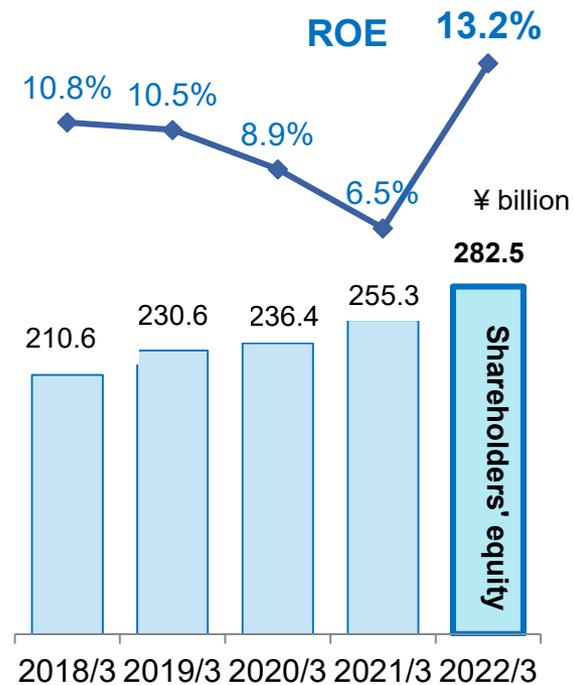
# Balance Sheet

- Working capital mainly increased due to an increase in revenue

¥ billion



## Shareholders' Equity and ROE



# Cash Flows

¥ billion		FY2020	FY2021
	Profit before income taxes	24.9	<b>52.1</b>
	Depreciation	5.7	<b>5.9</b>
	Share of loss (profit) of entities accounted for using equity method	-2.5	<b>-2.4</b>
	Interest, tax and others	-4.5	<b>-6.1</b>
	Subtotal	23.6	<b>49.4</b>
	Change in working capital	23.5	<b>-162.4</b>
	Operating cash flows	47.2	<b>-113.0</b>
	Investment cash flows	-6.4	<b>-5.3</b>
	Free cash flow	40.8	<b>-118.3</b>
	Financial cash flows (change in interest-bearing debt, etc.)	-9.9	<b>100.6</b>
	Change in cash and deposits	30.4	<b>-16.4</b>

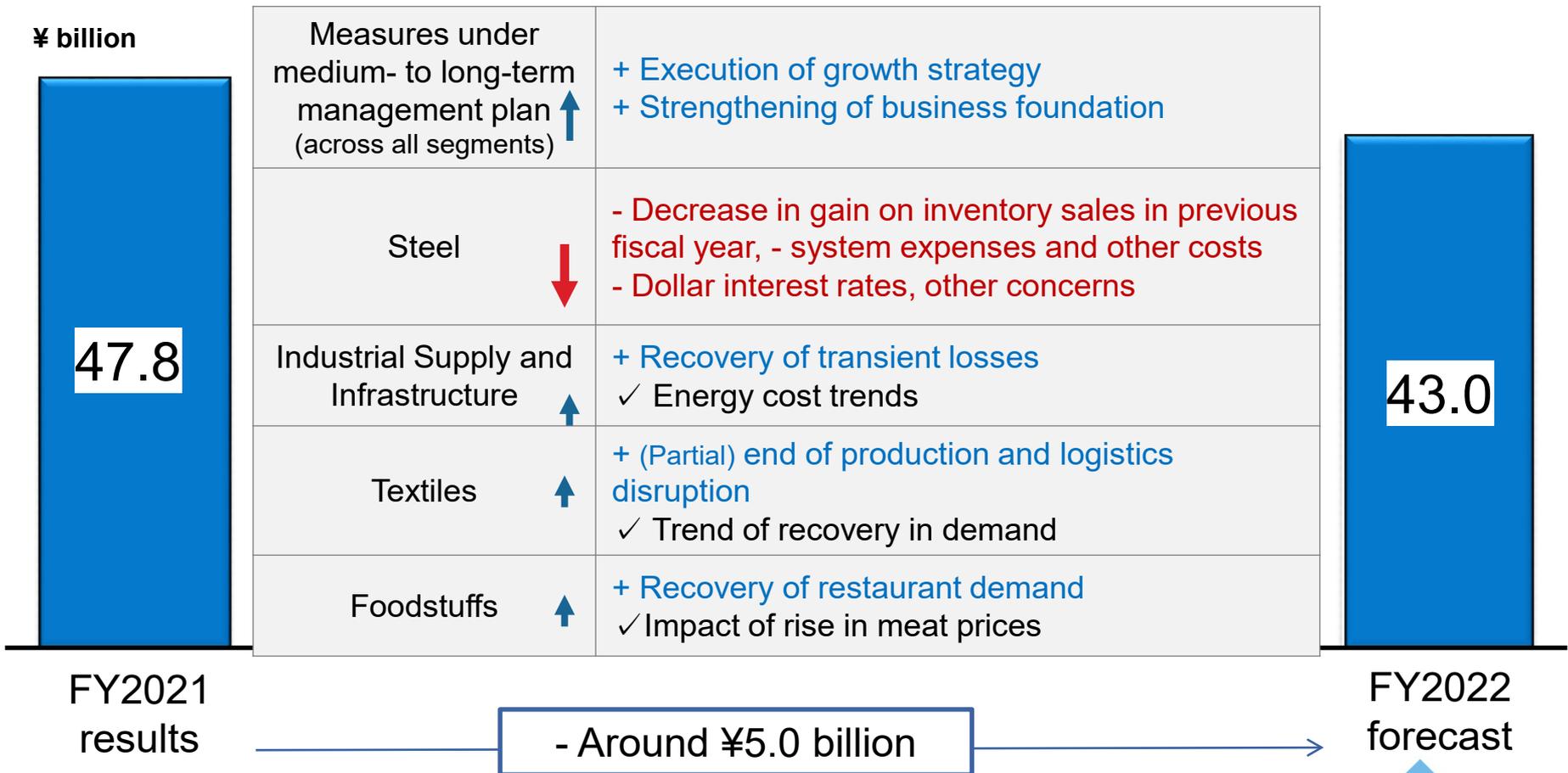
Increase in working capital balance due to increased revenue

Including capital and business investment -8.2

# Factors Increasing and Decreasing Ordinary Profit

(FY2021 Results→FY2022 Forecast)

- In FY2022, in addition to uncertain conditions continuing in the global economy such as the Ukraine crisis and prolonged supply chain constraints caused by COVID-19, factors decreasing profit specific to the Company are also expected, such as a decrease in the transient profit of the previous fiscal year.
- The Company aims to achieve ¥43.0 billion in ordinary profit in FY2022 through management efforts such as executing measures under the medium- to long-term management plan in advance as much as possible.



## Corporate Philosophy

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

These materials are not subject to the audit procedures based on the Financial Instruments and Exchange Law and do not guarantee the accuracy and the completeness of their information. Forecasts regarding future performance in these materials are based on assumptions judged to be valid and information available to the Company at the time the materials were created. These materials are not promises by the Company regarding future performance. Actual performance may differ significantly from these forecasts for a number of reasons. Nothing in this document shall be considered as an offer to sell or solicitation of an offer to buy any security, commodity, or other instrument. No responsibility or liability can be accepted for errors or omissions or for any losses arising from the use of this information.



**日鉄物産**  
NIPPON STEEL TRADING