

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation, nor for direct, indirect, or any other form of damages that may arise from use of this translation.

## Summary of Consolidated Financial Results for Fiscal Year Ended March 31, 2023 (Japanese GAAP)



May 11, 2023  
Stock Exchange: Tokyo

Listed company name: **NIPPON STEEL TRADING CORPORATION**  
Code No.: 9810  
URL: <https://www.nst.nipponsteel.com/en/>  
Representative name: Shinichi Nakamura, President and Representative Director  
Tel. +81-(0)3-6772-5003

Scheduled ordinary general meeting of shareholders: June 29, 2023  
Start of cash dividend payments: –  
Securities report to be submitted: June 29, 2023  
Supplementary materials: Yes (Japanese only)  
IR conference: None

(Figures rounded down to nearest million yen)

### 1. Consolidated Earnings through the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

#### (1) Consolidated Operating Results

(%: change from 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	%
FYE March 31, 2023	2,134,280	14.4	47,600	6.7	51,328	7.4	33,512	(5.4)
FYE March 31, 2022	1,865,907	46.8	44,627	99.6	47,810	85.5	35,417	121.5

Note: Comprehensive income  
FYE March 31, 2023 ¥47,777 million (20.0%)  
FYE March 31, 2022 ¥39,806 million (86.7%)

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
FYE March 31, 2023	1,039.00	–	11.2	4.6	2.2
FYE March 31, 2022	1,098.03	–	13.2	4.8	2.4

Reference: Shares of profit/loss of entities accounted for using equity method  
FYE March 31, 2023 ¥5,598 million  
FYE March 31, 2022 ¥2,439 million

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	1,142,057	342,828	27.5	9,748.73
As of March 31, 2022	1,100,441	308,198	25.7	8,759.36

Reference: Equity capital

As of March 31, 2023           ¥314,407 million

As of March 31, 2022           ¥282,534 million

## (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FYE March 31, 2023	6,959	(2,218)	(9,443)	26,583
FYE March 31, 2022	(113,001)	(5,327)	100,633	28,818

## 2. Dividends

	Annual dividends per share					Dividends paid (total)	Payout ratio (consolidated)	Dividends on equity ratio (consolidated)
	1Q	2Q	3Q	Fiscal year end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FYE March 31, 2022	–	160.00	–	190.00	350.00	11,290	31.9	4.2
FYE March 31, 2023	–	170.00	–	0.00	170.00	5,483	16.4	1.8
FYE March 31, 2024 (Est.)	–	–	–	–	–	–	–	–

\* As stated in the “Notice regarding Revisions to Year-End Dividend Projections for the Fiscal Year Ending March 2023 (No Dividends)” announced on December 21, 2022, subject to the tender offer for the Company’s common shares by Nippon Steel Corporation, we will not pay a year-end dividend for the fiscal year ended March 31, 2023. In addition, after the tender offer for the Company’s common shares by Nippon Steel Corporation has been completed and the prescribed procedures have been performed, the Company will be delisted, and therefore dividend forecast for the fiscal year ending March 31, 2024 is not stated.

## 3. Projected Consolidated Results for Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

After the tender offer for the Company’s common shares by Nippon Steel Corporation has been completed and the prescribed procedures have been performed, the Company will be delisted, and therefore forecast for consolidated earnings for the fiscal year ending March 31, 2024 is not stated.

\* Notes

- (1) Changes in significant subsidiaries during period (changes in specified subsidiaries resulting in changes in scope of consolidation): None
  
- (2) Changes of accounting policies, changes of accounting estimates and retrospective restatements
  - i. Changes in accounting policies resulting from changes in accounting standards, etc.: None
  - ii. Other accounting policy changes: None
  - iii. Changes in accounting estimates: None
  - iv. Restatements: None
  
- (3) Number of shares outstanding (common shares)
  - i. Number of shares outstanding at the end of the period (including treasury shares)

As of March 31, 2023	32,307,800 shares
As of March 31, 2022	32,307,800 shares
  
  - ii. Number of treasury shares at the end of the period

As of March 31, 2023	56,722 shares
As of March 31, 2022	52,712 shares
  
  - iii. Average number of shares during the period

FYE March 31, 2023	32,254,250 shares
FYE March 31, 2022	32,255,655 shares

(Reference) Overview of Non-consolidated Financial Results

**Non-consolidated Results for Fiscal Year Ended March 31, 2023  
(April 1, 2022 to March 31, 2023)**

(1) Non-consolidated Operating Results (%: change from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FYE March 31, 2023	1,360,411	9.2	27,444	13.0	35,996	18.3	24,564	3.8
FYE March 31, 2022	1,245,531	51.6	24,284	65.0	30,430	51.3	23,663	50.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
FYE March 31, 2023	761.52		-	
FYE March 31, 2022	733.54		-	

(2) Non-consolidated Financial Condition

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	862,810	211,507	24.5	6,557.59
As of March 31, 2022	835,470	197,023	23.6	6,107.72

Reference: Equity capital

As of March 31, 2023           ¥211,507 million

As of March 31, 2022           ¥197,023 million

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

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

After the tender offer for the Company's common shares by Nippon Steel Corporation has been completed and the prescribed procedures have been performed, the Company will be delisted, and therefore forecast for consolidated earnings for the fiscal year ending March 31, 2024 is not stated.

(How to acquire supplementary materials)

Supplementary materials were published on TDnet as of May 11, 2023, and they were published on the Group's website on the same date.

## Index of attached documents

<b>1. Overview of Operating Results and Others</b> .....	2
(1) Outline of Operating Results for the Fiscal Year .....	2
(2) Overview of Financial Position for the Fiscal Year .....	2
(3) Basic Policy on Distribution of Profits, and Dividends in Period under Audit and Subsequent Period .....	3
<b>2. Basic Philosophy for Selecting Accounting Standards</b> .....	3
<b>3. Consolidated Financial Statements and Significant Notes Thereto</b> .....	4
(1) Consolidated Balance Sheets .....	4
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income .....	6
(3) Consolidated Statements of Changes in Equity .....	8
(4) Consolidated Statements of Cash Flows .....	10
(5) Consolidated Financial Statements and Significant Notes Thereto .....	12
(Notes on Going Concern Assumption) .....	12
(Changes in Presentation Method) .....	12
(Additional Information) .....	12
(Segment Information, etc.) .....	12
(Per Share Information) .....	19
(Subsequent Events) .....	19

## 1. Overview of Operating Results and Others

### (1) Outline of Operating Results for the Fiscal Year

#### A. Operating Results for the Fiscal Year

The business environment during the fiscal year under audit was harsh both in Japan and overseas due to the prolonged situation in Russia and Ukraine, the slowdown of economic growth in China, supply constraints, soaring resource prices, and rising interest rates due to monetary tightening.

In this business environment, the Group has been working to implement measures based on the “medium- to long-term management plan” formulated in May 2021.

For this fiscal year under audit, ordinary profit was an all-time high of ¥51.3 billion, up ¥3.5 billion year-on-year. Profit attributable to owners of parent was ¥33.5 billion, down ¥1.9 billion, due to the lack of gain on change in equity as a result of integration of our textiles business that occurred in the previous fiscal year. An overview by business segment is as follows.

(Steel)

In the Steel business, although the overseas market trend was downward as a result of moderation of demand and supply, domestic steel prices increased due to passing on of the impact of the high resources prices, and some other factors. Ordinary profit increased by 1%, or ¥0.5 billion, to ¥43.7 billion, due to execution of the medium- to long-term management plan measures and also the impact of the weaker yen, despite the lack of gain on inventory sales for the previous fiscal year and the reduction of steel materials volume.

(Industrial Supply and Infrastructure)

In the Industrial Supply and Infrastructure business, although sales of high-performance materials such as aluminum and carbon fiber were generally firm, due to continued stagnation of P/L in the automobile parts business, ordinary profit was down by 6%, or ¥0.1 billion, to ¥1.9 billion.

(Foodstuffs)

In the Foodstuffs business, although we strove to execute the medium- to long-term management plan measures, due to stagnation of demand as a result of price increases of imported meat against the backdrop of the weaker yen and higher feed prices, ordinary profit decreased by 17%, or ¥0.5 billion, to ¥2.4 billion.

(Textiles)

In the Textiles business, ordinary profit increased by ¥3.6 billion to ¥3.0 billion, due to the strong performance in the export of fabrics to Europe and the United States, and in sportswear, in addition to the recovery of the domestic apparel market.

#### B. Future Projection

As described in Summary Information “3. Projected Consolidated Results for Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024),” forecast for consolidated earnings for the fiscal year ending March 31, 2024 is not stated as the Company’s shares will be delisted following the prescribed procedures, as shares of the Company will fall under the delisting standards of the Tokyo Stock Exchange, Inc.

### (2) Overview of Financial Position for the Fiscal Year

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

Total assets at the end of the fiscal year under audit increased by ¥41.6 billion from the end of the previous fiscal year to ¥1,142.0 billion, due mainly to an increase in inventories and accounts receivable - trade. Interest-bearing debt increased by ¥9.6 billion from the end of the previous fiscal year to ¥425.2 billion, due to increases in working capital. As a result of posting profit attributable to owners of parent, total net assets increased by ¥34.6 billion from the end of the previous fiscal year to ¥342.8 billion.

Shareholders’ equity at the end of the fiscal year was ¥314.4 billion, yielding an equity ratio of 27.5%, and a net interest-bearing debt to equity ratio (net debt-to-equity ratio) of 1.26.

## B. Cash Flows

Cash and cash equivalents at the end of the fiscal year under audit decreased by ¥2.2 billion from the end of the previous fiscal year to ¥26.5 billion.

Net cash provided by operating activities in the fiscal year was ¥6.9 billion. The main factor in this increase in funds was posting profit before income taxes of ¥51.2 billion, while the main factors leading to a decrease in funds were income taxes paid of ¥18.3 billion and an increase in inventories of ¥15.0 billion.

Net cash used in investing activities was ¥2.2 billion. The main factor in cash outflows was ¥5.3 billion in purchase of property, plant and equipment.

Net cash used in financing activities was ¥9.4 billion. The main factors in cash outflows were redemption of bonds of ¥15.0 billion and dividends paid of ¥11.6 billion. The main factors in cash inflows were an increase in short-term borrowings of ¥14.6 billion and an increase in commercial papers of ¥7.0 billion.

## C. Cash Flow Indicators

	FYE March 31, 2020	FYE March 31, 2021	FYE March 31, 2022	FYE March 31, 2023
Equity ratio (%)	27.6	28.9	25.7	27.5
Equity ratio, market value basis (%)	13.7	14.8	15.6	26.2
Interest-bearing debts/Cash flow ratio (year)	7.6	6.3	—	61.1
Interest coverage ratio (times)	9.6	19.3	—	1.2

(Note) Equity ratio (%):	Equity capital/Total assets
Equity ratio, market value basis (%):	Market capitalization/Total assets
Interest-bearing debts/Cash flow ratio (year):	Interest-bearing debts/Cash flows from operating activities
Interest coverage ratio (times):	Cash flows from operating activities/Interest payments

- \* All calculations are based on consolidated financial figures.
- \* Market capitalization is calculated by multiplying the closing stock price at fiscal year end by the number of shares outstanding at fiscal year end (minus treasury shares).
- \* Cash flows from operating activities are taken from the Consolidated Statements of Cash Flows.
- \* Interest-bearing debts include all those on the Consolidated Balance Sheets on which interest is being paid.
- \* Interest payments are taken from the Consolidated Statements of Cash Flows.

### (3) Basic Policy on Distribution of Profits, and Dividends in Period under Audit and Subsequent Period

As stated in the “Notice regarding Revisions to Year-End Dividend Projections for the Fiscal Year Ending March 2023 (No Dividends)” announced on December 21, 2022, subject to the tender offer for the Company’s common shares by Nippon Steel Corporation, we will not pay a year-end dividend for the fiscal year ended March 31, 2023.

## 2. Basic Philosophy for Selecting Accounting Standards

The Group plans to continue adopting the Japanese Accounting Standards, while giving consideration to inter-period and inter-company comparability.

With respect to the application of IFRS (International Financial Reporting Standards), the Group will decide whether to apply IFRS at the appropriate time based on the situation in Japan and overseas.

### 3. Consolidated Financial Statements and Significant Notes Thereto

#### (1) Consolidated Balance Sheets

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2022)	Current Fiscal Year (As of March 31, 2023)
Assets		
Current assets		
Cash and deposits	30,559	28,246
Notes receivable - trade	51,144	38,058
Electronically recorded monetary claims - operating	116,085	116,719
Accounts receivable - trade	511,374	532,625
Inventories	200,104	222,955
Other	28,155	28,361
Allowance for doubtful accounts	(1,428)	(1,062)
Total current assets	935,995	965,904
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,351	20,603
Machinery, equipment and vehicles, net	12,785	12,014
Tools, furniture and fixtures, net	1,500	1,486
Land	23,962	23,144
Leased assets, net	1,179	1,763
Construction in progress	970	1,249
Total property, plant and equipment	61,750	60,262
Intangible assets		
Goodwill	233	22
Other	680	725
Total intangible assets	913	747
Investments and other assets		
Investment securities	85,545	96,769
Long-term loans receivable	367	407
Retirement benefit asset	1,629	771
Deferred tax assets	2,829	3,229
Other	14,408	14,965
Allowance for doubtful accounts	(2,998)	(1,001)
Total investments and other assets	101,781	115,143
Total non-current assets	164,445	176,152
Total assets	1,100,441	1,142,057



(Millions of yen)

	Previous Fiscal Year (As of March 31, 2022)	Current Fiscal Year (As of March 31, 2023)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	312,316	309,405
Short-term borrowings	169,581	203,133
Commercial papers	85,000	92,000
Current portion of bonds payable	15,000	-
Income taxes payable	9,703	8,365
Provision for bonuses	4,659	4,707
Provision for loss on liquidation of subsidiaries and associates	62	-
Other	39,507	37,758
<b>Total current liabilities</b>	<b>635,831</b>	<b>655,369</b>
<b>Non-current liabilities</b>		
Bonds payable	65,000	65,000
Long-term borrowings	81,019	65,144
Deferred tax liabilities	832	1,091
Provision for retirement benefits for directors (and other officers)	512	560
Retirement benefit liability	3,398	4,605
Other	5,646	7,457
<b>Total non-current liabilities</b>	<b>156,410</b>	<b>143,859</b>
<b>Total liabilities</b>	<b>792,242</b>	<b>799,229</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	16,389	16,389
Capital surplus	54,358	54,045
Retained earnings	201,960	223,737
Treasury shares	(164)	(200)
<b>Total shareholders' equity</b>	<b>272,543</b>	<b>293,972</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,770	6,836
Deferred gains or losses on hedges	16	(920)
Foreign currency translation adjustment	5,765	14,791
Remeasurements of defined benefit plans	437	(273)
<b>Total accumulated other comprehensive income</b>	<b>9,990</b>	<b>20,434</b>
<b>Non-controlling interests</b>	<b>25,664</b>	<b>28,421</b>
<b>Total net assets</b>	<b>308,198</b>	<b>342,828</b>
<b>Total liabilities and net assets</b>	<b>1,100,441</b>	<b>1,142,057</b>

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

**(Consolidated Statements of Income)**

(Millions of yen)

	Previous Fiscal Year (April 1, 2021 to March 31, 2022)	Current Fiscal Year (April 1, 2022 to March 31, 2023)
Net sales	1,865,907	2,134,280
Cost of sales	1,705,635	1,961,040
Gross profit	160,272	173,240
Selling, general and administrative expenses	115,644	125,639
Operating profit	44,627	47,600
Non-operating income		
Interest income	368	497
Dividend income	1,345	1,502
Share of profit of entities accounted for using equity method	2,439	5,598
Purchase discounts	629	686
Other	2,471	2,920
Total non-operating income	7,254	11,204
Non-operating expenses		
Interest expenses	2,684	5,656
Loss on sale of receivables	282	888
Other	1,105	931
Total non-operating expenses	4,071	7,477
Ordinary profit	47,810	51,328
Extraordinary income		
Gain on sale of non-current assets	-	3,694
Gain on sale of investment securities	1,032	84
Gain on sales of investments in capital	15	274
Gain on change in equity	3,749	-
Reversal of provision for loss on guarantees	86	-
Total extraordinary income	4,884	4,054
Extraordinary losses		
Impairment losses	31	3,177
Amortization of goodwill	-	117
Loss on sale of investment securities	179	10
Loss on valuation of investment securities	225	594
Loss on sales of investments in capital	41	-
Loss on valuation of investments in capital	76	-
Loss on liquidation of subsidiaries and associates	38	66
Loss on change in equity	-	115
Total extraordinary losses	592	4,082
Profit before income taxes	52,102	51,299
Income taxes - current	14,489	16,399
Income taxes - deferred	(765)	(685)
Total income taxes	13,723	15,714
Profit	38,378	35,585
Profit attributable to non-controlling interests	2,961	2,073
Profit attributable to owners of parent	35,417	33,512

**(Consolidated Statements of Comprehensive Income)**

(Millions of yen)

	Previous Fiscal Year (April 1, 2021 to March 31, 2022)	Current Fiscal Year (April 1, 2022 to March 31, 2023)
Profit	38,378	35,585
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,525)	3,030
Deferred gains or losses on hedges	86	(840)
Foreign currency translation adjustment	4,515	7,484
Remeasurements of defined benefit plans, net of tax	(37)	(760)
Share of other comprehensive income of entities accounted for using equity method	388	3,278
Total other comprehensive income	1,427	12,192
Comprehensive income	39,806	47,777
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	36,012	43,956
Comprehensive income attributable to non-controlling interests	3,794	3,820

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

Previous Fiscal Year (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	16,389	54,492	175,270	(158)	245,993
Changes during period					
Dividends of surplus			(8,709)		(8,709)
Profit attributable to owners of parent			35,417		35,417
Purchase of treasury shares				(6)	(6)
Disposal of treasury shares		0		0	1
Change in scope of consolidation			(17)		(17)
Difference on change in equity		(134)			(134)
Net changes in items other than shareholders' equity					
Total changes during period	-	(134)	26,690	(5)	26,550
Balance at end of period	16,389	54,358	201,960	(164)	272,543

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	7,184	(71)	1,784	498	9,395	22,701	278,090
Changes during period							
Dividends of surplus							(8,709)
Profit attributable to owners of parent							35,417
Purchase of treasury shares							(6)
Disposal of treasury shares							1
Change in scope of consolidation							(17)
Difference on change in equity							(134)
Net changes in items other than shareholders' equity	(3,413)	88	3,980	(60)	594	2,963	3,558
Total changes during period	(3,413)	88	3,980	(60)	594	2,963	30,108
Balance at end of period	3,770	16	5,765	437	9,990	25,664	308,198

NIPPON STEEL TRADING CORPORATION (9810)  
Consolidated Financial Statements for the Fiscal Year Ended March 31, 2023

Current Fiscal Year (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	16,389	54,358	201,960	(164)	272,543
Changes during period					
Dividends of surplus			(11,612)		(11,612)
Profit attributable to owners of parent			33,512		33,512
Purchase of treasury shares				(36)	(36)
Disposal of treasury shares		0		0	0
Change in scope of consolidation			(122)		(122)
Difference on change in equity		(312)			(312)
Net changes in items other than shareholders' equity					
Total changes during period	-	(312)	21,776	(36)	21,428
Balance at end of period	16,389	54,045	223,737	(200)	293,972

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,770	16	5,765	437	9,990	25,664	308,198
Changes during period							
Dividends of surplus							(11,612)
Profit attributable to owners of parent							33,512
Purchase of treasury shares							(36)
Disposal of treasury shares							0
Change in scope of consolidation							(122)
Difference on change in equity							(312)
Net changes in items other than shareholders' equity	3,066	(936)	9,026	(711)	10,444	2,756	13,200
Total changes during period	3,066	(936)	9,026	(711)	10,444	2,756	34,629
Balance at end of period	6,836	(920)	14,791	(273)	20,434	28,421	342,828

**(4) Consolidated Statements of Cash Flows**

(Millions of yen)

	Previous Fiscal Year (April 1, 2021 to March 31, 2022)	Current Fiscal Year (April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Profit before income taxes	52,102	51,299
Depreciation	5,918	5,565
Impairment losses	31	3,177
Amortization of goodwill	103	210
Increase (decrease) in allowance for doubtful accounts	75	(2,432)
Increase (decrease) in provision for bonuses	849	38
Increase (decrease) in retirement benefit liability	471	2,020
Interest and dividend income	(1,714)	(1,999)
Interest expenses	2,684	5,656
Share of loss (profit) of entities accounted for using equity method	(2,439)	(5,598)
Loss (gain) on sale of non-current assets	-	(3,694)
Loss (gain) on sale of investment securities	(853)	(73)
Loss (gain) on valuation of investment securities	225	594
Loss (gain) on sales of investments in capital	25	(274)
Loss on valuation of investments in capital	76	-
Loss (gain) on change in equity	(3,749)	115
Decrease (increase) in trade receivables	(134,554)	1,483
Decrease (increase) in inventories	(93,743)	(15,038)
Increase (decrease) in trade payables	65,874	(10,871)
Other, net	5,551	(3,205)
Subtotal	(103,062)	26,974
Interest and dividends received	2,344	3,986
Interest paid	(2,694)	(5,632)
Income taxes paid	(9,588)	(18,368)
Net cash provided by (used in) operating activities	(113,001)	6,959
Cash flows from investing activities		
Decrease (increase) in time deposits	(692)	250
Purchase of property, plant and equipment	(5,230)	(5,322)
Proceeds from sale of property, plant and equipment	167	5,325
Purchase of intangible assets	(104)	(105)
Purchase of investment securities	(2,941)	(751)
Proceeds from sale of investment securities	4,278	490
Payments for investments in capital	-	(3,317)
Decrease (increase) in short-term loans receivable	149	463
Long-term loan advances	(350)	(13)
Proceeds from collection of long-term loans receivable	19	11
Other, net	(623)	751
Net cash provided by (used in) investing activities	(5,327)	(2,218)

NIPPON STEEL TRADING CORPORATION (9810)  
Consolidated Financial Statements for the Fiscal Year Ended March 31, 2023

(Millions of yen)

	Previous Fiscal Year (April 1, 2021 to March 31, 2022)	Current Fiscal Year (April 1, 2022 to March 31, 2023)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	72,538	14,695
Net increase (decrease) in commercial papers	39,000	7,000
Proceeds from long-term borrowings	7,000	8,550
Repayments of long-term borrowings	(7,487)	(11,170)
Redemption of bonds	-	(15,000)
Dividends paid	(8,708)	(11,608)
Proceeds from share issuance to non-controlling shareholders	-	17
Dividends paid to non-controlling interests	(699)	(1,228)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(17)	(203)
Other, net	(993)	(495)
Net cash provided by (used in) financing activities	<u>100,633</u>	<u>(9,443)</u>
Effect of exchange rate change on cash and cash equivalents	1,283	2,467
Net increase (decrease) in cash and cash equivalents	<u>(16,411)</u>	<u>(2,234)</u>
Cash and cash equivalents at beginning of period	55,881	28,818
Decrease in cash and cash equivalents resulting from corporate division	(10,652)	-
Cash and cash equivalents at end of period	<u>28,818</u>	<u>26,583</u>

**(5) Consolidated Financial Statements and Significant Notes Thereto**

(Notes on Going Concern Assumption)

Not applicable.

(Changes in Presentation Method)

(Consolidated Balance Sheets)

“Lease liabilities,” which were listed separately under “current liabilities” in the previous fiscal year, have been included in “others” in “current liabilities” in the current fiscal year due to their lack of financial significance. As a result, ¥327 million, which was shown as “lease liabilities” in “current liabilities” in the consolidated balance sheet for the previous fiscal year, has been reclassified and included in ¥39,507 million of “others” in “current liabilities.”

In addition, “lease liabilities,” which were listed separately under “non-current liabilities” in the previous fiscal year, have been included in “others” in “non-current liabilities” in the current fiscal year due to their lack of financial significance. As a result, ¥859 million, which was shown as “lease liabilities” in “non-current liabilities” in the consolidated balance sheet for the previous fiscal year, has been reclassified and included in ¥5,646 million of “others” in “non-current liabilities.”

(Consolidated Statements of Income)

“Loss on sale of receivables,” which was included in “other” in “non-operating expenses” in the previous fiscal year, has been listed separately since it exceeded 10% of “non-operating expenses.” In order to reflect this change in presentation method, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, the ¥1,387 million shown in “others” in non-operating expenses in the consolidated statement of income for the previous fiscal year has been reclassified as ¥282 million in “loss on sale of receivables” and ¥1,105 million in “others.”

(Additional Information)

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

The Group bases accounting estimates for impairment loss accounting for non-current assets, and recoverability of deferred tax assets on information available at the time the consolidated financial statements are created, and we assume that the impact of COVID-19 will remain to a certain extent in this consolidated fiscal year and thereafter. However, these assumptions involve uncertainty, and going forward this could have an impact on the Group’s financial position, operating results, and cash flow status.

(Segment Information, etc.)

[Segment Information]

1. Overview of Reportable Segments

Reportable segments of the Group are those constituent units of the Company for which separate financial information can be derived. These segments are subject to periodic examination in order for the Board of Directors to make decisions on the allocation of management resources and to evaluate earnings.

The Group is primarily engaged in the sale of steel, industrial supply and infrastructure, foodstuffs, textiles, and other products in Japan and abroad. For each category of product handled, it establishes sales divisions to draft comprehensive strategies for Japan and abroad, and conduct business activities accordingly.

Thus, the Company consists of four business divisions based on the products it handles and has four reportable segments: Steel, Industrial Supply and Infrastructure, Foodstuffs, and Textiles.

The major products handled in the Steel segment are steel plates and sheets, steel pipes and tubes, bars and special steel, structural products, raw materials and fuels, and machinery. The major products handled in the Industrial Supply and Infrastructure segment are industrial machinery, non-ferrous metals, cast and forged products, and railroad machinery. Also in this segment, industrial estates are developed and sold, and power generation facilities developed through equity method affiliates. The major products handled in the Foodstuffs segment are imported meats and sea food. The major products handled in the Textiles segment are textiles products and materials.

The order of listing reportable segments has been changed from the fiscal year ended March 31, 2023. In conjunction with this change, the order of the reportable segments for the previous fiscal year has also been changed accordingly.



2. Methods of Calculating Amounts of Each Reporting Segment's Net Sales, Profit/Loss, Assets and Other Items

Profits of reportable segments are based on ordinary profit. Inter-segment trade is treated as inter-company trade, and as such is based on market prices, etc.

3. Information on Amounts of Each Reporting Segment's Net Sales, Profit/Loss, Assets and Other Items  
Previous Fiscal Year (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjusted amount (Notes 2, 3)	Amount recorded in consolidated financial statements (Note 4)
	Steel	Industrial Supply and Infrastructure	Foodstuffs	Textiles	Total				
Net sales									
Sales to external customers	1,593,758	89,910	106,400	75,619	1,865,689	217	1,865,907	–	1,865,907
Intersegment sales or transfers	630	651	–	3	1,284	60	1,345	(1,345)	–
Total	1,594,388	90,561	106,400	75,622	1,866,974	278	1,867,252	(1,345)	1,865,907
Segment profit (loss) (Ordinary profit (loss))	43,205	2,118	2,950	(536)	47,738	71	47,810	0	47,810
Segment assets	938,050	72,728	49,604	31,646	1,092,030	1,707	1,093,737	6,703	1,100,441
Others									
Depreciation	4,215	957	39	689	5,903	15	5,918	–	5,918
Amortization of goodwill	10	–	93	–	103	–	103	–	103
Interest income	335	6	19	7	368	–	368	–	368
Interest expenses	2,374	191	50	53	2,669	14	2,684	–	2,684
Equity in earnings (losses) of affiliates	1,364	1,163	–	(88)	2,439	–	2,439	–	2,439
Investment in equity method affiliates	14,152	25,009	–	19,445	58,606	–	58,606	–	58,606
Increase in property, plant and equipment and intangible assets	4,261	856	155	28	5,302	32	5,334	–	5,334

- (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 adjustment of ¥6,703 million in "segment assets" represents ¥7,104 million in the Group-wide assets not allocated to any reportable segment and an elimination of ¥400 million in inter-segment trade. The Group-wide assets consist primarily of the parent company's cash and deposits.
4. The total profit of the "reportable segments" and "others" aligns with the ordinary profit in the consolidated statements of income excepting the adjustment.

Current Fiscal Year (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjusted amount (Notes 2, 3)	Amount recorded in consolidated financial statements (Note 4)
	Steel	Industrial Supply and Infrastructure	Foodstuffs	Textiles	Total				
Net sales									
Sales to external customers	1,895,697	104,142	122,378	11,403	2,133,620	659	2,134,280	–	2,134,280
Intersegment sales or transfers	807	707	–	–	1,515	75	1,590	(1,590)	–
Total	1,896,505	104,849	122,378	11,403	2,135,136	735	2,135,871	(1,590)	2,134,280
Segment profit (Ordinary profit)	43,707	1,986	2,438	3,099	51,232	96	51,328	(0)	51,328
Segment assets	973,064	79,263	56,504	25,706	1,134,538	1,583	1,136,122	5,935	1,142,057
Others									
Depreciation	4,434	1,015	45	52	5,548	16	5,565	–	5,565
Amortization of goodwill	–	–	210	–	210	–	210	–	210
Interest income	388	81	21	5	497	0	497	–	497
Interest expenses	5,008	371	165	106	5,651	5	5,656	–	5,656
Equity in earnings (losses) of affiliates	2,200	596	–	2,801	5,598	–	5,598	–	5,598
Investment in equity method affiliates	15,863	27,521	–	22,282	65,667	–	65,667	–	65,667
Increase in property, plant and equipment and intangible assets	4,599	782	20	10	5,412	15	5,428	–	5,428

- (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 adjustment of ¥5,935 million in “segment assets” represents ¥5,988 million in the Group-wide assets not allocated to any reportable segment and an elimination of ¥52 million in inter-segment trade. The Group-wide assets consist primarily of the parent company’s cash and deposits.  
4. The total profit of the “reportable segments” and “others” aligns with the ordinary profit in the consolidated statements of income excepting the adjustment.  
5. Amortization of goodwill includes “amortization of goodwill” of ¥117 million, which was recorded as extraordinary losses.

[Related information]

Previous Fiscal Year (April 1, 2021 to March 31, 2022)

1. Product- and service-specific information

Omitted, since it is the same as the reportable segments.

2. Region-specific information

(1) Net sales

(Millions of yen)

Japan	Asia	Others	Total
1,271,413	393,733	200,760	1,865,907

(Note) Net sales are based on customers' locations, and are categorized according to country/region.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Others	Total
39,290	8,902	13,557	61,750

3. Major customer-specific information

There are no customers this item applies to.

Current Fiscal Year (April 1, 2022 to March 31, 2023)

1. Product- and service-specific information

Omitted, since it is the same as the reportable segments.

2. Region-specific information

(1) Net sales

(Millions of yen)

Japan	Asia	Others	Total
1,341,817	507,387	285,075	2,134,280

(Note) Net sales are based on customers' locations, and are categorized according to country/region.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Others	Total
37,624	10,393	12,244	60,262

3. Major customer-specific information

There are no customers this item applies to.

[Information on Impairment Loss on Non-current Assets for Each Reporting Segment]

Previous Fiscal Year (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments					Others	Total	Group-wide/elimination	Amount recorded in consolidated financial statements
	Steel	Industrial Supply and Infrastructure	Foodstuffs	Textiles	Total				
Impairment loss	31	-	-	-	31	-	31	-	31

Current Fiscal Year (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments					Others	Total	Group-wide/elimination	Amount recorded in consolidated financial statements
	Steel	Industrial Supply and Infrastructure	Foodstuffs	Textiles	Total				
Impairment loss	1,847	1,330	-	-	3,177	-	3,177	-	3,177

[Information on Amortized and Unamortized Amounts of Goodwill for Each Reportable Segment]

Previous Fiscal Year (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments					Others	Total	Group-wide/elimination	Amount recorded in consolidated financial statements
	Steel	Industrial Supply and Infrastructure	Foodstuffs	Textiles	Total				
Amortization in current period	10	-	93	-	103	-	103	-	103
Balance at end of current period	-	-	233	-	233	-	233	-	233

Current Fiscal Year (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments					Others	Total	Group-wide/elimination	Amount recorded in consolidated financial statements
	Steel	Industrial Supply and Infrastructure	Foodstuffs	Textiles	Total				
Amortization in current period	-	-	210	-	210	-	210	-	210
Balance at end of current period	-	-	22	-	22	-	22	-	22

(Note) Amortization of goodwill includes “amortization of goodwill” of ¥117 million, which was recorded as extraordinary losses.

[Information on Gain on Bargain Purchase for Each Reportable Segment]

Previous Fiscal Year (April 1, 2021 to March 31, 2022)

Not applicable.

Current Fiscal Year (April 1, 2022 to March 31, 2023)

Not applicable.

(Per Share Information)

	Previous Fiscal Year (April 1, 2021 to March 31, 2022)	Current Fiscal Year (April 1, 2022 to March 31, 2023)
Net assets per share	¥8,759.36	¥9,748.73
Earnings per share	¥1,098.03	¥1,039.00

(Notes) 1. Earnings per share after adjustment for the effects of dilutive potential shares is not reported due to the absence of dilutive potential shares.

2. The basis for calculating earnings per share during the period is as follows.

The average number of shares during the period was calculated by deducting the treasury shares from the number of shares outstanding during the period.

	Previous Fiscal Year (April 1, 2021 to March 31, 2022)	Current Fiscal Year (April 1, 2022 to March 31, 2023)
Profit attributable to owners of parent (millions of yen)	35,417	33,512
Amount not belonging to common shareholders (millions of yen)	-	-
Profit attributable to owners of parent on common stock (millions of yen)	35,417	33,512
Average common shares during the period (1,000 shares)	32,255	32,254

3. The basis for calculating net assets per share is as follows.

	End of Previous Fiscal Year (March 31, 2022)	End of Current Fiscal Year (March 31, 2023)
Total net assets (millions of yen)	308,198	342,828
Amount deducted from total net assets (millions of yen)	25,664	28,421
(of which, non-controlling interests) (millions of yen)	(25,664)	(28,421)
Net assets on common stock at end of period (millions of yen)	282,534	314,407
Number of common shares at end of period used to calculate net assets per share (1,000 shares)	32,255	32,251

(Subsequent Events)

*(NIPPON STEEL CORPORATION's Tender Offer for the Company's Shares)*

The tender offer for the Company's common shares (the "Company's Shares") by Nippon Steel Corporation (the "Tender Offeror") (the "Tender Offer"), which had been implemented since March 13, 2023, was completed as of April 10, 2023. As a result of the Tender Offer, as of April 14, 2023 (commencement date of settlement for the Tender Offer), the Tender Offeror, which was a related company of the Company, came to become the parent company of the Company.

The Company's shares will be delisted following the prescribed procedures.

For details, please refer to "Notice Regarding Results of the Tender Offer for the Shares of the Company by Nippon Steel Corporation and Change in the Parent Company and Related Company." which was released on April 11, 2023.