

## Key Financial Data (11-year summary)

(Million yen)

|   | Japanese accounting standards |          |          |          |          |          |          |          |          |          | IFRS      |           |
|---|-------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|
|   | FY2012                        | FY2013   | FY2014   | FY2015   | FY2016   | FY2017   | FY2018   | FY2019   | FY2020   | FY2020   | FY2021    | FY2022    |
| <b>Profit and loss</b>                                      |                               |          |          |          |          |          |          |          |          |          |           |           |
| Net sales   | 217,279                       | 237,420  | 240,647  | 214,120  | 212,837  | 236,237  | 257,315  | 242,262  | 204,908  | 202,247  | 260,117   | 285,141   |
| Segment:  |                               |          |          |          |          |          |          |          |          |          |           |           |
| Hagane Company  | -                             | -        | -        | -        | 96,225   | 110,974  | 130,180  | 121,899  | 68,216   | 67,888   | 99,556    | 105,687   |
| Stainless Steel Company                                     | -                             | -        | -        | -        | -        | -        | -        | -        | 32,757   | 30,749   | 36,322    | 42,244    |
| Kitaeru Company   | -                             | -        | -        | -        | 99,599   | 107,352  | 109,217  | 102,018  | 86,012   | 85,993   | 103,037   | 114,463   |
| Smart Company   | -                             | -        | -        | -        | 13,820   | 14,786   | 14,627   | 14,865   | 15,476   | 15,171   | 18,970    | 20,233    |
| Other businesses  | -                             | -        | -        | -        | 3,191    | 3,123    | 3,290    | 3,477    | 2,444    | 2,444    | 2,230     | 2,502     |
| Operating profit  | 7,332                         | 9,627    | 10,616   | 5,883    | 7,218    | 11,813   | 11,119   | 13,901   | 3,563    | 5,317    | 2,139     | 3,260     |
| Segment:  |                               |          |          |          |          |          |          |          |          |          |           |           |
| Hagane Company  | -                             | -        | -        | -        | 5,653    | 8,006    | 9,245    | 8,970    | -2,294   | -1,587   | -7,238    | -3,374    |
| Stainless Steel Company                                     | -                             | -        | -        | -        | -        | -        | -        | -        | 2,467    | 2,740    | 2,536     | 2,741     |
| Kitaeru Company   | -                             | -        | -        | -        | 845      | 2,747    | 1,057    | 3,329    | 1,909    | 2,387    | 4,311     | 1,713     |
| Smart Company   | -                             | -        | -        | -        | 237      | 348      | -39      | 606      | 673      | 974      | 1,773     | 1,261     |
| Other businesses  | -                             | -        | -        | -        | 482      | 710      | 856      | 993      | 807      | 782      | 889       | 928       |
| Operating profit margin (%)                                 | 3.37                          | 4.05     | 4.41     | 2.75     | 3.39     | 5.00     | 4.32     | 5.74     | 1.74     | 2.60     | 0.82      | 1.1       |
| Profit before tax   | 7,768                         | 9,779    | 10,693   | 1,409    | 8,045    | 12,371   | 10,455   | 13,158   | 4,717    | 5,552    | 2,895     | 4,099     |
| Profit attributable to owners of parent                     | 4,898                         | 5,503    | 6,023    | 20       | 5,084    | 8,182    | 6,503    | 8,543    | 3,049    | 3,136    | 1,089     | 1,610     |
| <b>Capital expenditures and R&amp;D expenses</b>            |                               |          |          |          |          |          |          |          |          |          |           |           |
| Capital expenditures  | 10,272                        | 12,930   | 12,752   | 15,408   | 20,831   | 19,020   | 20,914   | 20,068   | 14,194   | 14,868   | 15,874    | 18,595    |
| Depreciation expenses                                       | 12,840                        | 12,355   | 11,833   | 12,692   | 12,353   | 13,818   | 14,423   | 15,884   | 16,963   | 16,903   | 17,276    | 17,821    |
| R&D expenses  | 3,597                         | 3,471    | 3,538    | 3,282    | 3,304    | 3,777    | 3,992    | 3,758    | 4,054    | 3,962    | 4,252     | 4,404     |
| <b>Profitability</b>  |                               |          |          |          |          |          |          |          |          |          |           |           |
| Profit margin attributable to owners of parent (ROE) (%)    | 3.96                          | 4.17     | 4.14     | 0.01     | 3.60     | 5.55     | 4.27     | 5.56     | 1.88     | 1.71     | 0.55      | 0.8       |
| Total assets attributable to owners of parent (ROA) (%)     | 2.04                          | 2.23     | 2.33     | 0.01     | 1.95     | 2.99     | 2.30     | 2.99     | 1.03     | 0.95     | 0.30      | 0.4       |
| <b>Assets, liabilities and capital</b>                      |                               |          |          |          |          |          |          |          |          |          |           |           |
| Total assets  | 238,165                       | 255,259  | 264,694  | 251,078  | 271,763  | 275,315  | 290,294  | 280,380  | 314,040  | 353,043  | 364,400   | 385,449   |
| Total equity (Net assets)                                   | 132,436                       | 144,965  | 161,669  | 147,534  | 151,273  | 160,806  | 161,889  | 163,691  | 179,716  | 202,883  | 212,475   | 214,322   |
| Equity attributable to owners of parent (Capital adequacy)  | 126,323                       | 137,592  | 153,316  | 139,344  | 143,024  | 151,891  | 152,638  | 154,647  | 169,811  | 192,953  | 201,548   | 203,759   |
| Ratio of equity attributable to owners of the parent (%)    | 53.04                         | 53.90    | 57.92    | 55.50    | 52.63    | 55.17    | 52.58    | 55.16    | 54.1     | 54.7     | 55.3      | 52.9      |
| Interest bearing debt                                       | 51,243                        | 52,046   | 44,915   | 37,447   | 54,598   | 47,317   | 59,618   | 59,445   | 75,878   | 75,864   | 66,668    | 86,395    |
| Debt-equity ratio (Ratio)                                   | 0.41                          | 0.38     | 0.29     | 0.27     | 0.38     | 0.31     | 0.39     | 0.38     | 0.45     | 0.39     | 0.33      | 0.42      |
| <b>Cash flows</b>   |                               |          |          |          |          |          |          |          |          |          |           |           |
| Cash flows from operating activities                        | 27,757                        | 14,992   | 19,336   | 25,193   | 13,350   | 13,164   | 13,580   | 36,308   | 14,793   | 15,896   | 5,210     | 13,028    |
| Cash flows from investing activities                        | -11,867                       | -11,993  | -13,565  | -12,122  | -19,677  | -20,954  | -19,765  | -24,517  | -13,834  | -14,247  | -15,542   | -15,958   |
| Cash flows from financing activities                        | -10,198                       | -1,911   | -10,158  | -9,466   | 15,231   | -9,509   | 9,035    | -3,290   | 14,168   | 13,479   | -11,987   | 16,998    |
| <b>Investment indicators</b>                                |                               |          |          |          |          |          |          |          |          |          |           |           |
| Basic net profit per share (Yen)                            | 249.37                        | 279.94   | 306.25   | 1.02     | 258.34   | 415.71   | 330.38   | 434.05   | 154.82   | 159.25   | 55.29     | 81.65     |
| Net assets per share attributable to owners of parent (Yen) | 6,430.50                      | 6,995.84 | 7,794.08 | 7,080.24 | 7,266.42 | 7,716.77 | 7,754.80 | 7,857.00 | 8,619.39 | 9,794.01 | 10,224.55 | 10,328.55 |
| Dividends per share (Yen)                                   | 100                           | 100      | 100      | 100      | 100      | 120      | 120      | 130      | 45       | 45       | 30        | 30        |
| Payout ratio (%)  | 40.1                          | 35.7     | 32.7     | -        | 38.7     | 28.9     | 36.3     | 30.0     | 29.1     | 28.3     | 54.3      | 36.7      |
| Employees (Persons)   | 4,504                         | 4,613    | 4,617    | 4,654    | 4,773    | 4,847    | 4,957    | 4,912    | 4,826    | 4,826    | 4,740     | 4,650     |

Notes: 1. Every 10 shares in the Company were consolidated into one share effective of October 1, 2016. Net profit per share, net assets per share, and dividends per share were calculated in anticipation of this share consolidation at the beginning of FY2009.

2. The ASBJ Statement No. 28, Partial Amendments to Accounting Standard for Tax Effect Accounting (February 16, 2018) came into force at the beginning of FY2018. The key management indicators for FY2014, FY2015, FY2016 and FY2017 represent retrospective application of this accounting standard. Indicators and other information for FY2012 and FY2013 remain as they were prior to application of this accounting standard.

3. International Financial Reporting Standards (IFRS) were applied from FY2021.