



Flash Report

Consolidated Basis

Results for the First Half of Fiscal 2024

(April 1, 2024 — September 30, 2024)

< under IFRS >

November 7, 2024

Company name: NIPPON STEEL CORPORATION
Stock listing: Tokyo Stock Exchange / Nagoya Stock Exchange / Fukuoka Stock Exchange / Sapporo Securities Exchange
Code number: 5401
URL: <https://www.nipponsteel.com/en/index.html>
Representative: Tadashi Imai, Representative Director, President and COO
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Telephone: +81-3-6867-2135, 2146, 3419
Scheduled date to file semi-annual securities report: November 12, 2024
Scheduled date to commence dividend payments: December 6, 2024
Preparation of supplemental explanatory materials: Yes
Holding of financial results meeting: Yes (for investment analysts)

(All amounts have been truncated to the nearest millions of Japanese yen.)

1. Consolidated Operating Results and Financial Position through the First Half of Fiscal 2024

(April 1, 2024 — September 30, 2024)

(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 Half of Fiscal 2024	4,379,735	(0.7)	375,753	(24.0)	375,753	(11.3)	364,254	(12.4)	259,071	(19.5)
First Half of Fiscal 2023	4,412,421	13.9	494,249	(8.8)	423,794	(21.8)	416,042	(21.9)	321,818	(18.5)

	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 Half of Fiscal 2024	243,347	(18.9)	439,571	(21.1)	254.13	232.92
First Half of Fiscal 2023	300,235	(19.4)	557,407	(7.1)	326.04	288.94

(*)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 Half of Fiscal 2024	11,201,063	5,999,375	5,403,841	48.2
Fiscal 2023	10,714,627	5,355,878	4,777,727	44.6

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 2023	—	75.00	—	85.00	160.00
Fiscal 2024	—	80.00			
Fiscal 2024 (Forecasts)			—	80.00	160.00

Note: Whether the dividends forecasts have been revised: No

3. Consolidated Financial Forecasts for Fiscal 2024 (April 1, 2024 — March 31, 2025)

(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
Fiscal 2024	8,600,000	(3.0)	670,000	(23.0)	310,000	(43.6)	311.00

Note: Whether the consolidated financial forecasts for fiscal 2024 under review have been revised: Yes

For further details, please refer to “Results for the First Half of Fiscal 2024 (Year ending March 31, 2025)” disclosed today.

The impact of the transfer of the Company’s equity interest in AM/NS Calvert upon completion of the acquisition of U. S. Steel, which was announced on October 11, 2024, is not included in the earnings forecast announced at this time. For details, please refer to “2. Condensed Consolidated Financial Statements and Major Notes (4) Notes to the Condensed Consolidated Financial statements (Significant Subsequent Events)” on page 9.

* Notes

- (1) Significant changes in the scope of consolidation during the period: None

The changes in the scope of consolidation during the period are as follows;

Number of newly consolidated: 2

Number of excluded from consolidation: 11

- (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 Half of Fiscal 2024 1,074,726,752 shares

Fiscal 2023 950,549,305 shares

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

First Half of Fiscal 2024 29,521,978 shares

Fiscal 2023 29,510,730 shares

- (c) Weighted average number of shares outstanding

First Half of Fiscal 2024 957,569,640 shares

First Half of Fiscal 2023 920,827,794 shares

* This flash report is exempt from review conducted by certified public accountants or an audit firm.

* 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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1. Summary of Operating Results

For the Summary of Operating Results about consolidated cumulative first half of fiscal 2024, please refer to the supplementary explanation materials “Results for the First Half of Fiscal 2024 (Year ending March 31, 2025)” disclosed on TDnet and “IR Briefing: Presentation” posted on our company’s website today.

Link to IR Briefing: <https://www.nipponsteel.com/en/ir/library/settlement.html>

(This material is available on the company's website under “IR archive”- “Financial results.”)

2. Condensed Consolidated Financial Statements and Major Notes

(1) Condensed Consolidated Statements of Financial Position

(Millions of Yen)

ASSETS	March 31, 2024	September 30, 2024
Current assets :		
Cash and cash equivalents	448,892	640,573
Trade and other receivables	1,587,979	1,640,264
Inventories	2,276,665	2,335,679
Other financial assets	33,927	27,217
Other current assets	212,919	229,583
Total current assets	4,560,384	4,873,317
Non-current assets :		
Property, plant and equipment	3,380,436	3,490,177
Right-of-use assets	100,601	103,483
Goodwill	70,207	69,830
Intangible assets	177,853	188,579
Investments accounted for using the equity method	1,537,936	1,711,357
Other financial assets	675,942	518,234
Defined benefit assets	127,579	130,542
Deferred tax assets	75,893	107,292
Other non-current assets	7,791	8,247
Total non-current assets	6,154,242	6,327,745
Total assets	10,714,627	11,201,063

(Millions of Yen)

LIABILITIES	March 31, 2024	September 30, 2024
Current liabilities :		
Trade and other payables	1,890,718	1,602,025
Bonds, borrowings and lease liabilities	541,495	669,707
Other financial liabilities	7,036	3,096
Income taxes payable	80,269	122,973
Other current liabilities	62,353	77,130
Total current liabilities	2,581,874	2,474,934
Non-current liabilities :		
Bonds, borrowings and lease liabilities	2,170,148	2,126,078
Other financial liabilities	146	132
Defined benefit liabilities	116,309	125,831
Deferred tax liabilities	140,532	145,871
Other non-current liabilities	349,737	328,839
Total non-current liabilities	2,776,874	2,726,752
Total liabilities	5,358,748	5,201,687
EQUITY		
Common stock	419,799	569,519
Capital surplus	398,914	546,445
Retained earnings	3,525,585	3,752,305
Treasury stock	(58,149)	(58,186)
Other components of equity	491,576	593,757
Total equity attributable to owners of the parent	4,777,727	5,403,841
Non-controlling interests	578,150	595,533
Total equity	5,355,878	5,999,375
Total liabilities and equity	10,714,627	11,201,063

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

Condensed Consolidated Statements of Profit or Loss		(Millions of Yen)
	First half of Fiscal 2023	First half of Fiscal 2024
Revenue	4,412,421	4,379,735
Cost of sales	(3,725,070)	(3,694,990)
Gross profit	687,351	684,744
Selling, general and administrative expenses	(356,076)	(391,454)
Share of profit in investments accounted for using the equity method	77,914	83,983
Other operating income	125,645	40,601
Other operating expenses	(40,586)	(42,121)
Business profit	494,249	375,753
Losses on reorganization	(70,455)	—
Operating profit	423,794	375,753
Finance income	10,808	9,090
Finance costs	(18,560)	(20,589)
Profit before income taxes	416,042	364,254
Income tax expense	(94,223)	(105,183)
Profit	321,818	259,071
Profit attributable to :		
Owners of the parent	300,235	243,347
Non-controlling interests	21,583	15,723
Earnings per share		
Basic earnings per share (Yen)	326.04	254.13
Diluted earnings per share (Yen)	288.94	232.92

Condensed Consolidated Statements of Comprehensive Income		(Millions of Yen)
	First half of Fiscal 2023	First half of Fiscal 2024
Profit	321,818	259,071
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	103,477	(21,245)
Remeasurements of defined benefit plans	8,799	5,815
Share of other comprehensive income of investments accounted for using the equity method	3,463	(4,892)
Subtotal	115,740	(20,323)
Items that might be reclassified to profit or loss		
Changes in fair value of cash flow hedges	7,462	831
Foreign exchange differences on translation of foreign operations	88,586	141,316
Share of other comprehensive income of investments accounted for using the equity method	23,798	58,675
Subtotal	119,848	200,823
Total other comprehensive income, net of tax	235,588	180,500
Total comprehensive income	557,407	439,571
Comprehensive income attributable to:		
Owners of the parent	520,104	407,281
Non-controlling interests	37,302	32,289

(3) Condensed Consolidated Statements of Changes in Equity

First Half 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			300,235			
Other comprehensive income					105,090	7,039
Total comprehensive income	—	—	300,235	—	105,090	7,039
Transactions with owners and others						
Conversion of convertible bonds						
Cash dividends			(82,973)			
Purchases of treasury stock				(40)		
Disposals of treasury stock		0		48		
Changes in ownership interests in subsidiaries		(307)				
Transfer from other components of equity to retained earnings			12,453		(5,414)	(7,039)
Changes in scope of consolidation				(57)		
Subtotal	—	(306)	(70,519)	(49)	(5,414)	(7,039)
Balance as of September 30, 2023	419,524	399,059	3,308,860	(58,104)	294,581	—

	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			—	300,235	21,583	321,818
Other comprehensive income	(20,370)	128,109	219,868	219,868	15,719	235,588
Total comprehensive income	(20,370)	128,109	219,868	520,104	37,302	557,407
Transactions with owners and others						
Conversion of convertible bonds			—	—		—
Cash dividends			—	(82,973)	(8,545)	(91,519)
Purchases of treasury stock			—	(40)		(40)
Disposals of treasury stock			—	49		49
Changes in ownership interests in subsidiaries			—	(307)	(83)	(391)
Transfer from other components of equity to retained earnings			(12,453)	—		—
Changes in scope of consolidation			—	(57)	62,938	62,881
Subtotal	—	—	(12,453)	(83,329)	54,308	(29,020)
Balance as of September 30, 2023	72,329	181,678	548,589	4,617,929	556,873	5,174,803

First Half of Fiscal 2024

(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, 2024	419,799	398,914	3,525,585	(58,149)	287,802	—
Changes of the year						
Comprehensive income						
Profit			243,347			
Other comprehensive income					(30,037)	5,658
Total comprehensive income	—	—	243,347	—	(30,037)	5,658
Transactions with owners and others						
Conversion of convertible bonds	149,720	147,627				
Cash dividends			(78,381)			
Purchases of treasury stock				(39)		
Disposals of treasury stock		0		1		
Changes in ownership interests in subsidiaries		(96)				
Transfer from other components of equity to retained earnings			61,753		(56,094)	(5,658)
Changes in scope of consolidation				0		
Subtotal	149,720	147,531	(16,627)	(37)	(56,094)	(5,658)
Balance as of September 30, 2024	569,519	546,445	3,752,305	(58,186)	201,669	—

	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, 2024	44,212	159,561	491,576	4,777,727	578,150	5,355,878
Changes of the year						
Comprehensive income						
Profit			—	243,347	15,723	259,071
Other comprehensive income	8,997	179,315	163,933	163,933	16,566	180,500
Total comprehensive income	8,997	179,315	163,933	407,281	32,289	439,571
Transactions with owners and others						
Conversion of convertible bonds			—	297,347		297,347
Cash dividends			—	(78,381)	(11,856)	(90,237)
Purchases of treasury stock			—	(39)		(39)
Disposals of treasury stock			—	2		2
Changes in ownership interests in subsidiaries			—	(96)	(3,020)	(3,117)
Transfer from other components of equity to retained earnings			(61,753)	—		—
Changes in scope of consolidation			—	0	(30)	(29)
Subtotal	—	—	(61,753)	218,832	(14,906)	203,925
Balance as of September 30, 2024	53,210	338,877	593,757	5,403,841	595,533	5,999,375

(4) Notes to the Condensed Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Cash-Flows)

The depreciation and amortization expenses for the first half of fiscal 2024 are as follows.

(Millions of Yen)

	First half of Fiscal 2023	First half of Fiscal 2024
Depreciation and amortization	176,536	188,897

(Segment Information)

First half of Fiscal 2023 (April 1, 2023 — September 30, 2023)

(Millions of Yen)

	Reportable segments				Total	Adjustments	Consolidated
	Steelmaking and Steel Fabrication	Engineering and Construction	Chemicals and Materials	System Solutions			
Revenue							
Revenue from external customers	4,021,993	160,111	123,665	106,651	4,412,421	—	4,412,421
Inter-segment revenue or transfers	31,279	15,289	9,189	38,365	94,123	(94,123)	—
Total	4,053,272	175,401	132,854	145,017	4,506,545	(94,123)	4,412,421
Segment profit (loss) <Business Profit>	476,714	(5,414)	10,826	15,125	497,251	(3,002)	494,249
Segment liabilities <Interest-bearing debt> Year ended March 31, 2024	2,674,600	17,201	9,787	21,555	2,723,144	(11,500)	2,711,644

Note: The adjustments of segment profit of ¥(3,002) million include investment return of ¥6,977 million from the equity method associate Nippon Steel Kowa Real Estate Co., Ltd., and elimination of inter-segment revenue or transfers of ¥(9,979) million.

First half of Fiscal 2024 (April 1, 2024 — September 30, 2024)

(Millions of Yen)

	Reportable segments				Total	Adjustments	Consolidated
	Steelmaking and Steel Fabrication	Engineering and Construction	Chemicals and Materials	System Solutions			
Revenue							
Revenue from external customers	3,962,350	168,979	131,187	117,218	4,379,735	—	4,379,735
Inter-segment revenue or transfers	28,231	14,359	9,225	39,840	91,657	(91,657)	—
Total	3,990,581	183,339	140,412	157,058	4,471,392	(91,657)	4,379,735
Segment profit (loss) <Business Profit>	353,807	(1,247)	12,262	18,383	383,206	(7,452)	375,753
Segment liabilities <Interest-bearing debt>	2,764,631	24,617	4,386	20,150	2,813,786	(18,000)	2,795,786

Note: The adjustments of segment profit of ¥(7,452) million include investment return of ¥7,805 million from the equity method associate Nippon Steel Kowa Real Estate Co., Ltd., and elimination of inter-segment revenue or transfers of ¥(15,257) million.

(Significant Subsequent Events)

The Transfer of Equity Interests in AM/NS Calvert LLC through the transfer of NS Kote, Inc. at the Closing of USS Acquisition

NIPPON STEEL CORPORATION (“NIPPON STEEL”) has entered into a definitive Equity Purchase Agreement with ArcelorMittal S.A. (“ArcelorMittal”) pursuant to which NIPPON STEEL has agreed to transfer all shares of its wholly owned subsidiary, NS Kote, Inc. (“NS Kote”), to ArcelorMittal (such transfer, the “Share Transfer”) substantially concurrently with the consummation of NIPPON STEEL’s pending acquisition of United States Steel Corporation (such acquisition, the “Acquisition”). NIPPON STEEL’s Board of Directors approved the Share Transfer on October 11, 2024. NS Kote holds NIPPON STEEL’s entire equity interest in AM/NS Calvert LLC (“Calvert”).

The Share Transfer aims to proactively address any antitrust concerns that may arise from NIPPON STEEL’s ongoing ownership in Calvert following the Acquisition. NIPPON STEEL has determined that the Share Transfer is the most assured path to receiving timely regulatory approval for the Acquisition. The Share Transfer will not be consummated if the Acquisition is not consummated.

1. Overview of the companies to be transferred

Company name	NS Kote, Inc.	AM/NS Calvert LLC
Date of Establishment	August 1989	February 2014
Location	Houston, Texas, USA	Calvert, Alabama, USA
Shareholders	NIPPON STEEL NORTH AMERICA, INC.: 100%	NS Kote, Inc.: 50%, ArcelorMittal Calvert LLC: 50%
Number of employees	2 (Only concurrent persons of NIPPON STEEL NORTH AMERICA, INC.)	1,700
Facilities	—	Hot Rolling, Picking and Cold Rolling, Continuous Annealing, Hot-Dip Galvanizing
Production volume	—	4.7 million tons / year (2023 calendar year)

2. Details of the Share Transfer

Company to be transferred	NS Kote, Inc. (NIPPON STEEL’s wholly owned subsidiary which holds entire equity interests in Calvert owned by NIPPON STEEL)
Equity interests	Entire equity interests owned by NIPPON STEEL
Purchaser	ArcelorMittal or its affiliate(s)
Consideration for the Share Transfer	US\$ 1 (memorandum price)

(Reference) Overview of ArcelorMittal

Company name	ArcelorMittal, S.A.
Date of establishment	June 2006
Location	Luxembourg City, Luxembourg
Sales revenue	68,275 million US\$ (2023 calendar year)
Total asset	93,917 million US\$ (as of the end of December 2023)

3. Schedule for the Share Transfer

Date of NIPPON STEEL’s Board Approval	October 11, 2024
Contract signing date	October 11, 2024
Expected Date of the Share Transfer	Fourth quarter of calendar year 2024 (Immediately after consummation of the Acquisition)

As a result of the Share Transfer, NIPPON STEEL expects to record approximately ¥230.0 billion as a loss on reorganization (Additional line item) in its consolidated financial statements upon completion of the Acquisition, among which a ¥100.0 billion loss is a cash loss and the rest is a non-cash loss. NIPPON STEEL expects, in its non-consolidated financial statements, to record an extraordinary loss of about ¥100.0 billion.

The Acquisition is expected to be consummated in the fourth quarter of 2024, subject to the fulfillment of certain conditions, including receipt of U.S. regulatory approvals.

If the Acquisition is not consummated for any reason, the Share Transfer will not be consummated and there will be no impact on earnings performance.

Results for the First Half of Fiscal 2024 (Year ending March 31, 2025)

The Company recorded consolidated revenue of ¥4,379.7 billion, business profit of ¥375.7 billion and profit attributable to owners of the parent of ¥243.3 billion in the first half of the fiscal year ending March 31, 2025.

<Consolidated Operating Result>

	1st half	Changes from the previous forecasts	FY 2023 1st half	H1 FY 2023 →H1 FY 2024	Previous Forecasts (Released on August 1, 2024)
Revenue	4,379.7	-20.3	4,412.4	- 32.7	4,400.0
Business Profit ※1	375.7	※6 + 35.7	494.2	※6 - 118.5	340.0
[R O S]	[8.6%]	[+0.9%]	[11.2%]	[-2.6%]	[7.7%]
Underlying Business Profit ※2	371.9	+ 11.9	498.5	- 126.6	360.0
Additional line items ※3	—	—	(70.4)	+ 70.4	—
Profit for the year attributable to owners of the parent	243.3	+ 23.3	300.2	- 56.9	220.0
< Earnings per share (Yen) >	< 254 >	< +25 >	< 326 >	< -72 >	< 229 >
[R O E] ※4	[9.6%]		[13.6%]	[-4.1%]	
EBITDA ※5	564.6	+ 34.6	670.7	- 106.1	530.0
Interest-bearing debt	2,795.7		3,072.8	- 277.1	
D/E ratio	0.40		0.54	-0.14	
After adjusting for equity credit attributes of subordinated loans and subordinated bonds					

- (※1) 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) Underlying Business Profit is Business Profit excluding inventory valuation impact and other items and recognized as representing the Group's actual profitability. In the first half of fiscal 2024, Underlying Business Profit excludes profits of ¥3.8 billion.
- (※3) Additional line items refer to the items that are not recurrent and are remotely related to operational activities, but have a material impact in terms of amount.
- (※4) Annualized (※5) Business Profit + Depreciation (※6) Analysis in Business Profit

(※3) Additional line items

(Billions of Yen)

	FY 2024 1st half	FY 2023 1st half	H1 FY 2023 →H1 FY 2024
Additional line items Total	—	(70.4)	+ 70.4
Losses on reorganization	—	(70.4)	+ 70.4

<FY 2023 1st half>

• Losses on inactive facilities and others: ¥(70.4) billion (Kure downstream facilities ¥(64.1) billion, etc.)

	H1 FY 2023 →H1 FY 2024	Changes from the previous forecasts
Change in Business Profit	-119.0	+36.0
1. Steel business	-123.0	+34.0
①Manufacturing shipment volume	- 15.0	-10.0
②Spread	- 55.0	+ 20.0
(including impact from FX rate fluctuation)		
③Cost reduction	+ 20.0	~
④Overseas steel business	- 34.0	~
⑤Raw material business	+ 27.0	+ 7.0
⑥Other group companies	- 20.0	+ 7.0
⑦Inventory valuation impact etc.	+ 72.0	+ 13.0
(including group companies)		
⑧Others	- 118.0	- 3.0
2. Three non-steel segments	+9.0	+2.0
3. Adjustments	-5.0	~

<Factors Influencing Performance>

(1)NIPPON STEEL CORPORATION

	FY 2024 1st quarter	FY 2024 2nd quarter	FY 2024 1st half	FY 2023 1st half	H1 FY 2023 →H1 FY 2024	Previous Forecasts (Released on August 1, 2024)
Consolidated crude steel output volume (10,000 tons)	1,014	979	1,993	2,019	- 27	Approx. 2,030
Non-Consolidated crude steel output volume (10,000 tons)	870	849	1,720	1,744	- 25	Approx. 1,750
Steel materials shipment volume (10,000 tons)	801	790	1,591	1,617	- 26	Approx. 1,610
Steel materials price (¥1,000/ton)	146.2	143.8	145.0	144.1	+ 0.9	Approx. 146
Exchange rate (¥/\$)	155	153	154	140	+ 14	Approx. 155

(2)All Japan

	FY 2024 1st quarter	FY 2024 2nd quarter	FY 2024 1st half	FY 2023 1st half	H1 FY 2023 →H1 FY 2024	Previous Forecasts (Released on August 1, 2024)
Crude steel output volume (10,000 tons)	2,125	2,059	4,184	4,377	- 193	Approx. 4,280
Steel consumption (10,000 tons)*1	1,222	1,264	2,485	2,614	- 129	Approx. 2,520

*1 The Company estimates

<Segment Information>

	FY 2024 1st quarter	FY 2024 2nd quarter	FY 2024 1st half	FY 2023 1st half	H1 FY 2023 →H1 FY 2024	Previous Forecasts (Released on August 1, 2024)		FY 2024 1st quarter	FY 2024 2nd quarter	FY 2024 1st half	FY 2023 1st half	H1 FY 2023 →H1 FY 2024	Previous Forecasts (Released on August 1, 2024)
Revenue	2,191.5	2,188.2	4,379.7	4,412.4	- 32.7	4,400.0	Business Profit	236.9	138.7	375.7	494.2	- 118.5	340.0
Steelmaking and Steel Fabrication	2,005.2	1,985.3	3,990.5	4,053.2	- 62.7	4,000.0	Steelmaking and Steel Fabrication	230.2	123.5	353.8	476.7	- 122.9	320.0
Engineering and Construction	83.9	99.4	183.3	175.4	+ 7.9	180.0	Engineering and Construction	(0.0)	(1.1)	(1.2)	(5.4)	+ 4.2	3.0
Chemicals and Materials	68.5	71.8	140.4	132.8	+ 7.6	140.0	Chemicals and Materials	6.4	5.7	12.2	10.8	+ 1.4	8.0
System Solutions	77.1	79.9	157.0	145.0	+ 12.0	153.0	System Solutions	9.0	9.3	18.3	15.1	+ 3.2	16.0
Adjustment	(43.3)	(48.2)	(91.6)	(94.1)	+ 2.5	(73.0)	Adjustment	(8.6)	1.2	(7.4)	(3.0)	- 4.4	(7.0)

Forecasts for Fiscal 2024 (Year ending March 31, 2025)

The Company is forecasting a revenue of ¥8,600.0 billion, business profit of ¥670.0 billion and profit attributable to owners of the parent of ¥310.0 billion on its consolidated financial statements in the fiscal year ending March 31, 2025.

Furthermore, for fiscal 2025, the final year of the ongoing medium- to long-term management plan, we will strive to secure underlying business profit of ¥900.0 billion, by the benefits of the restructuring measures, capital expenditures, and expanding overseas businesses.

Moreover, by acquiring United States Steel Corporation, we aim to achieve the Group's future vision of ¥1 trillion in business profit at the earliest possible time.

<Forecasts of Consolidated Operating Result>

	FY 2024 forecasts	Changes from the previous forecasts	1st half forecasts	2nd half forecasts	FY 2023	H1 FY 2024 → H2 FY 2024 forecasts	FY 2023 → FY 2024 forecasts	Previous Forecasts (Released on August 1, 2024)
Revenue	8,600.0	- 200.0	4,379.7	4,220.3	8,868.0	- 159.4	- 268.0	8,800.0
Business Profit ※2	670.0	※6 - 30.0	375.7	294.3	869.6	※6 - 81.4	※6 - 199.6	700.0
[R O S]	[7.8%]	※6 [-0.2%]	[8.6%]	[7.0%]	[9.8%]	※6 [-1.6%]	※6 [-2.0%]	[8.0%]
Underlying Business Profit ※3	780.0	—	371.9	408.1	935.0	+ 36.2	- 155.0	780.0
Additional line items ※4	(130.0)	—	—	(130.0)	(90.9)	- 130.0	- 39.1	(130.0)
Profit for the year attributable to owners of the parent	※1 310.0	- 30.0	243.3	66.7	549.3	- 176.6	- 239.3	340.0
< Earnings per share (Yen) >	< 311 >	< -29 >	< 254 >	< 64 >	< 596 >	< -190 >	< -285 >	< 340 >
EBITDA ※5	1,060.0	- 30.0	564.6	495.4	1,232.6	- 69.2	- 172.6	1,090.0

- (※1) The impact on the profit for the year attributable to owners by the transfer of AM/NS Calvert equity interest upon the completion of U. S. Steel acquisition, which is estimated to be approximately ¥(230.0) billion, which was announced on October 11, is not included in the earnings forecast announced at this time.
- (※2) 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.
- (※3) Underlying Business Profit is Business Profit excluding inventory valuation impact and other items and recognized as representing the Group's actual profitability. In fiscal 2024, Underlying Business Profit excludes losses of ¥110.0 billion.
- (※4) Additional line items refer to the items that are not recurrent and are remotely related to operational activities, but have a material impact in terms of amount.
- (※5) Business Profit + Depreciation

(※6) Analysis in Business Profit

(※4) Additional line items

	FY 2024 forecasts	FY 2023 → FY 2024 forecasts	FY 2023 → FY 2024 forecasts
Additional line items Total	(130.0)	(90.9)	- 39.1
Losses on reorganization	(130.0)	(90.9)	- 39.1

<FY 2024>

• Losses on inactive facilities and others: ¥(130.0) billion (Kashima One series of upstream facilities, large shape mill, steel plate mill, Wakayama #4 coke oven, etc.)

<FY 2023>

• Losses on inactive facilities and others: ¥(90.9) billion
(Kure downstream facilities ¥(64.1) billion, Hanshin (Osaka), etc.)

	H1 FY 2024 → H2 FY 2024 forecasts	FY 2023 → FY 2024 forecasts	Changes from the previous forecasts
Change in Business Profit	- 81.0	- 200.0	- 30.0
1. Steel business	- 97.0	- 210.0	- 29.0
①Manufacturing shipment volume	- 10.0	- 20.0	- 20.0
②Spread (including impact from FX rate fluctuation)	+ 20.0	- 35.0	+ 35.0
③Cost reduction	+ 15.0	+ 40.0	+ 40.0
④Overseas steel business	~	- 52.0	- 10.0
⑤Raw material business	- 39.0	+ 13.0	- 25.0
⑥Other group companies	+ 16.0	- 36.0	~
⑦Inventory valuation impact etc. (including group companies)	- 81.0	+ 20.0	- 25.0
⑧Others	- 18.0	- 140.0	+ 6.0
2. Three non-steel segments	+ 8.0	+ 17.0	- 1.0
3. Adjustments	+ 8.0	- 7.0	~

【Dividends】

As announced at the time of the announcement of Q1 FY 2024 financial results (August 1, 2024), in consideration of future business performance and other factors, in order to provide continuous high-level returns to shareholders, the company plans to maintain the dividend level as in fiscal 2023, which results in ¥160 per share (including an interim dividend of ¥80 per share).

Furthermore, the Company's pending acquisition of United States Steel Corporation ("U. S. Steel") (such acquisition, the "Acquisition") is expected to be consummated in the fourth quarter of calendar year 2024, subject to the fulfillment of certain conditions, including receipt of U.S. regulatory approvals. If the Acquisition is consummated and the Company transfers its entire equity interest in AM/NS Calvert LLC (such transfer, the "Transfer"), the Company expects to record approximately ¥(230.0) billion as a loss on reorganization (Additional line item) in its consolidated financial statements. Given such reorganization loss is anticipated to be a one-time occurrence and a majority of such loss is non-cash, and the Company expects profit growth after the consummation of the Acquisition incorporating U. S. Steel's profit, the full-year dividend forecast for FY 2024 (¥160 per share) is planned to be maintained even if the FY 2024 earnings forecast is updated after the closing of the Acquisition and the Transfer.(Furthermore, if the Acquisition is not consummated for any reason, the Transfer will not be consummated and there will be no impact on earnings performance through the loss on reorganization.)

<Factors Influencing Performance>

(1)NIPPON STEEL CORPORATION

	FY 2024 forecasts	Changes from the previous forecasts	1st half forecasts	2nd half forecasts	FY 2023	H1 FY 2024 → H2 FY 2024 forecasts	FY 2023 → FY 2024 forecasts	Previous Forecasts (Released on August 1, 2024)
Consolidated crude steel output volume (10,000 tons)	Approx. 4,000	—	1,993	Approx. 2,000	4,051	+ 7	- 51	Approx. 4,000
Non-Consolidated crude steel output volume (10,000 tons)	Approx. 3,450	—	1,720	Approx. 1,730	3,499	+ 10	- 49	Approx. 3,450
Steel materials shipment volume (10,000 tons)	Approx. 3,150	- 50	1,591	Approx. 1,560	3,203	- 31	- 53	Approx. 3,200
Steel materials price (¥1,000/ton)	Approx. 142	—	145.0	Approx. 138	144.8	- 7	- 3	—
Exchange rate (¥/\$)	Approx. 152	- 1	154	Approx. 150	144	- 4	+ 8	Approx. 153

(2)All Japan

Crude steel output volume (10,000 tons)			4,184		8,683			
Steel consumption (10,000 tons)*1	Approx. 5,050	- 50	2,485	Approx. 2,570	5,185	+ 85	- 135	Approx. 5,100

*1 The Company estimates

<Segment Information>

	FY 2024 forecasts	Changes from the previous forecasts	1st half forecasts	2nd half forecasts	FY 2023	H1 FY 2024 → H2 FY 2024 forecasts	FY 2023 → FY 2024 forecasts	Previous Forecasts (Released on August 1, 2024)
Revenue	8,600.0	- 200.0	4,379.7	4,220.3	8,868.0	- 159.4	- 268.0	8,800.0
Steelmaking and Steel Fabrication	7,800.0	- 200.0	3,990.5	3,809.5	8,076.3	- 181.0	- 276.3	8,000.0
Engineering and Construction	400.0	—	183.3	216.7	409.2	+ 33.4	- 9.2	400.0
Chemicals and Materials	270.0	—	140.4	129.6	260.8	- 10.8	+ 9.2	270.0
System Solutions	333.0	+ 3.0	157.0	176.0	311.5	+ 19.0	+ 21.5	330.0
Adjustment	(203.0)	- 3.0	(91.6)	(111.4)	(189.8)	- 19.8	- 13.2	(200.0)
Business Profit	670.0	- 30.0	375.7	294.3	869.6	- 81.4	- 199.6	700.0
Steelmaking and Steel Fabrication	611.0	- 29.0	353.8	257.2	821.0	- 96.6	- 210.0	640.0
Engineering and Construction	12.0	- 3.0	(1.2)	13.2	(1.3)	+ 14.4	+ 13.3	15.0
Chemicals and Materials	16.0	—	12.2	3.8	15.3	- 8.4	+ 0.7	16.0
System Solutions	39.0	+ 2.0	18.3	20.7	35.5	+ 2.4	+ 3.5	37.0
Adjustment	(8.0)	—	(7.4)	(0.6)	(1.0)	+ 6.8	- 7.0	(8.0)

Note: The forward-looking statements included in this 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.

Nippon Steel's Business Environment, and Actions Taken and To Be Taken

1. Recognition of business environment for FY 2024

- The business environment is in a critical situation in which the manufacturing and construction industries are sluggish both in Japan and overseas and global steel demand is becoming even severe in 2H of FY 2024. In addition, China is stagnant and still uncertain despite launching the economic stimulus measures. Along with China's excess production and increase in exports, various countries and regions implemented trade measures and the pressure on imports of materials to Japan is high. In this environment, there is no prospect of improvement in real demand and spreads at home and abroad.

2. H1 FY 2024 results, FY 2024 forecasts and FY 2025 outlook

- **H1 FY 2024 results:** Despite a severe situation, we **increased all underlying business profit, business profit and profit compared to the previous announcement.**
- **FY 2024 forecasts and dividends:** We **maintain our underlying business profit forecast** even under an increasingly severe situation with no prospect of improvement in domestic and overseas demand and spreads. However, Consolidated business profit and profit are expected to decline due to significant impact of inventory valuation losses. As previously announced, we **plan to distribute a full-year dividend of ¥160 per share** (including an interim dividend of ¥80 per share) in order to provide continuous high-level shareholder returns while taking into consideration future business performance and other factors.

	FY 2024 Forecasts (¥billion)				Full year	Chg. from forecasts of Aug. 1
	1H	Chg. from forecasts of Aug. 1	2H	Chg. from forecasts of Aug. 1		
Underlying Business Profit	371.9	(+11.9)	408.1	(-11.9)	780.0	(-)
Consolidated Business Profit	375.7	(+35.7)	294.3	(-65.7)	670.0	(-30.0)
Profit	243.3	(+23.3)	66.7*	(-53.3)	310.0*	(-30.0)
DPS / Payout ratio	Full-year DPS of ¥160 (including Interim DPS of ¥80) / Payout ratio of about 52%					

* The acquisition of United States Steel Corporation ("U. S. Steel") (such acquisition, the "Acquisition") is expected to be consummated in the fourth quarter of calendar year 2024, subject to the fulfillment of certain conditions, including receipt of U. S. regulatory approvals.

If the Acquisition is consummated and we transfer our entire equity interest in AM/NS Calvert LLC (such transfer, the "Transfer"), we expect to record approximately ¥230.0B as a loss on reorganization (Additional line item) in its consolidated financial statements. Given such reorganization loss is anticipated to be a one-time occurrence and a majority of such loss is non-cash, and we expect profit growth after the consummation of the Acquisition incorporating U. S. Steel's profit, the full-year dividend forecast for FY 2024 (¥160 per share) is planned to be maintained even if the FY 2024 earnings forecast is updated after the closing of the Acquisition and the Transfer. (Furthermore, if the Acquisition is not consummated for any reason, the Transfer will not be consummated and there will be no impact on earnings performance through the loss on reorganization.)

- **Fiscal 2025 (the final year of the ongoing Medium- to Long-term Management Plan):** Plan to secure underlying business profit of ¥900.0B or more by realizing the benefits from capital expenditures, notably sales expansion of high-grade steel products, and expanding overseas businesses including that of India, in addition to +¥40.0B effects from restructuring measures to be implemented in FY 2024. Moreover, by acquiring U. S. Steel*, we aim to achieve the Group's future vision of ¥1 trillion in business profit at the earliest possible time. *U. S. Steel: profit of US\$1,047M in 2023, average annual profit of US\$2,883M for 2021-2023

3. Actions to improve profits at present and achieve medium- to long-term growth

(1) Strengthening and restructuring the domestic steelmaking business

- 1) Steady improvement of base operation performance and continuous efforts in the business of direct contract-based sales to customers
- 2) Completion of structural measures for production facilities, promotion of renewal and improvement of facilities, and sophistication of order mix
 - Completion of the production facility structural measures based on the medium- to long-term management plan: Kashima One Series of upstream facilities, large shape mill, steel plate mill, will be shut down at the end of FY 2024.
- 3) Further strengthening of the domestic steelmaking business of Nippon Steel and its group companies
 - (Previously announced) Restructuring of the Nippon Steel Group's domestic electro-resistance welded pipe business.
 - (New) Absorption merger of Nippon Steel Stainless Steel Corporation by Nippon Steel Corporation: In order to achieve sustainable growth in the stainless steel sheet business, we will strengthen and optimize human resources from a group-wide perspective and maximize the utilization of management resources of both companies.

(2) Measures for evolution to a further vertically-integrated business structure

- Trading and distribution business: Enhancement of collaboration and pursuit of synergies with Nippon Steel Trading Corporation and other group companies.
- Raw materials business: (Previously announced) Acquisition of a 20% interest in Canadian coal miner EVR JV, which will contribute to earnings from FY 2024.

(New) Entered into an equity participation agreement to acquire a 20% interest in Blackwater Coal Mine in Australia.

→ We aim to ensure stable purchasing of raw materials for steelmaking, which is indispensable for future carbon-neutral steel production, and shift to a consolidated profit structure that is less susceptible to the external environment through investment in raw material interests.

(3) Acceleration of global strategy to deepen and expand overseas business: Aiming to achieve “100 million tons of global crude steel capacity per year”

- Decided to acquire U. S. Steel Corporation and aim to close the deal by the end of calendar year 2024.

Through U. S. Steel, we will address market needs in the U.S., the largest demand country for high-grade steel, and drive our global strategy.

We entered into a definitive Equity Purchase Agreement with ArcelorMittal to transfer all of our equity interest of AM/NS Calvert upon completion of the U. S. Steel acquisition.

→ The share transfer aims to proactively address any antitrust concerns that may arise from our ongoing ownership in AM/NS Calvert following the acquisition, and it is the most assured path to receiving timely regulatory approval for the acquisition.

(4) Promotion of EAF transition and operationalization of a “comprehensive scrap strategy” aligned with circular economy principles

- Decided to apply for government support under the GX Promotion Act for the conversion from the blast furnace steelmaking process to the electric arc furnace (EAF) steelmaking process.

This project covers the conversion to a large-sized EAF process in the Kyushu Works Yawata Area, the expansion of the EAF in the Setouchi Works Hirohata Area, and the upgrade and resumption of the EAF at Nippon Steel Stainless Yamaguchi Works (Shunan Area).

- Initiation of the operationalization of a “comprehensive scrap strategy” centered on the use of low-grade scrap and the expansion of market procurement, with consideration for the potential use in Thai EAFs.

(5) Digital transformation (DX) strategies

- Remote management, predictive monitoring, and automation of operation and facility maintenance using IoT and AI. Centralized and accelerated performance management and integrated production planning to be aligned with DX measures.

(6) Implementation of HR and PR initiatives to secure and promote human resources

- In preparation for the future decline in the working population and the mobility of human resources, promote various management measures such as awareness raising, mid-career recruitment, revision of employment benefits, and improvement of engagement.

→ Promote multifaceted productivity improvement measures to enhance and maximize the capabilities of every employee.

- PR activities to raise the profile of Nippon Steel: Part2 phase of our new TV commercial, "The World is Made of Steel", was broadcast intensively in October.

(7) Maintaining and strengthening our solid financial base and financial structure

- Maintain a healthy financial structure through asset reduction, including the sale of shares and inventory appropriation, in order to continually implement a flexible and robust growth strategy over the medium to long term.

Streamline assets by approximately ¥230.0B (Changes from the previous announcement: +¥200.0B) in FY 2024 through sales of cross-shareholdings and other means.

- Raised a total amount of ¥250.0B through subordinated syndicated loans and subordinated bonds in June 2024 (50% of the amount was certified eligible for treatment as equity by rating agencies).
- Completed conversion of convertible bonds (CB) into common shares of ¥300.0B by early redemption of the CB due 2026 through exercising the soft call in addition to the redemption of the CB due 2024.
- Through measures to streamline assets and further optimization of fund procurement, we plan to realize the 0.7 level in D/E within FY 2024, even after the U. S. Steel acquisition.

End

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 Half of Fiscal 2024

Japanese Steel Industry

1. Crude Steel Production

							(million tons)
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
FY 2023	22.21	21.56	43.77	21.60	21.45	43.06	86.83
FY 2024	21.25	20.59	41.84	(*)Approx. 21.30			

(*)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)
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	5.67	(194.3)	4.28	0.191
Feb.	2023	5.58	(188.2)	4.21	0.196
Mar.	2023	5.39	(152.9)	4.13	0.196
Apr.	2023	5.27	(172.7)	3.97	0.189
May	2023	5.41	(179.2)	4.04	0.190
June	2023	5.33	(165.4)	4.01	0.196
July	2023	5.19	(162.3)	3.94	0.197
Aug.	2023	5.31	(194.3)	4.00	0.191
Sep.	2023	5.18	(161.2)	3.87	0.194
Oct.	2023	5.15	(159.9)	3.86	0.189
Nov.	2023	5.11	(163.1)	3.82	0.191
Dec.	2023	5.08	(170.5)	3.80	0.202
Jan.	2024	5.35	(190.8)	4.01	0.208
Feb.	2024	5.38	(183.1)	4.06	0.216
Mar.	2024	5.44	(170.0)	4.14	0.220
Apr.	2024	5.37	(175.2)	4.12	0.220
May.	2024	5.37	(179.5)	4.12	0.221
June.	2024	5.30	(178.5)	4.07	0.221
July	2024	5.00	(161.4)	3.95	0.220
Aug.	2024	5.29	(222.4)	4.09	0.216
Sep. *3	2024	5.31	(182.7)	4.14	0.210

*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 2023	8.57	8.63	17.20	8.78	8.57	17.35	34.55
FY 2024	8.58	8.39	16.98			Approx. 17.00	Approx. 34.00

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 2023	10.17	10.02	20.19	10.26	10.06	20.32	40.51
FY 2024	10.14	9.79	19.93			Approx. 20.00	Approx. 40.00

(Non-consolidated basis)

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
FY 2023	8.68	8.76	17.44	8.84	8.71	17.54	34.99
FY 2024	8.70	8.49	17.20			Approx. 17.30	Approx. 34.50

5. Steel Products Shipment

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
FY 2023	8.07	8.10	16.17	7.95	7.90	15.86	32.03
FY 2024	8.01	7.90	15.91			Approx. 15.60	Approx. 31.50

6. Average Price of Steel Products

(thousands of yen / ton)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
FY 2023	143.4	144.9	144.1	146.5	144.4	145.4	144.8
FY 2024	146.2	143.8	145.0			Approx. 138	Approx. 142

7. Export Ratio of Steel Products (Value basis)

(%)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
FY 2023	46	43	45	42	44	43	44
FY 2024	44	46	45			Approx. 40	Approx. 43

8. Foreign Exchange Rate

(¥/\$)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
FY 2023	136	144	140	149	147	148	144
FY 2024	155	153	154			Approx. 150	Approx. 152

9. Amount of Capital Expenditure and Depreciation

(Consolidated basis)

(billions of yen)

	Capital Expenditure	Depreciation(*)
FY 2023	457.4	363.0
FY 2024	Approx. 480.0	Approx. 390.0

(*) The “Depreciation” is including amortization expenses related to intangible assets, excluding goodwill.