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October 20, 2023

To Whom It May Concern,

Company name:	Nippon Steel Corporation
Representative:	Eiji Hashimoto, Representative Director and President
Stock listing:	Prime Market of Tokyo Stock Exchange / Nagoya Stock Exchange / Fukuoka Stock Exchange / Sapporo Securities Exchange
Code number:	5401
Contact:	Public Relations Center, General Administration Div. (Telephone: +81-3-6867-2135, 2146, 2977, 3419)

**Announcement of Conclusion of an Agreement for a Company Split  
(Simplified Absorption-type Company Split) with NRC**

Nippon Steel Corporation (“NSC”) hereby announces that it has today decided to conclude an agreement for an absorption-type company split (the “Company Split”) regarding the transfer of NSC’s waste plastic recycling business (the “Waste Plastic Business”) to its wholly-owned subsidiary, NRC. The decision for the Company Split was made by NSC directors based on a mandate from the board of directors, and its effective date is set for December 1, 2023 (planned). Details are as follows.

Since the Company Split is an absorption-type company split in which the parent company transfers the business to its wholly-owned subsidiary, the disclosed matters and contents are partially omitted.

1. Purpose of the Company Split

In order to contribute to Japan’s resource circulation strategy for plastic, NSC has been conducting 100% recycling of approximately 200,000 tons of the household waste plastic containers and packages collected nationwide, which corresponds to approximately 30% of the volume collected nationwide each year, providing a reduction of roughly 600,000 tons of CO<sub>2</sub> emissions.

The purpose of the Company Split under which NSC will transfer its Waste Plastic Business to NRC is to strengthen our operational base in order to expand the volume of waste plastic processing and to fulfill our social responsibility through the stable recycling of waste plastic, a goal which is incorporated into the “Carbon Neutral Vision 2050,” our initiative to combat climate change issues.

## 2. Outline of the Company Split

### (1) Schedule of the Company Split

Date of decision to conclude the absorption-type company split agreement	October 20, 2023
Date of conclusion of the absorption-type company split agreement	October 20, 2023
Scheduled date of closing (effective date)	December 1, 2023 (planned)

\* Since the Company Split falls under the category of: (i) for NSC, a simplified absorption-type company split as set forth in Article 784, Paragraph 2 of the Companies Act; and (ii) for NRC, both a short-form absorption-type company split as set forth in Article 796, Paragraph 1 of the Companies Act and a simplified absorption-type company split as set forth in Article 796, Paragraph 2 of the Companies Act, neither NSC nor NRC will hold a general meeting of shareholders for approval of the absorption-type company split agreement.

### (2) Method of the Company Split

An absorption-type company split (simplified absorption-type company split) in which NRC will be the absorption-type successor company and NSC will be the absorption-type splitting company.

### (3) Details of the Allotment in Relation to the Company Split

Since this is a company split between a parent company and its wholly-owned subsidiary, no allotment of shares or payment of other consideration will be made.

### (4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights upon the Company Split

No stock acquisition rights have been issued by NSC. There will be no changes to the bonds with stock acquisition rights issued by NSC as a result of the Company Split.

### (5) Change in Capital as a Result of the Company Split

There will be no change in NSC's capital as a result of the Company Split.

### (6) Rights and Obligations to be Succeeded to by the Successor Company

Under the Company Split, NRC will succeed to the assets, liabilities and other rights and obligations held by NSC in connection with the Waste Plastic Business, as specified in the absorption-type company split agreement.

### (7) Prospects for Performance of Obligations

It has been determined that there are no problems foreseen in fulfillment of obligations to be incurred by NSC and NRC on and after the effective date of the Company Split.

### 3. Outlines of the Companies Involved in the Company Split

#### (1) NSC

1. Name	Nippon Steel Corporation	
2. Location	2-6-1 Marunouchi, Chiyoda-ku, Tokyo	
3. Name and Title of Representative	Eiji Hashimoto, Representative Director and President	
4. Description of Business Activities	Steelmaking and steel fabrication, engineering and construction, chemicals and materials, system solutions	
5. Capital	JPY 419,524 million	
6. Date of Incorporation	April 1, 1950	
7. Number of Outstanding Shares	950,321,402 shares	
8. Fiscal Year End	March 31	
9. Major Shareholders and Shareholding Ratios (as of March 31, 2023)	The Master Trust Bank of Japan, Ltd. (Trust Account)	15.0%
	Custody Bank of Japan, Ltd. (Trust Account)	4.3%
	Nippon Life Insurance Company	2.1%
	STATE STREET BANK WEST CLIENT – TREATY 505234	1.7%
	Meiji Yasuda Life Insurance Company	1.5%
	Nippon Steel Group Employees Shareholding Association	1.3%
	Mizuho Bank, Ltd.	1.3%
	Sumitomo Mitsui Banking Corporation	1.1%
	MUFG Bank, Ltd.	1.0%
	JP MORGAN CHASE BANK 385781	1.0%

10. Financial Position and Operating Results for the Immediately Preceding Fiscal Year (Consolidated/IFRS)

Fiscal Year	FY ended March 2023
Total Capital	JPY 4,646,417 million
Total Assets	JPY 9,567,099 million
Equity Attributable to Owners of the Parent per Share	JPY 4,540.59
Revenue	JPY 7,975,586 million
Business Profit*	JPY 916,456 million
Operating Profit	JPY 883,646 million
Profit Before Income Taxes	JPY 866,849 million
Profit for the Year Attributable to Owners of Parent	JPY 694,016 million
Basic Earnings per Share	JPY 753.66

\* 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) NRC

1. Name	NRC
2. Location	2-6-1 Marunouchi, Chiyoda-ku, Tokyo
3. Name and Title of Representative	Takashi Matsumoto, Representative Director and President
4. Description of Business Activities	Disposal and recycling of waste
5. Capital	JPY 1 million
6. Date of Incorporation	February 16, 2007
7. Number of Outstanding Shares	3 shares
8. Fiscal Year End	March 31
9. Major Shareholders and Shareholding Ratios	100% owned by NSC

10. Financial Position and Operating Results for the Immediately Preceding Fiscal Year (Non-consolidated/Japanese GAAP)

Fiscal Year	FY ended March 2023
Net Assets	JPY 145,672
Total Assets	JPY 215,672
Net Assets per Share	JPY 48,557.33
Net Sales	JPY 0
Operating Profit (Loss)	JPY (104,344)
Ordinary Profit (Loss)	JPY (104,344)
Net Profit for the Year (Loss)	JPY (104,344)
Earnings per Share (Loss)	JPY (34,781.33)

4. Outline of the Business Division to be Succeeded

(1) Business Description of the Division to be Succeeded

The business to be succeeded through the Company Split is the Waste Plastic Business of NSC.

(2) Operating Results of the Division to be Succeeded (Fiscal Year Ended March 2023)

Revenue: JPY 10,633 million

(3) Items and Amounts of Assets and Liabilities to be Succeeded

Assets		Liabilities	
Current assets	JPY 288 million	Current liabilities	-
Fixed assets	-	Long-term liabilities	-
Total	JPY 288 million	Total	-

(Note) The above amounts are based on the balance sheet as of March 31, 2023. The actual amounts of assets and liabilities to be succeeded will be determined after adjusting the above amounts for any increase or decrease up to the effective date of the Company Split.

5. Status Following the Company Split

There will be no changes in the NSC's or NRC's trade name, location of head office, name and title of the representative, business descriptions, capital or fiscal year-end as a result of the Company Split.

6. Prospects

Since the Company Split is an absorption-type company split between a parent company and its wholly-owned subsidiary, the impact on NSC's consolidated results will be immaterial.

(Reference) Consolidated Earnings Forecasts for the current Fiscal Year (released on August 4, 2023) and Actual Consolidated Earnings Results for the Previous Fiscal Year of NSC

	Revenue	Business Profit	Profit for the year Attributable to Owners of the Parent	Basic Earnings per Share
Current FY Forecasts (FY Ending March 31, 2024)	JPY 9,000,000 million	JPY 690,000 million	JPY 400,000 million	JPY 434.00
Previous FY Results, Actual (FY Ended March 31, 2023)	JPY 7,975,586 million	JPY 916,456 million	JPY 694,016 million	JPY 753.66