



October 11, 2024

To whom it may concern.

Company Name:	Nippon Steel Corporation
Name of Representative:	Tadashi Imai, Representative Director, President and COO
Code Number:	5401 TSE Prime, Nagoya Stock Exchange, Fukuoka Stock Exchange, and Sapporo Securities Exchange
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Notice of Absorption-Type Merger (Simplified Merger) with Nippon Steel Stainless Steel Corporation

At a meeting held today, Nippon Steel Corporation (NSC) hereby announces that its Board of Directors has resolved to effect an absorption-type merger (the “Merger”) with Nippon Steel Stainless Steel Corporation (the “NSSC”), a wholly-owned subsidiary of NSC, with effect from April 1, 2025, as follows.

Since the Merger is a simplified merger of wholly-owned subsidiaries, certain disclosure items and details have been omitted.

1. Purpose of the Merger

NSSC, as a wholly-owned subsidiary of NSC, has leveraged its business scale specializing in the stainless steel sheet business and strengthened its sales, quality, cost, commodity development, etc. under a speedy and efficient organizational and operational structure. NSSC has also worked to address issues specific to the stainless steel sheet business environment, such as building a streamlined and robust production facility system, and has established a stable revenue base.

However, the environment surrounding the stainless steel sheet business is changing, with factors such as the decline in domestic demand due to factors such as the future decline in population and the electrification of automobiles, and the continuing problem of overcapacity in the Asian market. In order to accurately respond to increasingly sophisticated and diverse management issues, NSC has decided to conduct an absorption-type merger with NSSC. By doing this, we will make the most of the resources of both companies, strengthen our stainless steel sheet business, maximize synergies, and work towards further profit growth.

2. Summary of the Merger

(1) Schedule of the Merger

Date of Board resolution	October 11, 2024
Date of conclusion of merger agreement	October 11, 2024
Scheduled date of closing (effective date)	April 1, 2025

* Since the Merger falls under the category of a simplified merger as stipulated in Article 796, Paragraph 2 of the Companies Act for NSC and a short-form merger as stipulated in Article 784, Paragraph 1 of the Companies Act for NSSC, neither company will hold a general meeting of shareholders to approve the Merger Agreement.

(2) Method of the Merger

The Merger will be an absorption-type merger, with NSC as the surviving company and NSSC as the dissolving company, and NSSC will be dissolved upon the Merger.

(3) Details of the Allotment with the Merger

The Merger is a merger with a wholly-owned subsidiary of NSC, and no shares or other money, etc. will be delivered.

(4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights upon the Merger

Not applicable.

3. Outlines of the Companies Involved in the Merger

(1) NSC

1. Company Name	NIPPON STEEL CORPORATION	
2. Head Office	2-6-1 Marunouchi, Chiyoda-ku, Tokyo, Japan	
3. Leadership	Tadashi IMAI, Representative Director, President and COO	
4. Business	Steelmaking and steel fabrication, engineering, chemicals, new materials, system solutions	
5. Capital (As of August 31, 2024)	JPY 486,829 million	
6. Date of Establishment	April 1, 1950	
7. Number of Outstanding Shares (As of August 31, 2024)	1,006,635,285 shares	
8. Fiscal Year End	March 31	
9. Major Shareholders and Shareholding Ratios (As of March 31, 2024)	The Master Trust Bank of Japan, Ltd. (Trust Account)	12.6%
	Custody Bank of Japan, Ltd. (Trust Account)	4.9%
	Nippon Life Insurance Company	2.0%
	STATE STREET BANK WEST CLIENT - TREATY 505234	1.8%
	Meiji Yasuda Life Insurance Company	1.4%
	JPMorgan Securities Japan Co., Ltd.	1.4%
	Nippon Steel Group Employees Shareholding Association	1.3%
	Mizuho Bank, Ltd.	1.2%
	Sumitomo Mitsui Banking Corporation	1.1%
	MUFG Bank, Ltd.	0.9%
10. Financial Position and Operating Results for the Latest Fiscal Year (Consolidated/IFRS)		
Fiscal Year	FY ended March 2024	
Total Equity	JPY 5,355,878 million	
Total Assets	JPY 10,714,627 million	
Equity Attributable to Owners of the Parent per Share	JPY 5,187.32	

Revenue	JPY 8,868,097 million
Business Profit*	JPY 869,657 million
Operating Profit	JPY 778,662 million
Profit Before Income Taxes	JPY 763,972 million
Profit for the Year Attributable to Owners of the Parent	JPY 549,372 million
Basic Earnings per Share	JPY 596.59

*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 Nippon Steel Group's consolidated performance continuously. It is defined as being deducted cost of sales, selling general and administrative expenses and other 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) NSSC

1. Company Name	NIPPON STEEL Stainless Steel Corporation
2. Head Office	1-8-2 Marunouchi, Chiyoda-ku, Tokyo, Japan
3. Leadership	Akihiko INOUE, Representative Director and President
4. Business	Manufacturing and sales of stainless steel
5. Capital	JPY 5,000 million
6. Date of Establishment	April 2019
7. Number of Outstanding Shares	100,000 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 Latest Fiscal Year (Nonconsolidated/Japanese GAAP)	
Fiscal Year	FY ended March 2024
Net Assets	JPY 228,599 million
Total Assets	JPY 328,840 million
Net Assets per Share	JPY 2,285,991
Net Sales	JPY 432,508 million
Operating Profit	JPY 29,742 million
Ordinary Profit	JPY 29,003 million
Net Profit for the Year	JPY 24,605 million
Earnings per Share	JPY 246,057

4. Situation after the Merger

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

5. Future Prospects

Since the Merger is a merger with a wholly-owned subsidiary of NSC, the impact of the Merger on the consolidated financial results is expected to be negligible.

(Reference) Consolidated Earnings Forecasts for the current Fiscal Year (disclosed on August 1, 2024)
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
Earnings forecast for current FY (FY Ending March 31, 2025)	JPY 8,800,000 million	JPY 700,000 million	JPY 340,000 million	JPY 340.00
Actual results for Previous FY (FY Ended March 31, 2024)	JPY 8,868,097 million	JPY 869,657 million	JPY 549,372 million	JPY 596.59