



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
Contact:	Shinnosuke Arita, General Manager, Public Relations Center
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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.