



Flash Report

Consolidated Basis

Results for the First Quarter of Fiscal 2024

(April 1, 2024—June 30, 2024)
< under IFRS >

August 1, 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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Scheduled date to commence dividend payments:	-
Preparation of supplemental explanatory materials:	Yes
Holding of quarterly 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 Quarter of Fiscal 2024

(April 1, 2024—June 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 Quarter of Fiscal 2024	2,191,509	(0.4)	236,977	(4.7)	236,977	(4.7)	231,549	(5.4)	167,023	(11.4)
First Quarter of Fiscal 2023	2,199,786	14.6	248,700	(26.6)	248,700	(26.6)	244,793	(26.7)	188,477	(22.8)

	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 Quarter of Fiscal 2024	157,559	(11.0)	290,694	9.9	169.32	150.85
First Quarter of Fiscal 2023	177,064	(23.3)	264,435	(26.2)	192.28	170.47

(*)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 Quarter of Fiscal 2024	11,164,466	5,617,740	5,027,005	45.0
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	—				
Fiscal 2024 (Forecasts)		80.00	—	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
First half of Fiscal 2024	4,400,000	(0.3)	340,000	(31.2)	220,000	(26.7)	229.00
Fiscal 2024	8,800,000	(0.8)	700,000	(19.5)	340,000	(38.1)	340.00

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 Quarter of Fiscal 2024 (Year ending March 31, 2025)” disclosed today.

Basic earnings per share is calculated on the assumption that all outstanding convertible bonds are converted into shares.

* 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: 0

Number of excluded from consolidation: 8

- (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 Quarter of Fiscal 2024 975,997,055 shares

Fiscal 2023 950,549,305 shares

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

First Quarter of Fiscal 2024 29,514,622 shares

Fiscal 2023 29,510,730 shares

- (c) Weighted average number of shares outstanding

First Quarter of Fiscal 2024 930,491,678 shares

First Quarter of Fiscal 2023 920,829,621 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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 quarter of fiscal 2024, please refer to the supplementary explanation materials “Results for the First Quarter 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.Quarterly Condensed Consolidated Financial Statements and Major Notes

(1) Quarterly Condensed Consolidated Statements of Financial Position

(Millions of Yen)

ASSETS	March 31, 2024	June 30, 2024
Current assets :		
Cash and cash equivalents	448,892	642,076
Trade and other receivables	1,587,979	1,583,171
Inventories	2,276,665	2,356,657
Other financial assets	33,927	38,940
Other current assets	212,919	223,662
Total current assets	4,560,384	4,844,508
Non-current assets :		
Property, plant and equipment	3,380,436	3,422,881
Right-of-use assets	100,601	98,821
Goodwill	70,207	72,418
Intangible assets	177,853	180,771
Investments accounted for using the equity method	1,537,936	1,639,167
Other financial assets	675,942	679,117
Defined benefit assets	127,579	147,461
Deferred tax assets	75,893	71,368
Other non-current assets	7,791	7,949
Total non-current assets	6,154,242	6,319,957
Total assets	10,714,627	11,164,466

(Millions of Yen)

LIABILITIES	March 31, 2024	June 30, 2024
Current liabilities :		
Trade and other payables	1,890,718	1,658,873
Bonds, borrowings and lease liabilities	541,495	777,024
Other financial liabilities	7,036	6,286
Income taxes payable	80,269	62,404
Other current liabilities	62,353	81,023
Total current liabilities	2,581,874	2,585,613
Non-current liabilities :		
Bonds, borrowings and lease liabilities	2,170,148	2,347,182
Other financial liabilities	146	181
Defined benefit liabilities	116,309	118,055
Deferred tax liabilities	140,532	153,171
Other non-current liabilities	349,737	342,521
Total non-current liabilities	2,776,874	2,961,112
Total liabilities	5,358,748	5,546,726
EQUITY		
Common stock	419,799	449,779
Capital surplus	398,914	427,154
Retained earnings	3,525,585	3,621,191
Treasury stock	(58,149)	(58,162)
Other components of equity	491,576	587,040
Total equity attributable to owners of the parent	4,777,727	5,027,005
Non-controlling interests	578,150	590,734
Total equity	5,355,878	5,617,740
Total liabilities and equity	10,714,627	11,164,466

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

Quarterly Condensed Consolidated Statements of Profit or Loss		(Millions of Yen)
	First quarter of Fiscal 2023	First quarter of Fiscal 2024
Revenue	2,199,786	2,191,509
Cost of sales	(1,866,755)	(1,831,495)
Gross profit	333,030	360,014
Selling, general and administrative expenses	(181,519)	(196,094)
Share of profit in investments accounted for using the equity method	27,250	52,105
Other operating income	85,629	35,437
Other operating expenses	(15,691)	(14,486)
Business profit	248,700	236,977
Operating profit	248,700	236,977
Finance income	4,951	3,854
Finance costs	(8,858)	(9,283)
Profit before income taxes	244,793	231,549
Income tax expense	(56,315)	(64,526)
Profit	188,477	167,023
Profit attributable to :		
Owners of the parent	177,064	157,559
Non-controlling interests	11,412	9,464
Earnings per share		
Basic earnings per share (Yen)	192.28	169.32
Diluted earnings per share (Yen)	170.47	150.85

Quarterly Condensed Consolidated Statements of Comprehensive Income		(Millions of Yen)
	First quarter of Fiscal 2023	First quarter of Fiscal 2024
Profit	188,477	167,023
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	48,701	755
Remeasurements of defined benefit plans	8,847	15,100
Share of other comprehensive income of investments accounted for using the equity method	4,291	(2,409)
Subtotal	61,839	13,446
Items that might be reclassified to profit or loss		
Changes in fair value of cash flow hedges	7,984	9,269
Foreign exchange differences on translation of foreign operations	15,671	64,497
Share of other comprehensive income of investments accounted for using the equity method	(9,538)	36,457
Subtotal	14,117	110,224
Total other comprehensive income, net of tax	75,957	123,670
Total comprehensive income	264,435	290,694
Comprehensive income attributable to:		
Owners of the parent	246,044	269,451
Non-controlling interests	18,390	21,242

(3) Quarterly Condensed Consolidated Statements of Changes in Equity

First Quarter 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			177,064			
Other comprehensive income					49,372	8,732
Total comprehensive income	—	—	177,064	—	49,372	8,732
Transactions with owners and others						
Conversion of convertible bonds						
Cash dividends			(82,973)			
Purchases of treasury stock				(14)		
Disposals of treasury stock		(0)		18		
Changes in ownership interests in subsidiaries		(346)				
Transfer from other components of equity to retained earnings			12,747		(4,014)	(8,732)
Changes in scope of consolidation				(54)		
Subtotal	—	(346)	(70,225)	(50)	(4,014)	(8,732)
Balance as of June 30, 2023	419,524	399,020	3,185,983	(58,105)	240,263	—

	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			—	177,064	11,412	188,477
Other comprehensive income	(11,440)	22,314	68,980	68,980	6,977	75,957
Total comprehensive income	(11,440)	22,314	68,980	246,044	18,390	264,435
Transactions with owners and others						
Conversion of convertible bonds			—	—		—
Cash dividends			—	(82,973)	(5,939)	(88,912)
Purchases of treasury stock			—	(14)		(14)
Disposals of treasury stock			—	18		18
Changes in ownership interests in subsidiaries			—	(346)	(78)	(424)
Transfer from other components of equity to retained earnings			(12,747)	—		—
Changes in scope of consolidation			—	(54)	62,764	62,710
Subtotal	—	—	(12,747)	(83,370)	56,746	(26,623)
Balance as of June 30, 2023	81,259	75,883	397,406	4,343,829	540,398	4,884,228

First Quarter 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			157,559			
Other comprehensive income					(5,135)	14,682
Total comprehensive income	—	—	157,559	—	(5,135)	14,682
Transactions with owners and others						
Conversion of convertible bonds	29,980	29,980				
Cash dividends			(78,381)			
Purchases of treasury stock				(16)		
Disposals of treasury stock		0		0		
Changes in ownership interests in subsidiaries		(1,739)				
Transfer from other components of equity to retained earnings			16,428		(1,745)	(14,682)
Changes in scope of consolidation				2		
Subtotal	29,980	28,240	(61,952)	(12)	(1,745)	(14,682)
Balance as of June 30, 2024	449,779	427,154	3,621,191	(58,162)	280,921	—

	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			—	157,559	9,464	167,023
Other comprehensive income	16,541	85,803	111,892	111,892	11,778	123,670
Total comprehensive income	16,541	85,803	111,892	269,451	21,242	290,694
Transactions with owners and others						
Conversion of convertible bonds			—	59,960		59,960
Cash dividends			—	(78,381)	(10,160)	(88,541)
Purchases of treasury stock			—	(16)		(16)
Disposals of treasury stock			—	0		0
Changes in ownership interests in subsidiaries			—	(1,739)	1,522	(217)
Transfer from other components of equity to retained earnings			(16,428)	—		—
Changes in scope of consolidation			—	2	(21)	(18)
Subtotal	—	—	(16,428)	(20,173)	(8,658)	(28,832)
Balance as of June 30, 2024	60,754	245,365	587,040	5,027,005	590,734	5,617,740

(4) Notes to the Quarterly Condensed Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Cash-Flows)

The company has not prepared the Quarterly Condensed Consolidated Statements of Cash-Flows for the first quarter of fiscal 2024. The depreciation and amortization expenses for the first quarter of fiscal 2024 are as follows.

(Millions of Yen)

	First quarter of Fiscal 2023	First quarter of Fiscal 2024
Depreciation and amortization	87,298	93,422

(Segment Information)

First quarter of Fiscal 2023 (April 1, 2023—June 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	2,013,806	76,265	59,776	49,937	2,199,786	—	2,199,786
Inter-segment revenue or transfers	15,527	6,145	4,718	18,957	45,349	(45,349)	—
Total	2,029,333	82,410	64,495	68,895	2,245,135	(45,349)	2,199,786
Segment profit (loss) <Business Profit>	243,429	3,192	2,770	7,000	256,392	(7,692)	248,700
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 (7,692) million yen include investment return of 2,253 million yen from the equity method associate Nippon Steel Kowa Real Estate Co., Ltd., and elimination of inter-segment revenue or transfers of (9,946) million yen.

First quarter of Fiscal 2024 (April 1, 2024—June 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	1,991,318	78,060	64,543	57,586	2,191,509	—	2,191,509
Inter-segment revenue or transfers	13,930	5,877	4,045	19,517	43,371	(43,371)	—
Total	2,005,249	83,938	68,589	77,104	2,234,881	(43,371)	2,191,509
Segment profit (loss) <Business Profit>	230,220	(75)	6,493	9,003	245,641	(8,663)	236,977
Segment liabilities <Interest-bearing debt>	3,090,909	5,621	7,028	20,646	3,124,206	—	3,124,206

Note: The adjustments of segment profit of (8,663) million yen include investment return of 5,538 million yen from the equity method associate Nippon Steel Kowa Real Estate Co., Ltd., and elimination of inter-segment revenue or transfers of (14,202) million yen.

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

The Company recorded consolidated revenue of ¥2,191.5 billion, business profit of ¥236.9 billion and profit attributable to owners of the parent of ¥157.5 billion in the first quarter of the fiscal year ending March 31, 2025.

<Consolidated Operating Result>

(Billions of Yen)

	1st quarter	FY 2024 1st half forecasts	Changes from the previous forecasts	FY 2023 1st quarter	Q1 FY 2023 →Q1 FY 2024
Revenue	2,191.5	4,400.0	-	2,199.7	- 8.2
Business Profit ※1	236.9	340.0	+ 40.0	248.7	※7 - 11.8
[R O S]	[10.8%]	[7.7%]	[+0.9%]	[11.3%]	[-0.5%]
Underlying Business Profit ※2	195.0	360.0	20.0	250.0	- 55.0
Additional line items ※3	—	—	-	—	-
Profit for the year attributable to owners of the parent	157.5	220.0	+ 40.0	177.0	- 19.5
< Earnings per share (Yen) > ※4	< 169 >	< 229 >	< +34 >	< 192 >	< -23 >
[R O E] ※5	[12.9%]			[16.6%]	[-3.8%]
EBITDA ※6	330.4	530.0	+ 40.0	335.9	- 5.5
Interest-bearing debt	3,124.2			3,145.5	- 21.3
D/E ratio After adjusting for equity credit attributes of subordinated loans and subordinated bonds	0.48			0.59	-0.11

(※7) Analysis in Business Profit (Billions of Yen)

	Q1 FY 2023 →Q1 FY 2024
Change in Business Profit	- 12.0
1. Steel business	- 13.0
①Manufacturing shipment volume	~
②Spread (including impact from FX rate fluctuation)	- 45.0
③Cost reduction	+ 15.0
④Overseas steel business	- 7.0
⑤Raw material business	+ 14.0
⑥Other group companies	- 8.0
⑦Inventory valuation impact etc. (including group companies)	+ 97.0
⑧Others	- 79.0
2. Three non-steel segments	+ 2.0
3. Adjustments	- 1.0

- (※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 quarter of fiscal 2024, Underlying Business Profit excludes profits of ¥41.9 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) For 1st half forecasts, all outstanding convertible bonds are assumed to be converted. (※5) Annualized (※6) Business Profit + Depreciation

<Factors Influencing Performance>

(1)NIPPON STEEL CORPORATION

	FY2024 1st quarter	FY2023 1st quarter	Q1 FY2023 →Q1 FY2024
Consolidated crude steel output volume (10,000 tons)	1,014	1,017	- 4
Non-Consolidated crude steel output volume (10,000 tons)	870	868	+ 3
Steel materials shipment volume (10,000 tons)	801	807	- 6
Steel materials price (¥1,000/ton)	146.4	143.4	+ 3.1
Exchange rate (¥/\$)	155	136	+ 19

(2)All Japan

	FY2024 1st quarter	FY2023 1st quarter	Q1 FY2023 →Q1 FY2024
Crude steel output volume (10,000 tons)	2,125	2,221	- 97
Steel consumption (10,000 tons)*1 (In manufacturing industries) <% of manufacturing>	1,235 (825) < 66.8%>	1,291 (860) < 66.6%>	- 57 (- 35) < + 0.2%>
Plain carbon steel consumption (10,000 tons)	965	1,010	- 45
In construction	393	414	- 21
In manufacturing	572	596	- 24
Specialty steel consumption (10,000 tons)	270	281	- 12
Inventory volume (10,000 tons)	*2 529	533	- 4
Rolled sheets (10,000 tons)	*2 407	401	+ 6

*1 The Company estimates *2 The end of Jun.2024, preliminary figures

<Segment Information>

(Billions of Yen)

	FY2024 1st quarter	FY2023 1st quarter	Q1 FY2023 →Q1 FY2024		FY2024 1st quarter	FY2023 1st quarter	Q1 FY2023 →Q1 FY2024
Revenue	2,191.5	2,199.7	- 8.2	Business Profit	236.9	248.7	- 11.8
Steelmaking and Steel Fabrication	2,005.2	2,029.3	- 24.1	Steelmaking and Steel Fabrication	230.2	243.4	- 13.2
Engineering and Construction	83.9	82.4	+ 1.5	Engineering and Construction	(0.0)	3.1	- 3.1
Chemicals and Materials	68.5	64.4	+ 4.1	Chemicals and Materials	6.4	2.7	+ 3.7
System Solutions	77.1	68.8	+ 8.3	System Solutions	9.0	7.0	+ 2.0
Adjustment	(43.3)	(45.3)	+ 2.0	Adjustment	(8.6)	(7.6)	- 1.0

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

The Company is forecasting a revenue of ¥4,400.0 billion, business profit of ¥340.0 billion and profit attributable to owners of the parent of ¥220.0 billion on its consolidated financial statements in the first half of the fiscal year ending March 31, 2025.

Also the Company is forecasting a revenue of ¥8,800.0 billion, business profit of ¥700.0 billion and profit attributable to owners of the parent of ¥340.0 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 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>

(Billions of Yen)

	FY 2024 forecasts	Changes from the previous forecasts	1st half forecasts	2nd half forecasts	FY 2023	1st half	2nd half	H1 FY2023 → H1 FY2024 forecasts	H1 FY2024 forecasts → H2 FY 2024 forecasts	FY 2023 → FY 2024 forecasts	Previous Forecasts (Released on May. 9, 2024)
Revenue	8,800.0	-	4,400.0	4,400.0	8,868.0	4,412.4	4,455.6	- 12.4	-	- 68.0	8,800.0
Business Profit ※1	700.0	※6 + 50.0	340.0	360.0	869.6	494.2	375.4	※6 - 154.2	※6 + 20.0	※6 - 169.6	650.0
[r o s]	[8.0%]	[+0.6%]	[7.7%]	[8.2%]	[9.8%]	[11.2%]	[8.4%]	[-3.5%]	[+0.5%]	[-1.9%]	[7.4%]
Underlying Business Profit ※2	780.0	+ 30.0	360.0	420.0	935.0	498.5	436.4	-138.5	+ 60.0	-155.0	750.0
Additional line items ※3	(130.0)	-	-	(130.0)	(90.9)	(70.4)	(20.5)	+ 70.4	- 130.0	- 39.1	(130.0)
Profit for the year attributable to owners of the parent	340.0	+ 40.0	220.0	120.0	549.3	300.2	249.1	- 80.2	- 100.0	- 209.3	300.0
< Earnings per share (Yen) > ※4	< 340 >	< +14 >	< 229 >	< 115 >	< 596 >	< 326 >	< 270 >	< -97 >	< -114 >	< -256 >	< 326 >
EBITDA ※5	1,090.0	+ 50.0	530.0	560.0	1,232.6	670.7	561.8	- 140.7	+ 30.0	- 142.6	1,040.0

(※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 fiscal 2024, Underlying Business Profit excludes losses of ¥80.0 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) All outstanding convertible bonds are assumed to be converted. (※5) Business Profit + Depreciation

(※6) Analysis in Business Profit

	H1 FY 2023 → H1 FY 2024 forecasts	H1 FY 2024 forecasts → H2 FY 2024 forecasts	FY 2023 → FY 2024 forecasts	Changes from the previous forecasts
Change in Business Profit	-154.0	+20.0	-170.0	+50.0
1. Steel business	-156.0	~	-181.0	+45.0
①Manufacturing shipment volume	-5.0	-5.0	~	~
②Spread (including impact from FX rate fluctuation)	-75.0	+25.0	-70.0	+20.0
③Cost reduction	+20.0	+5.0	+30.0	~
④Overseas steel business	-34.0	+10.0	-42.0	~
⑤Raw material business	+20.0	~	+38.0	+15.0
⑥Other group companies	-27.0	+30.0	-36.0	~
⑦Inventory valuation impact etc. (including group companies)	+59.0	-30.0	+45.0	+20.0
⑧Others	-114.0	-35.0	-146.0	-10.0
2. Three non-steel segments	+6.0	+14.0	+18.0	+4.0
3. Adjustments	-4.0	+6.0	-7.0	+1.0

(※3) Additional line items

(Billions of Yen)

	FY 2024 forecasts	FY 2023	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.)

【Dividends】

As announced at the time of the announcement of FY2023 financial results (May 9, 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)

<Factors Influencing Performance>

(1)NIPPON STEEL CORPORATION

	FY 2024 forecasts	Changes from the previous forecasts	1st half forecasts	2nd half forecasts	FY 2023	1st half	2nd half	H1 FY2023 → H1 FY2024 forecasts	H1 FY2024 forecasts → H2 FY 2024 forecasts	FY 2023 → FY 2024 forecasts	Previous Forecasts (Released on May. 9, 2024)
Consolidated crude steel output volume (10,000 tons)	Approx. 4,000	- 50	Approx. 2,030	Approx. 1,980	4,051	2,019	2,032	+11	- 50	- 51	Approx. 4,050
Non-Consolidated crude steel output volume (10,000 tons)	Approx. 3,450	- 50	Approx. 1,750	Approx. 1,700	3,499	1,744	1,754	+6	- 50	- 49	Approx. 3,500
Steel materials shipment volume (10,000 tons)	Approx. 3,200	-	Approx. 1,610	Approx. 1,590	3,203	1,617	1,586	- 7	- 20	- 3	Approx. 3,200
Steel materials price (¥1,000/ton)			Approx. 146		144.8	144.1	145.4	+2			
Exchange rate (¥/\$)	Approx. 153	+8	Approx. 155	Approx. 150	144	140	148	+15	- 5	+9	Approx. 145

(2)All Japan

Crude steel output volume *1 (10,000 tons)			Approx. 4,280		8,683	4,377	4,306	- 97			
Steel consumption (10,000 tons)*2	Approx. 5,100	-	Approx. 2,520	Approx. 2,580	5,187	2,614	2,573	- 94	+ 60	- 87	Approx. 5,100
(In manufacturing industries)	(Approx. 3,400)		(Approx. 1,680)	(Approx. 1,720)	(3,464)	(1,754)	(1,710)	(- 74)	(+ 40)	(- 64)	
<% of manufacturing>	<Approx. 67%>		<Approx. 67%>	<Approx. 67%>	< 66.8%>	< 67.1%>	< 66.5%>	<- 0%>	-	<+ 0%>	
Plain carbon steel consumption (10,000 tons)	Approx. 3,960		Approx. 1,960	Approx. 2,000	4,045	2,033	2,012	- 73	+ 40	- 85	
In construction	Approx. 1,620		Approx. 800	Approx. 820	1,656	826	830	- 26	+ 20	- 36	
In manufacturing	Approx. 2,340		Approx. 1,160	Approx. 1,180	2,389	1,208	1,181	- 48	+ 20	- 49	
Specialty steel consumption (10,000 tons)	Approx. 1,130		Approx. 560	Approx. 570	1,142	581	561	- 21	+ 10	- 12	

* 1METI forecast * 2 The Company estimates

<Segment Information>

(Billions of Yen)

	FY 2024 forecasts	Changes from the previous forecasts	1st half forecasts	2nd half forecasts	FY 2023	1st half	2nd half	H1 FY2023 → H1 FY2024 forecasts	H1 FY2024 forecasts → H2 FY 2024 forecasts	FY 2023 → FY 2024 forecasts	Previous Forecasts (Released on May. 9, 2024)
Revenue	8,800.0	-	4,400.0	4,400.0	8,868.0	4,412.4	4,455.6	- 12.4	-	- 68.0	8,800.0
Steelmaking and Steel Fabrication	8,000.0	-	4,000.0	4,000.0	8,076.3	4,053.2	4,023.0	- 53.2	-	- 76.3	8,000.0
Engineering and Construction	400.0	-	180.0	220.0	409.2	175.4	233.8	+ 4.6	+ 40.0	- 9.2	400.0
Chemicals and Materials	270.0	+ 10.0	140.0	130.0	260.8	132.8	127.9	+ 7.2	- 10.0	+ 9.2	260.0
System Solutions	330.0	-	153.0	177.0	311.5	145.0	166.5	+ 8.0	+ 24.0	+ 18.5	330.0
Adjustment	(200.0)	- 10.0	(73.0)	(127.0)	(189.8)	(94.1)	(95.7)	+ 21.1	- 54.0	- 10.2	(190.0)
Business Profit	700.0	+ 50.0	340.0	360.0	869.6	494.2	375.4	- 154.2	+ 20.0	- 169.6	650.0
Steelmaking and Steel Fabrication	640.0	+ 45.0	320.0	320.0	821.0	476.7	344.3	- 156.7	-	- 181.0	595.0
Engineering and Construction	15.0	-	3.0	12.0	(1.3)	(5.4)	4.0	+ 8.4	+ 9.0	+ 16.3	15.0
Chemicals and Materials	16.0	+ 3.0	8.0	8.0	15.3	10.8	4.5	- 2.8	-	+ 0.7	13.0
System Solutions	37.0	+ 1.0	16.0	21.0	35.5	15.1	20.4	+ 0.9	+ 5.0	+ 1.5	36.0
Adjustment	(8.0)	+ 1.0	(7.0)	(1.0)	(1.0)	(3.0)	1.9	- 4.0	+ 6.0	- 7.0	(9.0)

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 FY2024

Global steel demand remains in an unprecedented harsh situation in FY2024. Factors such as the economic slump in China and worsening business sentiment in Europe and the U.S. made it difficult to predict a recovery in actual demand at this point, and the market is likely to take time to recover. While product prices have been sluggish due partly to China's steel exports, raw material prices have remained high due to the continued high level of production in India and elsewhere. The spread in the overseas commodity spot market is not expected to improve, and the decoupling structure of raw materials and products is becoming more serious.

2. FY2024 forecasts and FY2025 outlook

- **FY2024 forecasts and dividends:** While we expect the unprecedented severe situation to continue for the foreseeable future, **our earnings forecasts for 1H and 2H have been revised upward from the previous announcement (May 9)**. 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.

	FY2024 Forecasts (¥billion)				Full year	Chg. from forecasts of May 9
	1H	Chg. from forecasts of May 9	2H	Chg. from forecasts of May 9		
Underlying Business Profit	360.0	(+20.0)	420.0	(+10.0)	780.0	(+30.0)
Consolidated Business Profit	340.0	(+40.0)	360.0	(+10.0)	700.0	(+50.0)
Profit	220.0	(+40.0)	120.0	(~)	340.0	(+40.0)
DPS / Payout ratio	Full-year DPS of ¥160 (including Interim DPS of ¥80) / Payout ratio of about 47% (*)					

(*) Basic earnings per share is calculated on the assumption that all outstanding convertible bonds are converted into shares.

- **FY 2025 (the final year of the ongoing Medium- to Long-term Management Plan):** Plan to secure underlying BP 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 FY2024. Moreover, by acquiring.
- U. S. Steel*, we aim to achieve the Group's future vision of ¥1 trillion in BP 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

- Steady improvement of base operation performance and continuous efforts in the business of direct contract-based sales to customers**
 - Pursue cost reduction by continuing efforts to stabilize operations and facilities, and by further improving operational efficiency.
 - Concerning direct contract-based sales, we will pursue the objective of maintaining appropriate margins based on selling prices that take into account the intrinsic value of our products and services as well as the value of stable supply. We will do this by asking for proportionate sharing of the impact of increases in labor, logistics, and other costs throughout the supply chain.
- 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 FY2024.
 - Promote investment in capacity expansion to realize a production structure for concentrated production of high-value-added products, using state-of-the-art facilities.
- Further strengthening of the domestic steelmaking business**
 - Considering measures to further strengthen the domestic steelmaking business of Nippon Steel and its Group companies.
 - Announced today:** The Nippon Steel Group's domestic electro-resistance welded tube business will be reorganized on April 1, 2025. After integrating manufacturing and sales by business segment, both one entire site along with a total of seven production lines, including those at the said site, will be suspended by the targeted date of April 1, 2028 to optimize the production structure and strengthen competitiveness.

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

- Enhance collaboration and pursue synergies with Nippon Steel Trading Corporation and other group companies to strengthen competitiveness throughout the supply chain from steelmaking to distribution and processing.
Benefit from acquisition of a 20% interest in EVR JV, which will contribute to earnings from FY2024, in order to expand the business of raw materials for steelmaking, which is indispensable for future carbon-neutral steel production process, and shift to a consolidated profit structure that is made 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 in 2H CY2024 (July to December). In the U.S., the largest market for high-grade steel, we intend to capture demand in which we can leverage our technological and product strengths and create new value by combining the technological capabilities of both companies.
We have obtained approvals from all regulatory authorities except those of the U.S., and we are working toward obtaining approvals from the relevant U.S. regulatory authorities.
We have conducted direct dialogue with stakeholders through visits by our top management to the U.S., as well as advertising and PR activities to solicit understanding.
- Strengthening selection and concentration: An agreement was reached on the transfer of Nippon Steel’s equity stake in Baosteel-Nippon Steel Automotive Steel Sheets Co., Ltd. (BNA) on August 29, 2024, upon the expiration of the management period.

(4) Challenge to realize carbon-neutral steelmaking and contribution to realization of a carbon-neutral society

- We will improve the predictability of investment by overcoming the following three issues specific to carbon neutrality in the steel industry.
Technical issues: Establish decarbonization technologies that do not exist at present and innovate production processes that take advantage of the characteristics of both the BF processes and the EAF processes.
Predictability of investment recovery: Promote awareness of environmental value to consumers with regard to significant investment and rising operating costs.
Infrastructure: Need of a government policy to develop social infrastructure, such as the stable supply of green power and hydrogen, and CCUS.

(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: Our new TV commercial, "The World is Made of Steel", begins airing its Part2 phase in July.

(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.
- 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)
- **Plan to implement early redemption to promote conversion of ¥150.0B of convertible bonds due 2026, as the price conditions of the soft call clause have been satisfied.**
→ Even after the U. S. Steel acquisition, D/E will be around 0.8. Plans to lower D/E to the 0.7 level by the end of FY2024.

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 Quarter 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	(*)Approx. 21.51	Approx. 42.80				

(*)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)
June	2022	6.03	(177.7)	4.52	0.188
July	2022	5.90	(177.7)	4.37	0.186
Aug.	2022	5.96	(199.9)	4.47	0.185
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 *3	2024	5.29	(178.1)	4.07	0.221

*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	Approx. 8.60	Approx. 17.20				

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	Approx. 10.20	Approx. 20.30			Approx. 19.80	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	Approx. 8.80	Approx. 17.50			Approx. 17.00	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	Approx. 8.10	Approx. 16.10			Approx. 15.90	Approx. 32.00

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	146.4	Approx. 145	Approx. 146				

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	Approx. 45	Approx. 44				

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	Approx. 155	Approx. 155			Approx. 150	Approx. 153

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.