



News Release

October 11, 2024

Nippon Steel Corporation
Nippon Steel Stainless Steel Corporation

Notice of Merger between Nippon Steel Corporation and Nippon Steel Stainless Steel Corporation

Nippon Steel Corporation (hereafter, “NSC”) and Nippon Steel Stainless Steel Corporation (hereafter, “NSSC”), a wholly-owned subsidiary of NSC, hereby announce that their respective Boards of Directors, at meetings held today, resolved to conduct a merger (hereafter, the “Merger”) with NSC as the surviving company and NSSC as the dissolving company, effective as of April 1, 2025, as follows.

1. Purpose of the Merger

NSSC has leveraged its business scale specialized in the stainless steel sheet business and strengthened its sales, quality, cost, commodity development, etc. under a fast and efficient organizational and operational structure. NSSC has also established a stable business base by building a streamlined and robust production facility system.

At the same time, however, a business environment is expected to become even more challenging than before, due to factors such as a decline in domestic demand caused by factors such as population decline and automobile electrification, the prolonged problem of overcapacity in the Asian market, and changes in social and industrial structures aimed at decarbonization, which will require us to address increasingly sophisticated and diverse management issues in order to achieve sustainable growth in the stainless steel sheet business.

Particularly in the new energy field such as hydrogen and ammonia, where demand is expected to grow in the future, it is essential to have a mechanism for accelerating the development of new strategic products utilizing the knowledge gained through research & development and a sales activity system that maximizes the ability to make proposals and respond to customers.

In addition, the two companies will need to work together on global business as a basis for growth and on the study of the process conversion from blast furnace to electric furnace, for which the decision was taken today to apply for government support on the basis of the GX Promotion Act.

Based on this recognition of the issues, we have come to the conclusion that it is necessary to strengthen

and optimize human resources from a group-wide perspective and to build a system that can make the best use of the management resources of both companies, and we have therefore decided to implement an absorption-type merger of NSSC into NSC.

Through the Merger, we will strive to contribute to our customers more than ever before, and we will work to achieve maximum synergy effects as soon as possible and further increase our profits.

2. Summary of the Merger

(1) Schedule

Date of Board resolution (both companies): October 11, 2024

Date of conclusion of merger agreement: October 11, 2024

Effective date of merger: 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 between NSC and NSSC, 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
3. Leadership	Tadashi IMAI, Representative Director, President and COO
4. Business	Steelmaking and steel fabrication, engineering and construction,

	chemicals and 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)	<table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>12.6%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (Trust Account)</td> <td>4.9%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>2.0%</td> </tr> <tr> <td>STATE STREET BANK WEST CLIENT - TREATY 505234</td> <td>1.8%</td> </tr> <tr> <td>Meiji Yasuda Life Insurance Company</td> <td>1.4%</td> </tr> <tr> <td>JPMorgan Securities Japan Co., Ltd.</td> <td>1.4%</td> </tr> <tr> <td>Nippon Steel Group Employees Shareholding Association</td> <td>1.3%</td> </tr> <tr> <td>Mizuho Bank, Ltd.</td> <td>1.2%</td> </tr> <tr> <td>Sumitomo Mitsui Banking Corporation</td> <td>1.1%</td> </tr> <tr> <td>MUFG Bank, Ltd.</td> <td>0.9%</td> </tr> </table>	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%
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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

As the Merger is between NSC and its wholly-owned subsidiary NSSC, the impact on NSC's consolidated results of operation will be negligible.

(For inquiries)

Nippon Steel Corporation

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Nippon Steel Stainless Steel Corporation

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