Flash Report
Consolidated Basis
Results for Fiscal 2024
(April 1, 2024 - March 31, 2025)
＜under IFRS＞

May 9, 2025

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, Head of Corporate Communications Div.
Telephone:	+81-3-6867-2135, 2141, 2146
Scheduled date of annual general meeting of shareholders:	June 24, 2025
Scheduled date to commence dividend payments:	June 25, 2025
Scheduled date to file annual securities report:	June 24, 2025
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, Financial Position and Cash-Flows for Fiscal 2024 (April 1, 2024 - March 31, 2025)

(1) Consolidated Operating Results

（Percentage figures are changes from the same period of the previous fiscal year.）

	Revenue		Business profit (*)		Operating profit		Profit before income taxes		Profit for the year		Profit for the year attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2024	**8,695,526**	**(1.9)**	**683,237**	**(21.4)**	**547,960**	**(29.6)**	**524,377**	**(31.4)**	**382,972**	**(34.9)**	**350,227**	**(36.2)**
Fiscal 2023	8,868,097	11.2	869,657	(5.1)	778,662	(11.9)	763,972	(11.9)	587,898	(20.4)	549,372	(20.8)

	Total comprehensive income for the year		Basic earnings per share	Diluted earnings per share	Ratio of profit to total equity attributable to owners of the parent	Ratio of profit before income taxes to total assets	Ratio of business profit to revenue	Ratio of operating profit to revenue
	Millions of yen	%	Yen	Yen	%	%	%	%
Fiscal 2024	**491,606**	**(39.4)**	**350.92**	**335.15**	**6.9**	**4.8**	**7.9**	**6.3**
Fiscal 2023	810,831	(12.5)	596.59	527.96	12.3	7.5	9.8	8.8

(For reference) Share of profit in investments accounted for using the equity method: Fiscal 2024 ¥126,900 million
Fiscal 2023 ¥144,326 million

(*)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	Total equity attributable to owners of the parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
Fiscal 2024	**10,942,458**	**5,903,380**	**5,383,311**	**49.2**	**5,150.56**
Fiscal 2023	10,714,627	5,355,878	4,777,727	44.6	5,187.32

(3) Consolidated Statements of Cash-Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2024	**978,593**	**(462,428)**	**(313,334)**	**672,526**
Fiscal 2023	1,010,159	(710,654)	(543,945)	448,892

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**	**—**	**80.00**	**160.00**
Fiscal 2025 (Forecasts)	—	60.00	—	60.00	120.00

	Cash dividends	Ratio of cash dividends to profit	Ratio of cash dividends to total equity attributable to owners of the parent
	Millions of yen	%	%
Fiscal 2023	147,525	26.8	3.3
Fiscal 2024	**167,407**	**45.6**	**3.1**
Fiscal 2025 (Forecasts)		62.8	

3. Consolidated Financial Forecasts for Fiscal 2025 (April 1, 2025 - March 31, 2026)

（Percentage figures are changes from the same period of the previous fiscal year.）

	Revenue		Business profit		Total equity attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2025	—	—	400,000	(41.5)	200,000	(42.9)	191.00

For further details, please refer to page 9, “1. Summary of Operating Results (2) Outlook for the Fiscal Year Ending March 31, 2026 (Fiscal 2025)” and “Results and dividends of Fiscal 2024 (April 1, 2024 - March 31, 2025).”

The impact of the transfer of the Company’s equity interest in AM/NS Calvert upon completion of the transaction with U. S. Steel (The transaction between the Company’s wholly-owned subsidiary in America and U. S. Steel, announced on December 18, 2023), which was announced on October 11, 2024, is not included in the financial forecast announced at this time.

* 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: 7
Number of excluded from consolidation: 22

(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)
Fiscal 2024 1,074,726,752 shares
Fiscal 2023 950,549,305 shares

(b) Number of treasury stock at the end of the period
Fiscal 2024 29,538,220 shares
Fiscal 2023 29,510,730 shares

(c) Weighted average number of shares outstanding
Fiscal 2024 998,013,676 shares
Fiscal 2023 920,840,121 shares

(For Reference)

1. A Summary of Non-Consolidated Operating Results and Financial Position for Fiscal 2024 (April 1, 2024 - March 31, 2025)

(1) Non-Consolidated Operating Results

(Percentage figures are changes from the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit for the year	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2024	**4,712,292**	**(3.4)**	**253,378**	**(23.6)**	**294,242**	**(35.1)**	**205,364**	**(36.7)**
Fiscal 2023	4,876,550	(2.0)	331,697	4.2	453,113	(14.0)	324,235	(35.6)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal 2024	**205.54**	**196.32**
Fiscal 2023	351.69	311.27

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2024	**6,775,951**	**2,646,011**	**39.1**	**2,528.93**
Fiscal 2023	6,589,405	2,380,980	36.1	2,582.03

(For reference) Shareholders' equity: Fiscal 2024 ¥2,646,011 million
Fiscal 2023 ¥2,380,980 million

* This flash report is exempt from audit 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.

Index of Attached Documents

1. Summary of Operating Results

(1) Summary of Operating Results and Financial Position for the Fiscal Year Ended March 31, 2025 (Fiscal 2024)

(Overview of Conditions in Fiscal 2024)

In fiscal 2024, the global economy continued to face downward pressure due to factors such as inflation and the effects of prolonged monetary tightening. The Japanese economy was expected to pick up, but domestic demand remained weak.

Under these economic conditions, the global steel supply/demand situation continued to be critical, with the unprecedented severe business environment worsening further. In addition to sluggish demand, structural issues include excess production and increased exports that stemmed from the widening supply/demand gap caused by the slowdown of the Chinese economy, and there are no signs of improvement, further increasing uncertainty.

Having anticipated the unfolding of such a severe business environment, the Nippon Steel Group (“the Group”) formulated the medium- to long-term management plan in March 2021 with the following four pillars: “Rebuilding the domestic steel business and strengthening the Group’s management,” “Promoting a global strategy to deepen and expand the overseas business,” “Taking on the challenge of carbon neutrality,” and “Promoting digital transformation strategies.” We have undertaken business structural reforms ahead of our competitors and have implemented various measures toward establishing a profit structure that enables us to secure underlying business profits* of ¥600.0 billion or more under any business environment. Since fiscal 2024, although the business environment has deteriorated at a scale and speed that exceed the expectations at the time of formulating the medium- to long-term management plan, we have maintained relatively high-level earnings power compared to competitors around the world thanks to the successful implementation of the various structural and profit improvement measures we have undertaken ahead of other companies.

* Underlying business profit excludes inventory valuation impact and other items from business profit, and is recognized as representing the Group's actual profitability.

(Operating Results by Segment in Fiscal 2024)

The Group’s business segments strived to respond to their changing business environments and have applied their utmost management effort. The operating results by business segment are as follows.

(Billions of yen)

	Revenue		Business Profit	
	Fiscal 2024	Fiscal 2023	**Fiscal 2024**	Fiscal 2023
Steelmaking and Steel Fabrication	**7,874.3**	8,076.3	**621.0**	821.0
Engineering and Construction	**400.4**	409.2	**14.6**	(1.3)
Chemicals and Materials	**269.1**	260.8	**18.9**	15.3
System Solutions	**339.3**	311.5	**38.8**	35.5
Total	**8,883.3**	9,057.9	**693.4**	870.7
Adjustments	**(187.8)**	(189.8)	**(10.2)**	(1.0)
Consolidated total	**8,695.5**	8,868.0	**683.2**	869.6

[Steelmaking and Steel Fabrication]

The Steelmaking and Steel Fabrication segment has steadily promoted facility structural measures regardless of short-term improvements in the environment. The segment has also worked to realize a more resilient business structure (a business structure with a robust earnings base), such as by building an integrated business structure from raw materials through to manufacturing and distribution, and strengthening competitiveness across the entire supply chain. As a result, the segment recorded revenue of ¥7,874.3 billion (compared to ¥8,076.3 billion in fiscal 2023) and a business profit of ¥ 621.0 billion (compared to ¥821.0 billion in fiscal 2023).

Specifically, the following efforts were made during fiscal 2024.

As we steadily improve base operation performance, we have worked to optimize our production capacity and the scale of fixed costs by terminating production facilities such as the One series of upstream facilities including the Kashima No. 3 blast furnace in accordance with the roadmap for structural measures for production facilities. We have also promoted sophistication in order mix. In addition, with the aim of further strengthening the domestic steelmaking business of Nippon Steel and its group companies, we restructured the domestic electric resistance-welded pipe business, conducted an absorption-type merger of Nippon Steel Stainless Steel Corporation, and successfully completed the Tender Offer Bid (TOB) for Sanyo Special Steel Co., Ltd. to make it a wholly-owned subsidiary.

In the raw materials business, we aim to secure coking coal for steelmaking, which is indispensable for the carbon-neutral steelmaking process, and high-grade iron ore, and to enhance the consolidated earnings structure that is less susceptible to the external environment. As part of this initiative, we have acquired a 20% interest in the Blackwater Coal Mine in Australia and a 30% interest in the Kami Iron Ore Mine in Canada, and have reached a basic agreement with relevant parties to establish a joint venture to develop and operate this. In the trading and distribution fields, we have pursued synergies by strengthening collaboration between Nippon Steel Trading Corporation and other Nippon Steel Group companies including Nippon Steel. Specifically, we have promoted initiatives such as procurement of and investment in carbon-neutral raw materials, strengthening and optimization of integrated supply chains, and expanding sales in growth fields.

Overseas, we are expanding integrated steel mills in “markets with promising growth in steel demand” and “markets where Nippon Steel’s technologies and products are highly appreciated.” By making such efforts, we strive to ensure the capturing of local demand and securing high integrated added value. In particular, in the Indian market, where future market expansion and further development of domestic production are expected, we are currently undertaking capacity expansion work at the Hazira Works, which is the existing base of ArcelorMittal Nippon Steel India Limited. In addition, we are considering investment for further capacity expansion, such as in the construction of new integrated steel mills. Through these efforts, we seek to raise our presence in the market. In the U.S. market, which is the largest high-grade steel market and is able to leverage the technological and product strengths that Nippon Steel has cultivated over many years, we are currently pursuing a transaction between our U.S. subsidiary and United States Steel Corporation (“U. S. Steel”) (the “Transaction”). In April 2024, U. S. Steel’s stockholders approved the proposed Transaction at a special meeting of stockholders, and Nippon Steel and U. S. Steel have received all required regulatory approvals for the Transaction from non-U.S. regulators. However, after a review by the Committee on Foreign Investment in the United States (“CFIUS”), in January 2025, former President Biden issued an order prohibiting the Transaction. Nippon Steel and U. S. Steel jointly filed a lawsuit against President Biden and CFIUS to vacate the order and require a new review process, alleging that CFIUS failed to perform a national security review consistent with due process and that President Biden issued the order blocking the Transaction for improper political reasons. On April 6, 2025, President Trump issued a Presidential Memorandum directing CFIUS to conduct a new review. Nippon Steel is continuing to work with CFIUS and the U.S. government to obtain approval for the Transaction. When the Transaction is closed, we will have secured a presence in three key geographical areas, by the addition of the United States to India and our offshore home market, ASEAN. Nippon Steel's global crude steel production capacity is thereby expected to reach 86 million tons. We aim to continue improving profitability through expansion of our integrated production systems in these major overseas markets thereby advancing toward the realization of 100 million tons in global crude steel capacity.

Regarding our efforts to achieve carbon neutrality, we have implemented various measures to realize the Nippon Steel Carbon Neutral Vision 2050. Specifically, in the Super COURSE50 development test at a pilot test furnace in the East Nippon Works Kimitsu Area, we achieved a world-first in reducing CO_2 emissions by 43%, meeting the development target ahead of schedule. In addition, construction of a small-sized pilot EAF was completed at the Hydreams facility in the Hasaki Research and Development Center, which in December 2024 started testing for the development of high-grade steel fabricating technology for large-sized EAFs. We have thus been making steady progress in technology development for achieving carbon neutrality using three breakthrough technologies: injection of hydrogen into blast furnaces, 100% hydrogen use in the direct reduction process, and high-grade steel production in large-sized EAFs. Moreover, through the realization of carbon neutrality, we provide two products of value to our customers: NSCarbolex™ Neutral (a steel product that is certified to reduce CO_2 emissions in the steelmaking process) and NSCarbolex™ Solution (a high-performance product and solution technology that contributes to reducing CO_2 emissions in society). By providing the value of these products, we respond to our customers’ needs for decarbonization and to support their international competitiveness. Our efforts have led to a reaffirmation of the importance of the steel industry’s role in decarbonization initiatives and the Green Innovation Fund has significantly increased the allocation of its funds to the steel industry. We are therefore working to accelerate and move forward development and practical implementation in these areas. It is worth noting that our climate change risk information based on our CO_2 emission reduction targets and the framework of the Task Force on Climate-related Financial Disclosures (TCFD) are disclosed in the Integrated Report 2024, per https://www.nipponsteel.com/en/ir/library/annual_report.html. Also of note is that we held Green Transformation (GX) information sessions and a tour to see our dedicated GX R&D facilities. The main purpose of these events was to provide a better understanding of the progress of our measures toward carbon neutrality and the formation of the GX steel market. Many people from institutional investors, financial institutions, analysts, environmental groups, and the media participated in the briefings and tour.
(https://www.nipponsteel.com/en/ir/library/pdf/20250313_100.pdf)

In terms of DX strategy, we have promoted business and production process reforms that make full use of data and digital technologies. As an example of specific initiatives in fiscal 2024, in the management of ship allocation for the ocean transport of raw materials, we have built a system that enables real-time operation information to be obtained, a change that has allowed us to better manage daily transport management. In addition, we have developed and operated an algorithm that formulates an optimal transport plan based on a complex and countless number of ship allocation patterns, achieving significant improvements in transport efficiency. Moreover, an output scheduling system for high-speed production planning in the steelmaking process, which started full-scale operation at the East Nippon Works Kimitsu Area, are currently being introduced at each steelworks in order to improve the efficiency and sophistication of production plans throughout the company. Further, a wireless IoT sensor utilization platform (NS-IoT) that can centrally manage data from wireless IoT sensors installed on site has been incorporated in the company-wide ironmaking process. We are also continuing to implement various DX measures, such as remote management, predictive monitoring, and automation of operations and facility maintenance using IoT and AI, as well as centralization and speeding up of performance management and integrated production planning.

[Engineering and Construction]

Nippon Steel Engineering Co., Ltd. achieved steady progress and completion of large-scale projects in the EPC field in fiscal 2024, such as in the waste-to-energy power generation business and construction work business. The company also made steady progress in businesses such as the environmental Operation & Maintenance business and the electric power business in the service field. As a result, the company generated a similar level of revenue as in fiscal 2023. While revenue remained at a high level, business profit increased year on year thanks to steady business progress without recording losses such as those caused by failures on offshore work vessels in fiscal 2023.

For fiscal 2024, the Engineering and Construction segment recorded revenue of 400.4 billion (compared to ¥409.2 billion in fiscal 2023) and business profit of ¥14.6 billion (compared to business loss of ¥1.3 billion in fiscal 2023).

[Chemicals and Materials]

In the severe business environment in which demand remained sluggish due to soaring raw material and fuel prices worldwide, Nippon Steel Chemical & Material Co., Ltd. posted a year-on-year increase in business profit in fiscal 2024 by giving its utmost to drastically enhance profitability such as the closure of the Kashima Plant in the Coal Tar Chemicals business. In the Coal Tar Chemicals business, demand for needle coke used in graphite electrodes, its main product, remained sluggish, but sales volumes of carbon black for tires were at similar levels to those of the previous year as its sales recovered in the second half of the fiscal year from the drop in demand caused by the automobile inspection fraud. In the Chemicals business, the benzene market remained generally stable, but sales of styrene monomer decreased due to a delay in the recovery of demand for derivatives in Japan, and the continued expansion of new production facilities in China led to stagnation in the styrene monomer market. In the Functional Materials and Composite Materials business, sales were firm due to growth in the high-end zone, such as investments in data centers and AI-related demand in the semiconductor market, and recovery in demand for end products such as smartphones, TVs, and motorcycles. In particular, sales of functional resins were strong due to growing demand for AI servers and data centers and the continued depreciation of the yen, despite the impact of rising raw material prices. As for carbon fiber composite materials, sales of carbon fiber reinforced materials for civil engineering and construction decreased, whereas sales of industrial materials increased. For carbon fiber, sales of high-end products for the sports segment were firm.

The overall Chemicals and Materials segment recorded revenue of ¥269.1 billion (compared to ¥260.8 billion in fiscal 2023) and business profit of ¥18.9 billion (compared to ¥15.3 billion in fiscal 2023).

[System Solutions]

NS Solutions Corporation is working to expand business by capturing the vigorous DX needs to the fullest extent. The company provides a variety of solutions that utilize the business knowledge and know-how gained over many years at production sites, such as by expanding to other customers sales of “PPMP,” the new Process-manufacturing Product Management Package, which was created by productizing the production management system introduced at Nippon Steel. NS Solutions also launched “CloudHarbor,” which provides comprehensive support for cloud-native* services, and is strongly driving the DX promotion of its customers. In order to strengthen and expand its business base, NS Solutions is actively promoting capital and business alliances, such as making OSP Solutions Inc., which has strengths in operation and maintenance services, a wholly owned subsidiary. The company is also working to strengthen its response capabilities in the AI field through investments in and business alliances with companies that have AI technologies.

The System Solutions segment recorded revenue of ¥339.3 billion (compared to ¥311.5 billion in fiscal 2023) and business profit of ¥38.8 billion (compared to ¥35.5 billion in fiscal 2023).

* Cloud-native: A design technology for developing scalable, reliable, resilient, and loosely coupled systems that fully utilize the capabilities provided by the cloud. It is an extended approach of traditional application development in a cloud environment.

(Revenue and Profit)

For fiscal 2024, although the business environment remained extremely harsh, the Company strived to maximize profit by continuing to implement measures such as to fundamentally improve profit structure. As a result, the Company recorded consolidated revenue of ¥8,695.5 billion (compared to ¥ 8,868.0 billion in fiscal 2023), underlying business profit of ¥793.7 billion (compared to ¥935.0 billion in fiscal 2023), business profit of ¥683.2 billion (compared to ¥869.6 billion in fiscal 2023), and profit attributable to owners of the parent of ¥350.2 billion (compared to ¥549.3 billion in fiscal 2023).

(Assets, Liabilities, Equity, and Cash Flows)

Consolidated total assets as of March 31, 2025 were ¥10,942.4 billion, an increase of ¥227.8 billion from ¥10,714.6 billion as of March 31, 2024. The main factors were an increase in cash and cash equivalents (¥223.6 billion), an increase in property, plant and equipment (¥255.1 billion), an increase in Intangible assets (¥85.3 billion), and an increase in investments accounted for using the equity method (¥62.4 billion), which were more than offset a decrease in items such as trade and other receivables (¥157.5 billion), a decrease in inventories (¥77.5 billion), and a decrease in other financial assets (non-current) (¥214.5 billion).

Consolidated total liabilities as of March 31, 2025 were ¥5,039.0 billion, a decrease of ¥319.6 billion from ¥5,358.7 billion as of March 31, 2024. Interest-bearing debt decreased by ¥204.2 billion from ¥2,711.6 billion as of March 31, 2024 to ¥2,507.4 billion and trade and other payables also decreased (¥219.3 billion), which were more than offset an increase in items such as other non-current liabilities (¥71.2 billion).

Consolidated total equity as of March 31, 2025 was ¥5,903.3 billion, an increase of ¥547.5 billion from ¥5,355.8 billion as of March 31, 2024. This was primarily contributed by an increase from profit attributable to owners of the parent of ¥350.2 billion, a decrease in dividend payment (¥162.0 billion), an increase in common stock and capital surplus through the exercises of the stock acquisition rights of the convertible bonds (¥329.2 billion) and an increase in the foreign exchange differences on translation of foreign operations (¥98.1 billion), which were more than offset a decrease in items such as changes in fair value of financial assets measured at fair value through other comprehensive income (¥123.6 billion). As a result, total equity attributable to owners of the parent as of March 31, 2025 amounted to ¥5,383.3 billion, and the ratio of interest-bearing debt to total equity attributable to owners of the parent (D/E ratio) was 0.47 times (0.35 times after adjusting for equity credit attributes of subordinated loans and subordinated bonds).

Cash flows from operating activities in fiscal 2024 amounted to an inflow of ¥978.5 billion (compared to an inflow of ¥1,010.1 billion in fiscal 2023). The main inflow factors were profit before income taxes of ¥524.3 billion, depreciation and amortization (¥385.2 billion), losses on reorganization (¥135.2 billion), and a decrease in trade and other receivables (¥204.6 billion), while the outflow factors included deduction adjustment for share of profit in investments accounted for using the equity method (¥126.9 billion), a decrease in trade and other payables (¥104.5 billion), and income taxes paid (¥180.8 billion).

Cash flows from investing activities amounted to an outflow of ¥462.4 billion (compared to an outflow of ¥710.6 billion in fiscal 2023). The main inflow factors included sales of investment securities (¥231.0 billion), while the outflow factors included purchases of property, plant and equipment and intangible assets (¥597.9 billion).

As a result, free cash flow was an inflow of ¥516.1 billion (compared to an inflow of ¥299.5 billion in fiscal 2023).

Cash flows from financing activities amounted to an outflow of ¥313.3 billion (compared to an outflow of ¥543.9 billion in fiscal 2023). The main inflow factors included the effective increase of interest-bearing debt through the financing by subordinated syndicated loans and public subordinated bonds (¥71.7 billion), while the outflow factors included a year-end dividend for fiscal 2023 and an interim dividend for fiscal 2024 paid (¥162.0 billion), and purchases of shares of subsidiaries that do not result in change in scope of consolidation (¥64.5 billion). As a result of these cash flows, the cash and cash equivalents at the end of fiscal 2024 were ¥672.5 billion.

(Basic Policy on Profit Distribution and Fiscal 2024 Dividend)

Nippon Steel’s basic profit distribution policy is to pay dividends from distributable funds at the end of the first half (interim) and second half (year-end) of the fiscal year, in consideration of the consolidated operating results and such factors as capital requirements for investment and other activities aimed at raising corporate value and performance prospects, while also considering the financial structure of the Company on both consolidated and non-consolidated bases. We have adopted a consolidated annual payout ratio target of around 30% as the benchmark for the “payment of dividends from distributable funds in consideration of the consolidated operating results.” The level of the interim dividend is determined in consideration of the first-half performance results and forecasts for the full fiscal year.

We paid a dividend of ¥80 per share at the end of the first half. Regarding the fiscal year-end dividend, as disclosed at the third quarter results announcement (February 6, 2025), management has decided to propose a year-end dividend of ¥80 per share (the annual dividend will be ¥160 per share) at the General Meeting of Shareholders.

(2) Outlook for the Fiscal Year Ending March 31, 2026 (Fiscal 2025)

(Outlook for Operating Performance in Fiscal 2025)

In fiscal 2025, the severe situation in both global and Japanese economies and steel demands is unlikely to improve, and the impact of trade measures on imported materials in various countries is expected to become apparent. Moreover, the U.S. administration's tariff policy is becoming increasingly uncertain day by day and is beginning to have a major impact on the global economy. As a result, the trend toward favoring domestic production is accelerating, and it is expected to have a significant impact on the domestic and overseas steel industry, including an indirect impact.

Against the background of the sluggish Chinese economy and other factors, global demand for steel has become even more severe and the current situation where prices of both products and raw materials have fallen sharply are extremely harsh. Nevertheless, while the initial plan to start investment to increase capacity in India will be delayed to fiscal 2026 or later, we have prospects for underlying business profit to exceed ¥700.0 billion by boosting profit through full demonstration of the effects of structural measures and capital investments, which had been completed by fiscal 2024.

In the meantime, trends of the U.S. administration’s tariffs policy are unforeseeable at this time and their indirect impact on Nippon Steel, which provides products and services to a wide range of customers both in Japan and overseas, could have a significant impact. Therefore, it is difficult at this stage to quantitatively grasp the impact on the entire supply chain.

Despite the challenging environment, in terms of the full-year earnings forecast for fiscal 2025, we strive to secure underlying business profit of ¥600.0 billion or more (excluding potential impact of the Transaction), and to maximize profits by implementing further profit improvement measures.

(Outlook for Dividends for Fiscal 2025)

Business profit and profit attributable to owners of the parent are expected to be at least at ¥400.0 billion and ¥200.0 billion respectively in fiscal 2025, due to the impact of inventory valuation losses and other factors, in addition to the above-mentioned situation. However, for the annual dividend for fiscal 2025, the final year of the medium- to long-term management plan, we plan to distribute a full-year dividend of ¥120 per share*, which makes a cumulative payout ratio of approximately 30% over the five-year period from fiscal 2021 to fiscal 2025.

* If the Transaction is consummated and the Company transfers its entire equity interest in AM/NS Calvert LLC (such transfer, the “Transfer”), the Company expects to record approximately ¥(230.0) billion as a loss on reorganization (Additional line item) in its consolidated financial statements. Even if we revise financial forecast to reflect the Transfer, the full-year dividend forecast for fiscal 2025 will not be changed due to the loss on reorganization.

(If the Transaction is not consummated for any reason, the Transfer will not be consummated and there will be no impact on earnings performance through the loss on reorganization.)

With the aim of becoming “the best steelmaker with world-leading capabilities,” we are committed to steadily implementing various measures aimed at achieving the four pillars of the medium- to long-term management plan: “Rebuilding the domestic steel business and strengthening the Group’s management,” “Promoting a global strategy to deepen and expand the overseas business,” “Taking on the challenge of carbon neutrality,” and “Promoting digital transformation strategies.”

2. Basic Rationale for Selection of Accounting Standards

The Group has applied the International Financial Reporting Standards (IFRS) to financial statements for purposes of increasing corporate value through enhancement of global business development and improving international comparability of financial information in capital markets.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Statements of Financial Position

(Millions of Yen)

ASSETS	March 31, 2024	**March 31, 2025**
Current assets :		
Cash and cash equivalents	448,892	**672,526**
Trade and other receivables	1,587,979	**1,430,435**
Inventories	2,276,665	**2,199,096**
Other financial assets	33,927	**41,425**
Other current assets	212,919	**205,019**
Total current assets	4,560,384	**4,548,503**
Non-current assets :		
Property, plant and equipment	3,380,436	**3,635,585**
Right-of-use assets	100,601	**101,934**
Goodwill	70,207	**71,639**
Intangible assets	177,853	**263,231**
Investments accounted for using the equity method	1,537,936	**1,600,366**
Other financial assets	675,942	**461,378**
Defined benefit assets	127,579	**116,415**
Deferred tax assets	75,893	**135,074**
Other non-current assets	7,791	**8,329**
Total non-current assets	6,154,242	**6,393,955**
Total assets	10,714,627	**10,942,458**

The accompanying notes are integral parts of these statements.

(Millions of Yen)

LIABILITIES	March 31, 2024	**March 31, 2025**
Current liabilities :		
Trade and other payables	1,890,718	**1,671,352**
Bonds, borrowings and lease liabilities	541,495	**473,466**
Other financial liabilities	7,036	**823**
Income taxes payable	80,269	**126,428**
Other current liabilities	62,353	**63,421**
Total current liabilities	2,581,874	**2,335,493**
Non-current liabilities :		
Bonds, borrowings and lease liabilities	2,170,148	**2,034,026**
Other financial liabilities	146	**35**
Defined benefit liabilities	116,309	**111,552**
Deferred tax liabilities	140,532	**137,014**
Other non-current liabilities	349,737	**420,955**
Total non-current liabilities	2,776,874	**2,703,584**
Total liabilities	5,358,748	**5,039,077**
EQUITY		
Common stock	419,799	**569,519**
Capital surplus	398,914	**578,457**
Retained earnings	3,525,585	**3,819,934**
Treasury stock	(58,149)	**(58,236)**
Other components of equity	491,576	**473,635**
Total equity attributable to owners of the parent	4,777,727	**5,383,311**
Non-controlling interests	578,150	**520,069**
Total equity	5,355,878	**5,903,380**
Total liabilities and equity	10,714,627	**10,942,458**

The accompanying notes are integral parts of these statements.

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

Consolidated Statements of Profit or Loss (Millions of Yen)

	Fiscal 2023	**Fiscal 2024**
Revenue	8,868,097	**8,695,526**
Cost of sales	(7,481,331)	**(7,323,874)**
Gross profit	1,386,765	**1,371,651**
Selling, general and administrative expenses	(730,388)	**(815,817)**
Share of profit in investments accounted for using the equity method	144,326	**126,900**
Other operating income	178,085	**79,845**
Other operating expenses	(109,131)	**(79,343)**
Business profit	869,657	**683,237**
Losses on reorganization	(90,995)	**(135,277)**
Operating profit	778,662	**547,960**
Finance income	21,540	**20,841**
Finance costs	(36,230)	**(44,423)**
Profit before income taxes	763,972	**524,377**
Income tax expense	(176,074)	**(141,405)**
Profit for the year	587,898	**382,972**
Profit for the year attributable to :		
Owners of the parent	549,372	**350,227**
Non-controlling interests	38,526	**32,744**
Earnings per share		
Basic earnings per share (Yen)	596.59	**350.92**
Diluted earnings per share (Yen)	527.96	**335.15**

The accompanying notes are integral parts of these statements.

Consolidated Statements of Comprehensive Income (Millions of Yen)

	Fiscal 2023	**Fiscal 2024**
Profit for the year	587,898	**382,972**
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	125,783	**(22,747)**
Remeasurements of defined benefit plans	17,570	**14,546**
Share of other comprehensive income of investments accounted for using the equity method	9,179	**(4,613)**
Subtotal	152,533	**(12,815)**
Items that might be reclassified to profit or loss		
Changes in fair value of cash flow hedges	1,570	**10,222**
Foreign exchange differences on translation of foreign operations	81,716	**108,222**
Share of other comprehensive income of investments accounted for using the equity method	(12,886)	**3,004**
Subtotal	70,400	**121,449**
Total other comprehensive income, net of tax	222,933	**108,634**
Total comprehensive income for the year	810,831	**491,606**
Comprehensive income for the year attributable to:		
Owners of the parent	748,961	**438,493**
Non-controlling interests	61,870	**53,113**

The accompanying notes are integral parts of these statements.

(3) Consolidated Statements of Changes in Equity

Fiscal 2023

(Millions of Yen)

	Equity attributable to owners of the parent					
					Other components of equity	
	Common stock	Capital surplus	Retained earnings	Treasury stock	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 for the year			549,372			
Other comprehensive income					126,397	15,685
Total comprehensive income	―	―	549,372	―	126,397	15,685
Transactions with owners and others						
Conversion of convertible bonds	275	275				
Cash dividends			(152,117)			
Purchases of treasury stock				(84)		
Disposals of treasury stock		1		49		
Changes in ownership interests in subsidiaries		(729)				
Transfer from other components of equity to retained earnings			49,186		(33,500)	(15,685)
Changes in scope of consolidation				(59)		
Subtotal	275	(452)	(102,930)	(94)	(33,500)	(15,685)
Balance as of March 31, 2024	**419,799**	**398,914**	**3,525,585**	**(58,149)**	**287,802**	**―**

	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 for the year			―	549,372	38,526	587,898
Other comprehensive income	(48,486)	105,993	199,589	199,589	23,344	222,933
Total comprehensive income	(48,486)	105,993	199,589	748,961	61,870	810,831
Transactions with owners and others						
Conversion of convertible bonds			―	550		550
Cash dividends			―	(152,117)	(11,959)	(164,076)
Purchases of treasury stock			―	(84)		(84)
Disposals of treasury stock			―	51		51
Changes in ownership interests in subsidiaries			―	(729)	50	(679)
Transfer from other components of equity to retained earnings			(49,186)	―		―
Changes in scope of consolidation			―	(59)	62,928	62,868
Subtotal	―	―	(49,186)	(152,389)	51,018	(101,370)
Balance as of March 31, 2024	**44,212**	**159,561**	**491,576**	**4,777,727**	**578,150**	**5,355,878**

The accompanying notes are integral parts of these statements.

Fiscal 2024

(Millions of Yen)

	Equity attributable to owners of the parent					
					Other components of equity	
	Common stock	Capital surplus	Retained earnings	Treasury stock	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 for the year			350,227			
Other comprehensive income					(32,317)	14,840
Total comprehensive income	−	−	350,227	−	(32,317)	14,840
Transactions with owners and others						
Conversion of convertible bonds	149,720	147,627				
Cash dividends			(162,085)			
Purchases of treasury stock				(69)		
Disposals of treasury stock		1		2		
Changes in ownership interests in subsidiaries		31,914				
Transfer from other components of equity to retained earnings			106,207		(91,366)	(14,840)
Changes in scope of consolidation				(20)		
Subtotal	149,720	179,543	(55,878)	(87)	(91,366)	(14,840)
Balance as of March 31, 2025	**569,519**	**578,457**	**3,819,934**	**(58,236)**	**164,118**	−

	Equity attributable to owners of the parent					
	Other components of equity					
	Changes in fair value of cash flow hedges	Foreign exchange differences on translation of foreign operations	Total	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
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 for the year			−	350,227	32,744	382,972
Other comprehensive income	7,595	98,147	88,266	88,266	20,368	108,634
Total comprehensive income	7,595	98,147	88,266	438,493	53,113	491,606
Transactions with owners and others						
Conversion of convertible bonds			−	297,347		297,347
Cash dividends			−	(162,085)	(16,783)	(178,869)
Purchases of treasury stock			−	(69)		(69)
Disposals of treasury stock			−	3		3
Changes in ownership interests in subsidiaries			−	31,914	(94,466)	(62,551)
Transfer from other components of equity to retained earnings			(106,207)	−		−
Changes in scope of consolidation			−	(20)	55	35
Subtotal	−	−	(106,207)	167,090	(111,194)	55,895
Balance as of March 31, 2025	**51,808**	**257,708**	**473,635**	**5,383,311**	**520,069**	**5,903,380**

The accompanying notes are integral parts of these statements.

(4) Consolidated Statements of Cash-Flows

(Millions of yen)

	Fiscal 2023	**Fiscal 2024**
Cash flows from operating activities :		
Profit before income taxes	763,972	**524,377**
Depreciation and amortization	363,002	**385,243**
Finance income	(21,540)	**(20,841)**
Finance costs	36,230	**44,423**
Share of profit in investments accounted for using the equity method	(144,326)	**(126,900)**
Losses on reorganization	90,995	**135,277**
(Increase) decrease in trade and other receivables	50,126	**204,644**
(Increase) decrease in inventories	68,618	**95,656**
Increase (decrease) in trade and other payables	(53,628)	**(104,577)**
Other, net	(73,798)	**(13,806)**
Subtotal	1,079,651	**1,123,496**
Interest received	21,140	**20,834**
Dividends received	66,459	**51,512**
Interest paid	(30,565)	**(36,354)**
Income taxes paid	(126,526)	**(180,895)**
Net cash flows provided by operating activities	1,010,159	**978,593**
Cash flows from investing activities :		
Purchases of property, plant and equipment and intangible assets	(466,345)	**(597,938)**
Proceeds from sales of property, plant and equipment and intangible assets	12,384	**13,616**
Payments for disposal of property, plant and equipment	—	**(20,256)**
Purchases of investment securities	(7,474)	**(6,031)**
Proceeds from sales of investment securities	20,982	**231,023**
Proceeds from sales of investments in affiliates	19,670	**39,241**
Purchases of shares of subsidiaries resulting in change in scope of consolidation	(108,168)	**(35)**
Payments for acquisition of businesses	—	**(113,715)**
Loans to associates and others	(4,262)	**(5,464)**
Collection of loans from associates and others	1,696	**2,189**
Other, net	(179,137)	**(5,058)**
Net cash flows used in investing activities	(710,654)	**(462,428)**
Cash flows from financing activities :		
Increase (decrease) in short-term borrowings, net	(325,935)	**44,108**
Proceeds from long-term borrowings	85,218	**160,503**
Repayments of long-term borrowings	(211,736)	**(159,090)**
Proceeds from issuance of bonds	—	**166,284**
Redemption of bonds	(60,000)	**(140,010)**
Purchases of treasury stock	(73)	**(58)**
Cash dividends paid	(152,117)	**(162,085)**
Dividends paid to non-controlling interests	(11,959)	**(16,783)**
Purchases of shares of subsidiaries that do not result in change in scope of consolidation	(2,960)	**(64,586)**
Other, net	135,618	**(141,615)**
Net cash flows provided by (used in) financing activities	(543,945)	**(313,334)**
Effect of exchange rate changes on cash and cash equivalents	22,922	**20,803**
Net increase (decrease) in cash and cash equivalents	(221,518)	**223,634**
Cash and cash equivalents at beginning of the year	670,410	**448,892**
Cash and cash equivalents at end of the year	448,892	**672,526**

The accompanying notes are integral parts of these statements.

(5) Notes to the Consolidated Financial Statements

（Going Concern Assumption）

Not applicable

（Segment Information）

1) Summary of reportable segment

The Company engages in the Steelmaking and Steel Fabrication business and acts as the holding company of the Group. The Group has four operating segments determined mainly based on products and services, which are Steelmaking and Steel Fabrication, Engineering and Construction, Chemicals and Materials, and System Solutions. Each operating segment shares the management strategy of the Group, while conducting its business activities independently from and in parallel with other segments of the Group. The following summary describes the operations of each reportable segment:

Reportable segments	Principal businesses
Steelmaking and Steel Fabrication	Manufacturing and sale of steel products
Engineering and Construction	Design, manufacture, sale, construction and supervision of various plants and facilities, energy pipelines, water facilities, industrial machinery and equipment, buildings, building materials and equipment, steel structures, etc.; operation, management and maintenance of plants and facilities, etc.; Waste treatment and recycling business; and supply business of electricity, gas, heat, etc.
Chemicals and Materials	Manufacturing and sale of coal-based chemical products, petrochemicals, electronic materials, materials and components for semiconductors and electronic parts, carbon fiber and composite products, and products that utilize technologies for metal processing
System Solutions	Computer systems engineering and consulting services; IT-enabled outsourcing and other services

2) Information on the amounts of revenue and profit or loss for reportable segments

Fiscal 2023 (April 1, 2023 - March 31, 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	8,010,655	381,600	243,327	232,513	8,868,097	—	8,868,097
Inter-segment revenue or transfers	65,689	27,632	17,506	79,058	189,887	(189,887)	—
Total	8,076,345	409,233	260,834	311,572	9,057,985	(189,887)	8,868,097
Segment profit (loss) <Business Profit>	821,065	(1,340)	15,390	35,588	870,704	(1,046)	869,657
Segment liabilities <Interest-bearing debt>	2,674,600	17,201	9,787	21,555	2,723,144	(11,500)	2,711,644

Note: The adjustments of segment profit of ¥(1,046) million include the Company's share of profit in investments of Nippon Steel Kowa Real Estate Co., Ltd., accounted for using the equity method of ¥11,967 million and elimination of inter-segment revenue or transfers of ¥(13,013) million.

Fiscal 2024 (April 1, 2024 - March 31, 2025)

(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	7,819,748	371,309	250,873	253,594	8,695,526	—	8,695,526
Inter-segment revenue or transfers	54,629	29,165	18,255	85,781	187,830	(187,830)	—
Total	7,874,377	400,474	269,128	339,376	8,883,356	(187,830)	8,695,526
Segment profit (loss) <Business Profit>	621,005	14,628	18,938	38,888	693,461	(10,223)	683,237
Segment liabilities <Interest-bearing debt>	2,473,628	8,525	7,086	18,251	2,507,492	—	2,507,492

Note: The adjustments of segment profit of ¥(10,223) million include the Company's share of profit in investments of Nippon Steel Kowa Real Estate Co., Ltd., accounted for using the equity method of ¥12,808 million and elimination of inter-segment revenue or transfers of ¥(23,032) million.

(Earnings per Share)

1) Basic earnings per share

Profit for the year attributable to common shares of the parent

(Millions of Yen)

	Fiscal 2023 (April 1, 2023－March 31, 2024)	**Fiscal 2024 (April 1, 2024－March 31, 2025)**
Profit for the year attributable to owners of the parent	549,372	**350,227**
Profit for the year not attributable to ordinary equity holders of the parent	—	—
Profit for the year used to calculate basic earnings per share	549,372	**350,227**

Weighted average number of ordinary shares outstanding

	Fiscal 2023 (April 1, 2023－March 31, 2024)	**Fiscal 2024 (April 1, 2024－March 31, 2025)**
Weighted average number of ordinary shares outstanding	920,840,121 Shares	**998,013,676 Shares**

2) Diluted earnings per share

Profit for the year attributable to common shares of the parent after adjustment for the effects of dilutive potential shares

(Millions of Yen)

	Fiscal 2023 (April 1, 2023－March 31, 2024)	**Fiscal 2024 (April 1, 2024－March 31, 2025)**
Profit for the year used to calculate basic earnings per share	549,372	**350,227**
Adjustment to profit	—	—
Profit for the year used to calculate diluted earnings per share	549,372	**350,227**

Weighted average number of ordinary shares outstanding

	Fiscal 2023 (April 1, 2023－March 31, 2024)	**Fiscal 2024 (April 1, 2024－March 31, 2025)**
Weighted average number of ordinary shares outstanding	920,840,121 Shares	**998,013,676 Shares**
Dilutive effect	119,715,279 Shares	**46,944,478 Shares**
Weighted average number of ordinary shares used to calculate diluted earnings per share	1,040,555,400 Shares	**1,044,958,154 Shares**

（Significant Subsequent Events）

There are no significant subsequent events.

Results and dividends of Fiscal 2024 (April 1, 2024 - March 31, 2025)

The Company recorded consolidated revenue of ¥8,695.5 billion, business profit of ¥683.2 billion and profit attributable to owners of the parent of ¥350.2 billion in fiscal 2024 (April 1, 2024 - March 31, 2025).

<Consolidated Operating Result> (Billions of Yen)

	FY 2024	Changes from the previous forecasts	H1	H2	FY 2024 H1 →FY 2024 H2	FY 2023	FY 2023 →FY 2024	Previous Forecasts (Released on February 6, 2025)
Revenue	8,695.5	+ 95.5	4,379.7	4,315.7	- 64.0	8,868.0	- 172.5	8,600.0
Business Profit ※1	683.2	※5 + 13.2	375.7	307.4	※5 - 68.3	869.6	※5 - 186.4	670.0
[R O S]	[7.9%]	[+0.1%]	[8.6%]	[7.1%]	[-1.5%]	[9.8%]	[-1.9%]	[7.8%]
Underlying Business Profit ※2	793.7	+ 13.7	371.9	421.8	+ 49.9	935.0	- 141.3	780.0
Additional line items ※3	(135.2)	- 5.2	―	(135.2)	- 135.2	(90.9)	- 44.3	(130.0)
Profit attributable to owners of the parent	350.2	+ 40.2	243.3	106.8	- 136.5	549.3	- 199.1	310.0
< Earnings per share (Yen) >	＜350＞	＜+39＞	＜254＞	＜102＞	＜-152＞	＜596＞	＜-246＞	＜311＞
EBITDA ※4	1,068.4	+ 8.4	564.6	503.8	- 60.8	1,232.6	- 164.2	1,060.0
Interest-bearing debt	2,507.4		2,795.7	2,507.4	- 288.3	2,711.6	- 204.2	
D/E ratio After adjusting for equity credit attributes of subordinated loans and subordinated bonds	0.35		0.40	0.35	-0.05	0.45	-0.10	

(※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 FY 2024 , Underlying Business Profit excludes losses of ¥110.5 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) Business Profit + Depreciationterms of amount.

(※3) Additional line items (Billions of Yen)

	FY 2024	FY 2023	FY 2023 →FY 2024
Additional line items Total	(135.2)	(90.9)	- 44.3
Losses on reorganization	(135.2)	(90.9)	- 44.3

<FY 2024>

・Losses on inactive facilities and others: ¥(135.2) billion
(Kashima One series of upstream facilities, steel plate mill, large shape 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.)

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

	FY 2024 H1 →FY 2024 H2	FY 2023 →FY 2024	Changes from the previous forecasts
Change in Business Profit	**－68.0**	**－186.0**	**＋13.0**
1. Steel business	**－87.0**	**－200.0**	**＋10.0**
①Manufacturing shipment volume	－10.0	－20.0	～
②Spread (including impact from FX rate fluctuation)	＋25.0	－30.0	～
③Cost reduction	＋15.0	＋40.0	～
④Overseas steel business	－6.0	－58.0	－1.0
⑤Raw material business	－29.0	＋23.0	＋10.0
⑥Other group companies	＋25.0	－27.0	＋9.0
⑦Inventory valuation impact etc. (including group companies)	－78.0	＋23.0	＋3.0
⑧Others	－29.0	－151.0	－11.0
2. Three non-steel segments	**＋14.0**	**＋23.0**	**＋3.0**
3. Adjustments	**＋5.0**	**－9.0**	**～**

【Dividends】
As released on February 6, 2025, the Board of Directors has decided to propose a year-end dividend of ¥80 per share (The annual dividend is ¥160 per share) at the General Meeting of Shareholders.

＜Factors Influencing Performance＞

(1)NIPPON STEEL CORPORATION

	FY 2024	Changes from the previous forecasts	H1	H2	FY 2024 H1 →FY 2024 H2	FY 2023	FY 2023 →FY 2024	Previous Forecasts (Released on February 6, 2025)
Consolidated crude steel output volume (10,000 tons)	3,964	- 36	1,993	1,972	- 21	4,051	- 87	Approx. 4,000
Non-Consolidated crude steel output volume (10,000 tons)	3,430	- 20	1,720	1,711	- 9	3,499	- 68	Approx. 3,450
Steel materials shipment volume (10,000 tons)	3,162	+ 12	1,591	1,571	- 20	3,203	- 41	Approx. 3,150
Steel materials price (¥1,000/ton)	142.1	- 0.9	145.0	139.1	- 5.9	144.8	- 2.7	Approx. 143
Exchange rate (¥/$)	153	―	154	152	- 2	144	+ 9	Approx. 153

(2)All Japan

	FY 2024	Changes from the previous forecasts	H1	H2	FY 2024 H1 →FY 2024 H2	FY 2023	FY 2023 →FY 2024	Previous Forecasts (Released on February 6, 2025)
Crude steel output volume (10,000 tons)	8,300	- 50	4,184	4,117	- 67	8,683	- 382	Approx. 8,350
Steel consumption (10,000 tons)*1	5,000	- 10	2,486	2,514	+ 28	5,190	- 190	Approx. 5,010

＊1 The Company estimates

<Segment Information> (Billions of Yen)

	FY 2024	Changes from the previous forecasts	H1	H2	FY 2024 H1 →FY 2024 H2	FY 2023	FY 2023 →FY 2024	Previous Forecasts (Released on February 6, 2025)
Revenue	**8,695.5**	+ 95.5	**4,379.7**	**4,315.7**	- 64.0	**8,868.0**	- 172.5	8,600.0
Steelmaking and Steel Fabrication	7,874.3	+ 74.3	3,990.5	3,883.7	- 106.8	8,076.3	- 202.0	7,800.0
Engineering and Construction	400.4	- 9.6	183.3	217.1	+ 33.8	409.2	- 8.8	410.0
Chemicals and Materials	269.1	- 0.9	140.4	128.7	- 11.7	260.8	+ 8.3	270.0
System Solutions	339.3	+ 6.3	157.0	182.3	+ 25.3	311.5	+ 27.8	333.0
Adjustment	(187.8)	+ 25.2	(91.6)	(96.1)	- 4.5	(189.8)	+ 2.0	(213.0)
Business Profit	**683.2**	+ 13.2	**375.7**	**307.4**	- 68.3	**869.6**	- 186.4	670.0
Steelmaking and Steel Fabrication	621.0	+ 10.0	353.8	267.1	- 86.7	821.0	- 200.0	611.0
Engineering and Construction	14.6	+ 2.6	(1.2)	15.8	+ 17.0	(1.3)	+ 15.9	12.0
Chemicals and Materials	18.9	+ 0.9	12.2	6.6	- 5.6	15.3	+ 3.6	18.0
System Solutions	38.8	- 0.2	18.3	20.5	+ 2.2	35.5	+ 3.3	39.0
Adjustment	(10.2)	- 0.2	(7.4)	(2.7)	+ 4.7	(1.0)	- 9.2	(10.0)

(Continued on the following page)

Forecasts and dividends for Fiscal 2025 (April 1, 2025 - March 31, 2026)

Against the background of the sluggish Chinese economy and other factors, global demand for steel has become even more severe. Given the current situation where prices of both products and raw materials have fallen sharply, we are in an extremely harsh situation. Nevertheless, while the initial plan to start investment to increase capacity in India will be delayed to fiscal 2026 or later, we have prospects for securing underlying business profit that exceeds ¥700.0 billion by boosting profit through full demonstration of the effects of structural measures and capital investments, which had been completed by fiscal 2024.
In the meantime, the trend of the tariff policy under U.S. President Trump's administration is currently unforeseeable and its indirect impact on Nippon Steel, which provides products and services to a wide range of customers both in Japan and overseas, may be enormous. Therefore, it is difficult at this stage to quantitatively grasp the impact on the entire supply chain.
We will strive to secure underlying business profit of ¥600.0 billion or more, excluding the impact of the transaction with U. S. Steel, whereas business profit and profit attributable to owners of the parent are expected to be at least at ¥400.0 billion and ¥200.0 billion respectively in fiscal 2025, due to the impact of inventory valuation losses and other factors.

<Forecasts of Consolidated Operating Result> (Billions of Yen)

	FY 2025 forecasts	FY 2024	FY 2024 →FY 2025 forecasts
Business Profit ※2	400.0 or more	683.2	- 283.2
Underlying Business Profit ※3	600.0 or more	793.7	- 193.7
Additional line items ※4	—	(135.2)	+ 135.2
Profit attributable to owners of the parent	※1 200.0 or more	350.2	- 150.2
< Earnings per share (Yen) >	<191 or more>	＜350＞	＜-159＞
Exchange rate (¥/$)	140	153	-13

<Segment Information> (Billions of Yen)

	FY 2025 forecasts	FY 2024	FY 2024 →FY 2025 forecasts
Business Profit	400.0 or more	683.2	- 283.2
Steelmaking and Steel Fabrication	334.0	621.0	- 287.0
Engineering and Construction	17.0	14.6	+ 2.4
Chemicals and Materials	17.0	18.9	- 1.9
System Solutions	43.0	38.8	+ 4.2
Adjustment	(11.0)	(10.2)	- 0.8

（※1） The impact on the profit for the year attributable to owners by the transfer of AM/NS Calvert equity interest upon the completion of the merger with U. S. Steel (The merger of the Company's wholly-owned subsidiary in America and U. S. Steel, announced on December 18, 2023), which is estimated to be approximately ¥(230.0) billion, which was announced on October 11, 2024 is not included in the financial forecast announced at this time.
（※2） 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.
（※3） Underlying Business Profit is Business Profit excluding inventory valuation impact and other items and recognized as representing the Group's actual profitability. In fiscal 2025, Underlying Business Profit excludes losses of ¥200.0 billion.
（※4） 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.

【Dividends】
The annual dividend for fiscal 2025, the final year of the medium- to long-term management plan, we plan to distribute a full-year dividend of ¥120 per share (including an interim dividend of ¥60 per share), which makes a cumulative payout ratio of approximately 30% over the five-year period from fiscal 2021 to fiscal 2025.

Furthermore, if the transaction between the Company's wholly-owned subsidiary in America and U. S. Steel, which was announced on December 18, 2023 (such transaction, the "Transaction") is consummated and the Company transfers its entire equity interest in AM/NS Calvert (such transfer, the "Transfer"), the Company expects to record approximately ¥(230.0) billion as a loss on reorganization (Additional line item) in its consolidated financial statements. Even if we revise financial forecast to reflect the Transfer, the full-year dividend forecast for fiscal 2025 will not be changed due to the loss on reorganization. (If the Transaction is not consummated for any reason, the Transfer will not be consummated and there will be no impact on earnings performance through the loss on reorganization.)

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.

(Continued on the following page)

Nippon Steel's Current Business Environment, and Actions Taken and To Be Taken

1. Recognition of business environment for fiscal 2024 and our outlook for fiscal 2025

- In fiscal 2024, the manufacturing and construction industries in Japan and overseas were sluggish, and global steel demand remained in an unprecedented critical situation. Excess production and increase in exports that stemmed from the widening supply/demand gap caused by the slowdown of the Chinese economy were structural issues, and there were no signs of improvement, further increasing uncertainty.
- In fiscal 2025, the severe situation is unlikely to improve, and the impact of trade measures on imported materials is expected to become apparent in various countries. Moreover, the tariff policy of U.S. President Trump's administration is increasingly becoming uncertain day by day, and is beginning to have a major impact on the global economy. As a result, the trend toward favoring domestic production is accelerating, and it is expected to have a significant direct/indirect impact on the domestic and overseas steel industry.

2. Results for fiscal 2024 and forecasts for fiscal 2025

During the fiscal 2021-2025 medium-to long-term management plan period, we have been establishing an earnings structure that enables us to secure underlying business profit (BP) of ¥600.0 billion or more regardless of business environment. Since fiscal 2024, although the business environment has deteriorated at a scale and speed that exceed the expectations at the time of formulating the management plan, we have maintained a relatively high-level earnings power compared to competitors around the world thanks to the successful implementation of various structural measures and profit improvement measures we have undertaken ahead of other companies.

- **Fiscal 2024 results**

  Secured **underlying BP of ¥793.7 billion and BP of ¥683.2 billion, and net profit of ¥350.2 billion** despite the current severe situation.

- **Fiscal 2025 forecasts (Not incorporating potential impact of the transaction with U. S. Steel)**

  Against the background of the sluggish Chinese economy and other factors, global demand for steel has become even more severe. Given the current situation where prices of both products and raw materials have fallen sharply, we are in an extremely harsh situation. Nevertheless, while the initial plan to start investment to increase capacity in India will be delayed to fiscal 2026 or later, we have prospects for securing underlying BP that exceeds ¥700.0 billion by boosting profit through full demonstration of the effects of structural measures and capital investments, which had been completed by fiscal 2024.

  In the meantime, the trend of the tariff policy under U.S. President Trump's administration is currently unforeseeable and its indirect impact on Nippon Steel, which provides products and services to a wide range of customers both in Japan and overseas, may be enormous.

  Therefore, it is difficult at this stage to quantitatively grasp the impact on the entire supply chain. We will strive to secure **underlying BP of ¥600.0 billion or more** (not incorporating potential impact of the transaction with U. S. Steel), and to steadily implement further profit improvement measures so as to maximize profits.

- **Dividends (forecasts) for fiscal 2025**

  BP and net profit are expected to be at least at ¥400.0 billion and ¥200.0 billion respectively in fiscal 2025, due to the impact of inventory valuation losses and other factors, in addition to the above-mentioned situation. However, **for the annual dividend for fiscal 2025, the final year of the medium- to long-term management plan, we plan to distribute a full-year dividend of ¥120 per share, which makes a cumulative payout ratio of approximately 30% over the five-year period from fiscal 2021 to fiscal 2025**.

	FY 2024 Actual results (¥ billion)		FY 2025 Forecasts (¥ billion)
	Full year	*(Chg. From Feb. 6 forecasts)*	Full year
Underlying Business Profit	793.7	*(+13.7)*	600.0 or more
Consolidated Business Profit	683.2	*(+13.2)*	400.0 or more
Net profit	350.2	*(+40.2)*	200.0 or more *
DPS / Payout ratio	Full-year DPS of ¥160 / Payout ratio of 46%		Full-year DPS of ¥120 (including interim DPS of ¥60) / Payout ratio of approx. 63% for FY 2025, cumulative payout ratio of approx. 30% from FY 2021 to FY 2025

* If the transaction between the Company's wholly-owned subsidiary in America and U. S. Steel announced on December 18, 2023 (such transaction, the "Transaction") is consummated and we transfer our entire equity interest in AM/NS Calvert (such transfer, the "Transfer"), we expect to record approximately ¥230.0 billion as a loss on reorganization. Even if we revise financial forecast to reflect the Transfer, the full-year dividend forecast for fiscal 2025 will not be changed due to the loss on reorganization. (If the Transaction is not consummated for any reason, the Transfer will not be consummated and there will be no impact on earnings performance through the loss on reorganization.)

3. Actions to improve earnings at present and achieve medium- to long-term growth

(0) Progress of the medium- to long-term management plan and long-term vision under development

We have begun to formulate a plan for further growth, and intend to announce it once finalized (by the end of 2025). The following measures are currently being implemented.

Specifically, with demand for steel products declining both in Japan and in other countries, we will develop and implement breakthrough technologies for carbon neutrality in our domestic steelmaking business, while working to drastically strengthen our competitiveness, such as by pursuing synergies through the reorganization of group companies, and strengthening our ability to capture domestic demand. On top of that, we will strengthen business development in India and the U.S., which are less likely to be affected by the issue of excessive exports that started from China, thereby capturing profit growth.

Our aim is to achieve the "100 million tons/1 trillion yen Vision" as early as possible by evolving toward a robust business structure.

(1) Strengthening and restructuring the domestic steelmaking business

1) Steady improvement of base operation performance and continuous efforts in business of direct contract-based sales to customers
2) Demonstration of the effects of completing the structural measures for production facilities based on the current medium- to long-term management plan, promotion of renewal and improvement of facilities and sophistication of order mix
   - Terminated production facilities such as Kashima One Series of upstream facilities by the end of fiscal 2024. Measures to enhance the capacity and quality of electrical steel sheets. Ensured launch and demonstration of the effects of a next-generation hot-strip mill.
3) Further strengthening of the domestic steelmaking business (including electric furnace steel) of Nippon Steel and its group companies and pursuit for synergies from reorganization and consolidation
   - Restructured the domestic electro-resistance welded pipe business, conducted an absorption-type merger of Nippon Steel Stainless Steel Corporation, and successfully completed the Tender Offer Bid (TOB) for Sanyo Special Steel Co., Ltd. to make it a wholly-owned subsidiary. Sought to generate synergies through reorganization and consolidation.
   - **Considering the consolidation of our products manufactured at Kansai Works Osaka Area into Sanyo Special Steel: pursuit of efficiency through centralized production.**
   - **Planning a 49% investment in the electric arc furnaces to be built by Nakayama Steel Works. While focusing on initiatives centered around the sophistication of order mix, we will further expand our competitive product lineup.**
4) Promotion of multifaceted productivity improvement measures through business reform and efficiency improvement, and implementation of personnel measures to secure and promote the active participation of human resources
   - Promote various management strategies such as raising awareness, mid-career recruitment, revising treatment, and improving engagement, in preparation for the future decline in the working population and the increasing mobility of human resources.
5) Promotion of hydrogen reduction steelmaking in large blast furnaces (BFs) and conversion to electric arc furnaces (EAFs), and realization of "Comprehensive Scrap Strategy" from the perspective of a circular economy
   - Steadily advancing the development and implementation of innovative technologies, as well as the promotion and standardization of GX Steel.
   - Started implementation of the "Comprehensive Scrap Strategy" centered on the use of low-grade scrap and the expansion of market procurement (utilization for EAF in Thailand is also underway).
6) 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.

(2) Acceleration of global strategy to deepen and expand overseas business: Aiming to achieve "100 million tons of global crude steel capacity per year"

- U. S. Steel: Our belief has not changed that the transaction, aligning with our business strategy and the policies of the U.S. administration, is the optimal strategy for us that will contribute to the strengthening of U.S. industries, economy, and national security. Commitment to do whatever it takes to initiate the investments that have already been planned.
  Through U. S. Steel, we will continue to address market needs in the U.S., the country with the highest demand for high-grade steel, and drive our global strategy.
- **AM/NS India: Acquired land for an integrated steel mill from the state government in April 2025 (7 million tons of crude steel per year under consideration). Considering the construction of an integrated steelworks in East India, in addition to capacity expansion work at the Hazira Works (approximate crude steel production capacity: from 9 to 15 million tons/year).**

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

- Raw material business

  Acquisition of a 20% interest in Canadian coal miner EVR JV, which has contributed to earnings from fiscal 2024.

  Acquisition of a 20% interest in Blackwater Coal Mine in Australia on March 31, 2025, which **will contribute to earnings from fiscal 2025**.

  Acquisition of a 30% interest in Kami Iron Ore Mine in Canada. Basic agreement to establish a JV to develop and operate a new mining block.

  → We aim to ensure stable purchasing of steelmaking coal, which is indispensable for future carbon-neutral steel production, and high-grade iron ore suitable for direct reduction iron production, which is necessary for the production of high-grade steel with large electric arc furnaces (EAFs). We also strive to enhance the consolidated profit structure that is less susceptible to the external environment through investment in raw material interests.

(4) Shifting management resources to growth areas in the non-steel segment to enhance its earnings structure

- **NS Solutions decided to acquire all shares of InfoCom (¥55.0 billion). Strengthen the asset business for the manufacturing industry and medium-sized companies.**

(5) Maintaining and strengthening a 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.
  - Fiscal 2024: Streamline assets by approximately ¥340.0 billion (**Changes from the previous announcement: +¥90.0 billion**) through the sale of shares of POSCO, Kobe Steel, etc.
  - Fiscal 2025: **Decided to sell a portion of shares of our equity-method affiliate Nippon Steel Kowa Real Estate Co., Ltd. (approximate sale amount: ¥50.0 billion)**.
- Through measures to streamline assets and further optimization of fund procurement, we plan to realize the 0.7 level in D/E by the end of fiscal 2025 even after the transaction with U. S. Steel.

End

NIPPON STEEL CORPORATION
Code Number: 5401
Listings: Tokyo Stock Exchange / Nagoya Stock Exchange /
Fukuoka Stock Exchange / Sapporo Securities Exchange
Contact: Shinnosuke Arita, General Manager,
Head of Corporate Communications Div.-Tel: +81-3-6867-2135, 2141, 2146

Supplementary Information on the Financial Results for 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	20.59	41.84	20.72	20.45	41.17	83.00

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)
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	2024	5.30	(178.5)	4.07	0.221
July	2024	5.00	(161.4)	3.95	0.220
Aug.	2024	5.29	(222.4)	4.09	0.216
Sep.	2024	5.31	(182.7)	4.14	0.210
Oct.	2024	5.11	(163.2)	4.01	0.206
Nov.	2024	4.95	(169.5)	3.92	0.205
Dec.	2024	4.98	(178.5)	3.91	0.206
Jan.	2025	4.97	(174.5)	3.94	0.210
Feb.	2025	4.98	(181.8)	3.86	0.211
Mar. *3	2025	4.97	(160.5)	3.84	0.215

*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	8.39	16.98	8.52	8.35	16.87	33.85

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	9.79	19.93	9.78	9.94	19.72	39.64

(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	8.49	17.20	8.55	8.56	17.11	34.30

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	7.90	15.91	7.98	7.73	15.71	31.62

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	146.2	143.8	145.0	139.0	139.2	139.1	142.1

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	46	45	42	43	43	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	153	154	149	154	152	153

9. Amount of Capital Expenditure and Depreciation

(Consolidated basis)

(billions of yen)

	Capital Expenditure	Depreciation(*)
FY 2023	457.4	363.0
FY 2024	583.4	385.2

(*) The “Depreciation” is including amortization expenses related to intangible assets, excluding goodwill.