

March 27, 2024

To Whom It May Concern,

Company name: Nippon Steel Corporation
Representative: Eiji Hashimoto,
Representative Director and President
Stock listing: Prime Market of Tokyo Stock Exchange / Nagoya
Stock Exchange / Fukuoka Stock Exchange /
Sapporo Securities Exchange
Code number: 5401
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Announcement of Conclusion of an Absorption-type Company Split Agreement regarding a Company Split (Simplified Absorption-type Company Split) between Nippon Steel Corporation and Nippon Steel Trading Corporation

Nippon Steel Corporation (“NSC”) hereby announces that it has today decided, by means of a decision made by its directors based on a mandate from the board of directors, to conclude an absorption-type company split agreement regarding an absorption-type company split in which NSC will succeed to items (i) and (ii) below (collectively, the “Assets, Etc.”) from Nippon Steel Trading Corporation, which is a subsidiary of NSC, (“NSTC”), to be effective on May 8, 2024 (scheduled) (the “Company Split”): (i) obligations pertaining to NSTC’s corporate bonds (including agreements and other rights and obligations pertaining thereto); and (ii) money and other assets of value equivalent to the market value of the corporate bonds. Details are as follows.

Since the Company Split is a simplified absorption-type company split in which NSC succeeds to the Assets, Etc. from its consolidated subsidiary, the disclosed matters and contents are partially omitted.

1. Purpose of the Company Split

The Company Split aims to reduce, by means of NSC succeeding to the Assets, Etc. from NSTC, the practical administrative burdens owed by NSTC in relation to holding obligations pertaining to its issued corporate bonds.

2. Outline of the Company Split

(1) Schedule of the Company Split

Date of decision to conclude the absorption-type company split agreement	March 27, 2024
Date of conclusion of the absorption-type company split agreement	March 27, 2024
Scheduled date of closing (effective date)	May 8, 2024 (scheduled)

* Since the Company Split falls under the category of: (i) for NSC, a simplified absorption-type company split as set forth in Article 796, Paragraph 2 of the Companies Act; and (ii) for NSTC, a simplified absorption-type company split as set forth in Article

784, Paragraph 2 of the Companies Act, neither NSC nor NSTC will hold a general meeting of shareholders for approval of the absorption-type company split agreement.

(2) Method of the Company Split

An absorption-type company split (simplified absorption-type company split) in which NSC will be the successor company and NSTC will be the splitting company.

(3) Details of the Allotment in Relation to the Company Split

Under the Company Split, NSC will not deliver any consideration to NSTC for the Company Split.

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

Not applicable.

(5) Change in Paid-in Capital as a Result of the Company Split

There will be no change in NSC's paid-in capital as a result of the Company Split.

(6) Rights and Obligations Succeeded to by the Successor Company

Under the Company Split, NSC will succeed to the Assets, Etc., as specified in the absorption-type company split agreement. The succession by NSC to obligations will entirely be conducted by the method of assumption of obligation releasing the old obligor.

(7) Prospects for Performance of Obligations

It has been determined that there are no problems foreseen in fulfillment of obligations to be incurred by NSC on and after the effective date of the Company Split.

3. NSC's Stance for Calculation Relating to Contents of the Allotment Pertaining to the Company Split

There will be no delivery of consideration for the Company Split because the amount of the assets and the amount of liabilities, which NSC will succeed to from NSTC, are the same and accordingly the value of the rights and the value of obligations to be succeeded to are the same.

4. Outlines of the Companies Involved in the Company Split

(1) NSC

1. Name	Nippon Steel Corporation																				
2. Location	2-6-1 Marunouchi, Chiyoda-ku, Tokyo																				
3. Name and Title of Representative	Eiji Hashimoto, Representative Director and President																				
4. Description of Business Activities	Steelmaking and steel fabrication, engineering and construction, chemicals and materials, system solutions																				
5. Capital (as of December 31, 2023)	JPY 419,524 million																				
6. Date of Incorporation	April 1, 1950																				
7. Number of Outstanding Shares (as of December 31, 2023)	950,321,402 shares																				
8. Fiscal Year End	March 31																				
9. Major Shareholders and Shareholding Ratios (as of September 30, 2023)	<table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>13.7%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (Trust Account)</td> <td>5.0%</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>Nippon Steel Group Employees Shareholding Association</td> <td>1.3%</td> </tr> <tr> <td>Mizuho Bank, Ltd.</td> <td>1.3%</td> </tr> <tr> <td>Sumitomo Mitsui Banking Corporation</td> <td>1.1%</td> </tr> <tr> <td>MUFG Bank, Ltd.</td> <td>1.0%</td> </tr> <tr> <td>BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)</td> <td>1.0%</td> </tr> </table>	The Master Trust Bank of Japan, Ltd. (Trust Account)	13.7%	Custody Bank of Japan, Ltd. (Trust Account)	5.0%	Nippon Life Insurance Company	2.0%	STATE STREET BANK WEST CLIENT – TREATY 505234	1.8%	Meiji Yasuda Life Insurance Company	1.4%	Nippon Steel Group Employees Shareholding Association	1.3%	Mizuho Bank, Ltd.	1.3%	Sumitomo Mitsui Banking Corporation	1.1%	MUFG Bank, Ltd.	1.0%	BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	1.0%
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10. Financial Position and Operating Results for the Immediately Preceding Fiscal Year (Consolidated/IFRS)																					
Fiscal Year	FY ended March 2023																				
Total Equity	JPY 4,646,417 million																				
Total Assets	JPY 9,567,099 million																				
Equity Attributable to Owners of the Parent per Share	JPY 4,540.59																				
Revenue	JPY 7,975,586 million																				
Business Profit*	JPY 916,456 million																				
Operating Profit	JPY 883,646 million																				
Profit Before Income Taxes	JPY 866,849 million																				
Profit for the Year Attributable to Owners of the Parent	JPY 694,016 million																				
Basic Earnings per Share	JPY 753.66																				

(※) 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 NSC group's consolidated performance continuously. It is defined as revenue after (i) deduction of cost of sales, selling, general and administrative expenses and other operating expenses, and (ii) addition of 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 loss on disposal of fixed assets.

(2) NSTC

1. Name	Nippon Steel Trading Corporation	
2. Location	2-7-1 Nihonbashi, Chuo-ku, Tokyo	
3. Name and Title of Representative	Shinichi Nakamura, President and Representative Director	
4. Description of Business Activities	Marketing and import/export of steel, industrial supply and infrastructure, textiles, foodstuffs and others	
5. Capital	JPY 16,839 million	
6. Date of Incorporation	August 2, 1977	
7. Number of Outstanding Shares	5 shares	
8. Fiscal Year End	March 31	
9. Major Shareholders and Shareholding Ratios (as of September 30, 2023)	NSC	80.0%
	MITSUI & CO., LTD.	20.0%
10. Financial Position and Operating Results for the Immediately Preceding Fiscal Year (Consolidated/Japanese GAAP)		
Fiscal Year	FY ended March 2023	
Consolidated Net Assets	JPY 342,828 million	
Consolidated Total Assets	JPY 1,142,057 million	
Net Assets per Share	JPY 9,748.73	
Consolidated Net Sales	JPY 2,134,280 million	
Consolidated Operating Profit	JPY 47,600 million	
Consolidated Ordinary Profit	JPY 51,328 million	
Consolidated Net Profit for the Year	JPY 35,585 million	
Earnings per Share	JPY 1,039.00	

5. Outline of the Business Division to be Succeeded

(1) Business Description of the Division to be Succeeded

The Assets, Etc. specified in “(6) Rights and Obligations Succeeded to by the Successor Company” of “2. Outline of the Company Split” above.

(2) Operating Results of the Division to be Succeeded (Fiscal Year Ended March 2023)

There are no matters to be stated regarding operating results.

(3) Items and Amounts of Assets and Liabilities to be Succeeded

Assets	Liabilities
JPY 55 billion	JPY 55 billion

In addition to the above, the Assets and Liabilities include the interest on the principal of the corporate bonds to which NSC will succeed from NSTC, which is payable as of the effective date of the Company Split, as well as the amount of money equivalent to the value of such interest.

6. Status Following the Company Split

NSC has decided to appoint the following Chairman and President, to be effective on April 1, 2024.

Specific Titles, etc.	Name
Representative Director, Chairman and CEO	Eiji Hashimoto
Representative Director, President and COO	Tadashi Imai

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

7. Future Prospects

Since the Company Split is an absorption-type company split between a parent company and its consolidated subsidiary, the impact on NSC's consolidated results will be immaterial.

(Reference) Consolidated Earnings Forecasts for the current Fiscal Year (released on February 7, 2024) and Actual Consolidated Earnings Results for the Previous Fiscal Year of NSC

	Revenue	Business Profit	Profit for the year Attributable to Owners of the Parent	Basic Earnings per Share
Current FY Forecasts (FY Ending March 31, 2024)	JPY 9,000,000 million	JPY 800,000 million	JPY 470,000 million	JPY 510.00
Previous FY Results, Actual (FY Ended March 31, 2023)	JPY 7,975,586 million	JPY 916,456 million	JPY 694,016 million	JPY 753.66