

First Half of Fiscal Year 2024 Financial Results

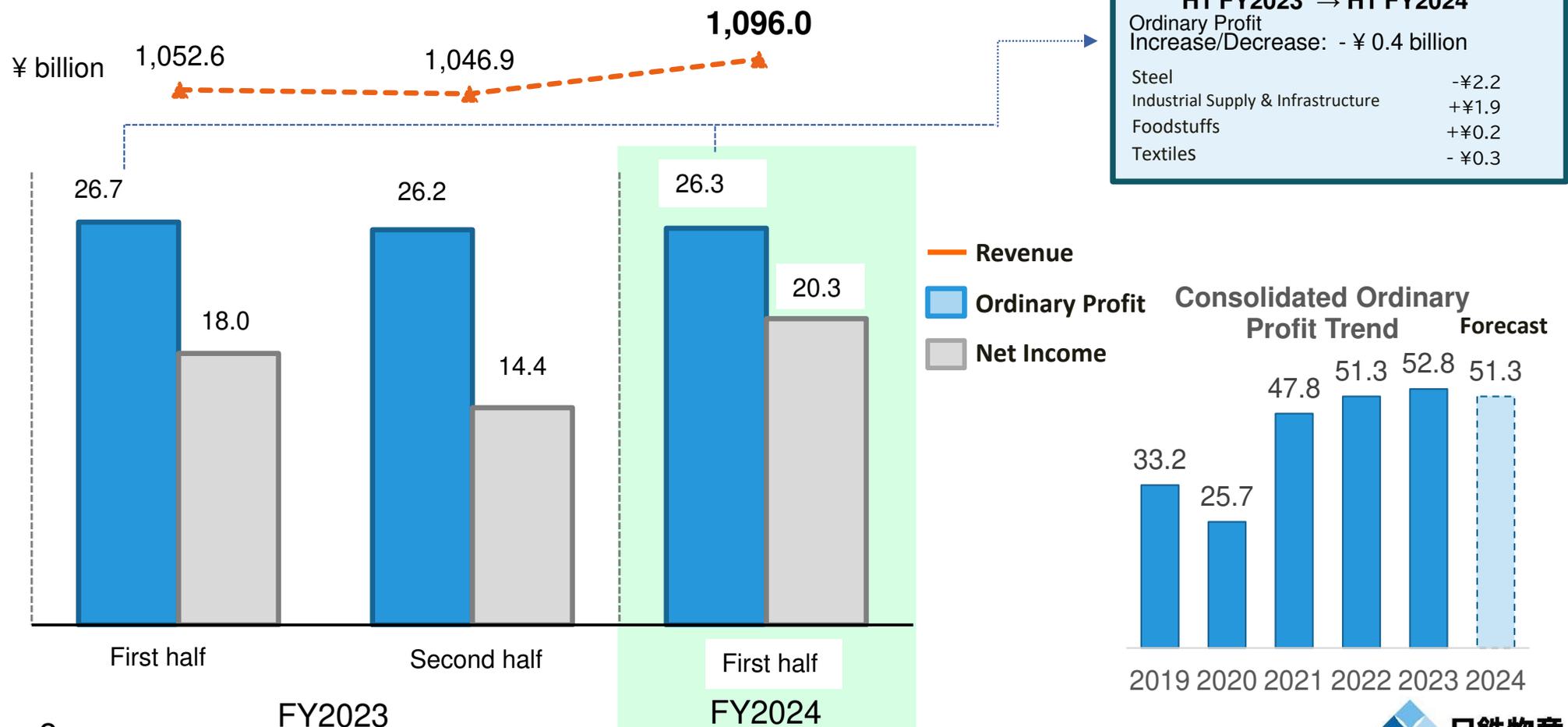
November, 2024



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NIPPON STEEL TRADING

Executive Summary

- The steel business continues to face a challenging environment due to a decline in domestic steel consumption caused by stagnation in the construction sector and sluggish overseas steel markets.
- Although there was an impact from the decline in steel prices and an increase in fixed costs due to enhanced investment in human resources (such as base salary increases), ordinary profit amounted to 26.3 billion yen, nearly the same level as the same period of the previous year, owing to factors such as an increase in marginal profit through the execution of growth strategies and improved profitability in overseas operations within the Industrial Supply & Infrastructure businesses. Net profit reached a record high for the first half due to recording extraordinary gains related to consolidated subsidiaries.



Increases and Decreases in Ordinary Profit of Steel Business

(H1 FY2023 results → H1 FY2024 results)

¥ billion



- Prices and Volume, etc.**
- Domestic Prices Year-over-Year: Flat
 - Export Prices (US\$) 10%↓
 - Domestic Volume Decrease, etc.

- Growth Strategies, etc.**
- Expansion of Strategic Product Line (Electrical Steel Sheets, etc.)
 - Overseas Business Expansion (Americas, India, etc.)
 - Strengthening Domestic Business Competitiveness (Coil Centers) and Others

- Fixed Costs**
- Base Salary Increase (30,000 yen), etc.

FY2023
First Half Results

Ordinary profit -¥ 2.2 Billion

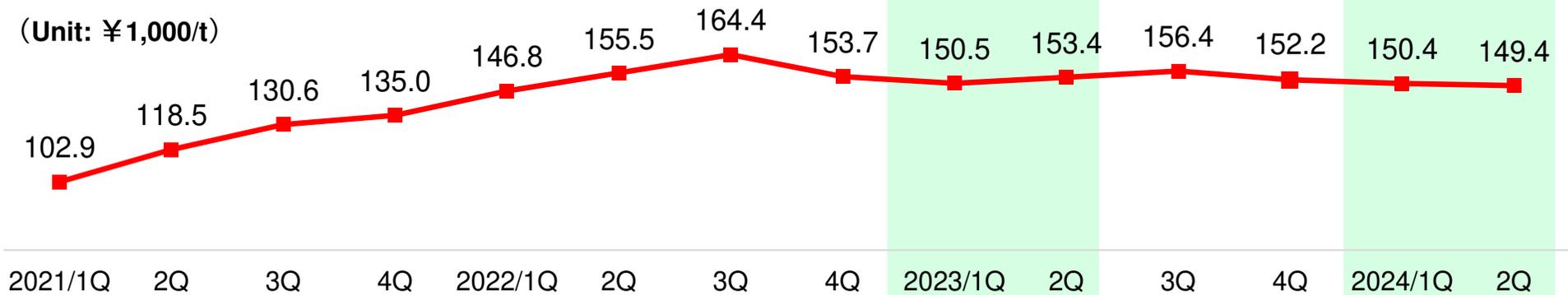
FY2024
First Half Results

Consolidated Steel Handling Volume

10,000tons	FY2023 First Half results	FY2024 First Half results	Increase /Decrease
Consolidated Total	825	899	+ 75
Domestic	464	452	- 12
Overseas	360	447	+ 87

The Company's steel sales prices

(Unit: ¥1,000/t)



1.Subsidiarization of Denkishizai Co., Ltd. (announced on May 30, 2024, executed on August 1, 2024)

To further strengthen our sales base and supply chain functions both domestically and internationally, we have made Denkishizai Co., Ltd., a specialized trading company for electrical steel sheets, a subsidiary. Through integrated operations with the company, we aim to enhance and optimize our sales power and processing system for electrical steel sheets both in Japan and overseas.

2. A Coil Center for Electrical Steel Sheets in Mexico (Scheduled to Begin Operations in April 2025)

As an important supply base to capture the growing demand related to electric vehicles (EVs) in North America, we are currently constructing a coil center specialized in the processing of electrical steel sheets. This facility is located within the Lintel Industrial Park in Mexico, where our Plant & Infrastructure Business Division serves as the general agent.

TOPICS

3. Investment in Mlion Corporation, a Leading Distributor of Civil Engineering And Construction Materials in Singapore (Announced on October 1, 2024)

Through strategic collaboration, we aim to capture the growing demand for civil engineering and construction materials infrastructure in the ASEAN region and strengthen our group's overseas business foundation.

※Implementation of this investment is subject to the fulfillment of conditions specified in the share transfer agreement and the acquisition of necessary approvals from relevant authorities.

4. Merger with NS Architectural Steel Services corporation (October 1, 2024)

Through the merger, we will enhance our comprehensive competitiveness in the building materials sector by integrating the four key components (construction, engineering, civil engineering, and thin sheet building materials). We aim to build a strong and high-value-added supply chain.



During the Signing Ceremony with Mlion Corporation
(Left: Mlion Corporation CEO Mr. Leong Jia-Le, Eric, Right: Our President Shinichi Nakamura)



Construction of the Coil Center for Electrical Steel Sheets in Mexico (as of October 2024)

Corporate Philosophy

1. Continuing to be a corporate group driven by the aspiration of providing goods and services that offer new value to the larger society.
2. Putting trust and reliability first, and by doing so developing together with our customers.
3. Aiming to become the kind of organization that increasingly cultivates, utilizes, and values human resources and their talents.



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