

November 7, 2024

To whom it may concern.

Company Name:	Nippon Steel Corporation
Name of Representative:	Tadashi Imai, Representative Director, President and COO
(Code Number:	5401 TSE Prime, Nagoya Stock Exchange, Fukuoka Stock Exchange, and Sapporo Securities Exchange)
Contact:	Public Relations Center, General Administration Div.
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Notice of Conclusion of Merger Agreement  
for Absorption-Type Merger (Simplified Merger) with Tokai Co-operative Power Co., Inc.

Nippon Steel Corporation (“NSC”) hereby announces that it has decided today, by a decision of Directors based on a mandate from the Board of Directors, to conduct an absorption-type merger with Tokai Co-operative Power Co., Inc. (“Tokai Co-operative Power”), a subsidiary of NSC (the “Merger”), with an effective date (planned) of April 1, 2025, and to conclude a merger agreement pertaining to the Merger. The details are as follows.

Note that the conditions for conducting the Merger shall include the acquisition by NSC of all of the ordinary shares of Tokai Co-operative Power held by Nagoya Sanso Center. Since the Merger is a simplified wholly-owned subsidiary merger, certain disclosure items and details have been omitted.

Notes

1. Purpose of the Merger

Tokai Co-operative Power was established to reduce purchased power at NSC’s Nagoya Works and onsite plants that supply oxygen, etc. to Nagoya Works. As it owns coal-fired thermal power generation facilities, it has undertaken power generation operations on consignment and contributed to improving the cost competitiveness of Nagoya Works over time.

At the same time, increased competition for human resources largely due to population decline, and actions aimed at promoting carbon neutrality, including fuel conversion for coal-fired power generation with a view to decarbonization, are becoming pressing issues, going forward, it will be necessary for NSC to tackle further efficiency improvement in order to strengthen the energy management department of Nagoya Works as well.

Based on its awareness of such issues, NSC has recognize the need to enhance and optimize its human resources across the entire Nippon Steel Group and to establish a unified operating structure, and has therefore decided to implement an absorption-type merger with Tokai Co-operative Power.

Through the Merger, NSC will work to achieve maximum synergy effects from an early stage and further increase profit growth.

## 2. Summary of the Merger

### (1) Schedule of the Merger

Date of decision to conduct the Merger	November 7, 2024
Date of conclusion of merger agreement	November 7, 2024
Effective date of the Merger	April 1, 2025

\*As NSC will hold all shares of Tokai Co-operative Power by the day before the effective date of the Merger, the Merger falls under the category of a simplified merger as stipulated in Article 796, Paragraph 2 of the Companies Act for NSC and a short-form merger as stipulated in Article 784, Paragraph 1 of the Companies Act for Tokai Co-operative Power. Therefore, neither company will hold a general meeting of shareholders to approve the merger agreement.

### (2) Method of the Merger

The Merger will be an absorption-type merger, with NSC as the surviving company and Tokai Co-operative Power as the dissolving company, and Tokai Co-operative Power will be dissolved upon the Merger.

### (3) Details of the Allotment with the Merger

As the Merger is a merger with a wholly-owned subsidiary of NSC, no shares or other consideration will be delivered.

### (4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights upon the Merger

Not applicable.

## 3. Outlines of the Companies Involved in the Merger

### (1) NSC

1. Name	Nippon Steel Corporation
2. Location	2-6-1 Marunouchi, Chiyoda-ku, Tokyo
3. Name and Title of Representative	Tadashi Imai, Representative Director, President and COO
4. Description of Business Activities	Steelmaking and steel fabrication, engineering and construction, chemicals and materials, system solutions
5. Capital (As of September 30, 2024)	JPY 569,519 million

6. Date of Incorporation	April 1, 1950																				
7. Number of Outstanding Shares (As of September 30, 2024)	1,074,726,752 shares																				
8. Fiscal Year End	March 31																				
9. Major Shareholders and Shareholding Ratios (As of September 30, 2024)	<table> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>13.2%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (Trust Account)</td> <td>4.6%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>1.8%</td> </tr> <tr> <td>STATE STREET BANK WEST CLIENT – TREATY 505234</td> <td>1.6%</td> </tr> <tr> <td>Nomura Securities Co., Ltd.</td> <td>1.4%</td> </tr> <tr> <td>Meiji Yasuda Life Insurance Company</td> <td>1.3%</td> </tr> <tr> <td>JPMorgan Securities Japan Co., Ltd.</td> <td>1.2%</td> </tr> <tr> <td>Nippon Steel Group Employees Shareholding Association</td> <td>1.2%</td> </tr> <tr> <td>JP MORGAN CHASE BANK 385781</td> <td>1.1%</td> </tr> <tr> <td>Mizuho Bank, Ltd.</td> <td>1.0%</td> </tr> </table>	The Master Trust Bank of Japan, Ltd. (Trust Account)	13.2%	Custody Bank of Japan, Ltd. (Trust Account)	4.6%	Nippon Life Insurance Company	1.8%	STATE STREET BANK WEST CLIENT – TREATY 505234	1.6%	Nomura Securities Co., Ltd.	1.4%	Meiji Yasuda Life Insurance Company	1.3%	JPMorgan Securities Japan Co., Ltd.	1.2%	Nippon Steel Group Employees Shareholding Association	1.2%	JP MORGAN CHASE BANK 385781	1.1%	Mizuho Bank, Ltd.	1.0%
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10. Financial Position and Operating Results for the Latest Fiscal Year (Consolidated/IFRS)																					
Fiscal Year	FY ended March 2024																				
Total Equity	JPY 5,355,878 million																				
Total Assets	JPY 10,714,627 million																				
Equity Attributable to Owners of the Parent per Share	JPY 5,187.32																				
Revenue	JPY 8,868,097 million																				
Business Profit*	JPY 869,657 million																				
Operating Profit	JPY 778,662 million																				
Profit Before Income Taxes	JPY 763,972 million																				
Profit for the Year Attributable to Owners of the Parent	JPY 549,372 million																				
Basic Earnings per Share	JPY 596.59																				

\*Business Profit on Consolidated Statements of Profit or Loss indicates the results of sustainable business activities, and is an important measure to compare and evaluate Nippon Steel Group's consolidated performance continuously. It is defined as being deducted Cost of sales, Selling general and administrative expenses, and Other 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 loss on disposal of fixed assets.

(2) Tokai Co-operative Power

1. Name	Tokai Co-operative Power Co., Inc.
2. Location	5-3 Tokai-machi, Tokai-shi, Aichi
3. Name and Title of Representative	Takayuki Uchiyama, Representative Director and President
4. Description of Business Activities	Leasing business for power generation facilities and contracting business for work pertaining to the operation thereof
5. Capital	JPY 450 million
6. Date of Incorporation	May 1988
7. Number of Outstanding Shares	9,000 shares
8. Fiscal Year End	March 31
9. Major Shareholders and Shareholding Ratios	Nippon Steel Corporation 70% (incl. indirectly held shares), Nagoya Sanso Center 30% * NSC will hold all shares of Tokai Co-operative Power by the day before the effective date of the Merger.
10. Financial Position and Operating Results for the Latest Fiscal Year (Nonconsolidated/Japanese GAAP)	
Fiscal Year	FY ended March 2024
Net Assets	JPY 1,673 million
Total Assets	JPY 4,828 million
Net Assets per Share	JPY 185,881
Net Sales	JPY 1,376 million
Operating Profit	JPY 9 million
Ordinary Profit	JPY 9 million
Net Profit for the Year	JPY 33 million
Earnings per Share	JPY 3,772

4. Situation after the Merger

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

5. Future Prospects

Since the Merger will be a merger with a wholly-owned subsidiary of NSC, the impact of the Merger on the consolidated financial results is expected to be negligible.

(Reference) Consolidated Earnings Forecasts for the Current Fiscal Year (Disclosed on November 7, 2024) and Actual Consolidated Earnings Results for the Previous Fiscal Year of NSC

	Revenue	Business Profit	Profit Attributable to Owners of the Parent	Basic Earnings per Share
Current FY Forecasts (FY Ending March 31, 2025)	JPY 8,600,000 million	JPY 670,000 million	JPY 310,000 million	JPY 311.00
Previous FY Results, Actual (FY Ended March 31, 2024)	JPY 8,868,097 million	JPY 869,657 million	JPY 549,372 million	JPY 596.59

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