NIPPON STEEL CORPORATION

Notice of the 101st General Meeting of Shareholders

Nippon Steel Corporation
6-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8071

June 2, 2025

Dear Shareholders:

Eiji Hashimoto
Representative Director, Chairman and CEO
NIPPON STEEL CORPORATION (Code Number 5401) (the "Company")
6-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan

Notice of the 101st General Meeting of Shareholders

We are pleased to inform you of the 101st General Meeting of Shareholders which will be held at **10 a.m., Tuesday, June 24, 2025**, at the **banquet room TSURU (Banquet Floor (1st Floor), the Main Building), Hotel New Otani Tokyo, 4-1, Kioi-cho, Chiyoda-ku, Tokyo, Japan**, the agenda of which is set forth below.

In convening the General Meeting of Shareholders, the information that constitutes the content of the Reference Documents for Exercising Voting Rights, etc. (matters to be provided in electronic format) is provided in electronic format and is posted on the Company's website.

The Company's website: https://www.nipponsteel.com/en/ir/individual/meeting.html

In addition to the Company's website above, the matters to be provided in electronic format are also available on the websites of the Tokyo Stock Exchange (TSE), the Nagoya Stock Exchange (NSE), the Fukuoka Stock Exchange (FSE), and the Sapporo Securities Exchange (SSE).

TSE (Listed Company Search):
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show
NSE (Listed Company Search):
https://www.nse.or.jp/listing/search/ (in Japanese)
FSE (Listings Directory):
https://www.fse.or.jp/english/listed/search.php
SSE (List of Listed Companies):
https://www.sse.or.jp/listing/list (in Japanese)

(How to access the information)
For the TSE, NSE, and FSE websites:

- Enter either Nippon Steel's security code (5401) or company name (Nippon Steel Corporation).
- To see the matters to be provided in electronic format on the TSE website, when the Nippon Steel name is displayed, select "Basic information" and then "Documents for public inspection/PR information." On the NSE website, when the Nippon Steel name is displayed, select "Timely Disclosure Information." On the FSE website, select "Detailed information."

For the SSE website: Look for NIPPON STEEL in the "Steel" category to view the matters to be provided in electronic format.

In the event of unavoidable circumstances, such as a disaster, we may change the venue and other details of this General Meeting of Shareholders. In such case, notice of any changes will be posted on the Company's website. Please check the website mentioned above in advance.

If you wish to exercise your voting rights in advance instead of attending the General Meeting of Shareholders in person, please review the "Reference Documents for Exercising Voting Rights" and exercise your voting rights using one of the following methods.

(Voting via the Internet)

Please cast your vote by 5 p.m., Monday, June 23, 2025 (Tokyo time). If you exercise your voting rights multiple times via the Internet, the last vote will be treated as the vote of record. Meanwhile, institutional investors can use the Internet voting rights exercise platform operated by ICJ, Inc.

(Voting by mail)

Please mail the Voting Rights Exercise Form so that it will arrive at the Company by 5 p.m., Monday, June 23, 2025 (Tokyo time).

When votes are registered by both methods, the vote registered via the Internet will be treated as the vote of record.

AGENDA

Matters to be reported to the shareholders:

Report on operations for the 100th term (from April 1, 2024 to March 31, 2025), consolidated financial statements and non-consolidated financial statements for the 100th term, and reports of accounting auditors and the Audit & Supervisory Committee on consolidated financial statements for the 100th term.

Matters for approval by the shareholders:

< Company Proposals (Items 1 through 3) >

Item 1: Appropriation of Surplus for the 100th Term (from April 1, 2024 to March 31, 2025)

Item 2: Election of Ten (10) Directors (Excluding Directors who are Audit & Supervisory Committee Members)

Item 3: Decisions on the Amount and Details of Performance-linked Stock Compensation for Directors (Excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)

<Shareholder Proposals (Items 4 through 6)>

Item 4: Amendments to the Articles of Incorporation with Regard to the Management of Subsidiaries

Item 5: Grant of Restricted Stock Compensation to Representative Director, and Change of the Compensation of Fixed and Performance-linked Compensation, and Stock Compensation, of Representative Directors

Item 6: Addition of a Clawback Clauses for Performance-linked Compensation of Representative Directors

The Company's Board of Directors opposes each of these shareholder proposals (Items 4 through 6).

About handling of your votes

In exercising your voting rights in writing, you will be deemed to have approved the company proposals and have disapproved the shareholder proposals, should no indication be made on the voting form of whether you approve or disapprove each proposal.
In addition, the Company proposal Item 3 and the shareholder proposal Item 5 are contradictory. Therefore, in the case you vote for both of the proposals, both of your votes shall be invalid.

1. Doors will open at 9 a.m.
2. Attendees are requested to submit the enclosed Voting Rights Exercise Form at the reception desk upon arrival at the meeting. When the voting rights are exercised by a proxy, the said proxy is requested to submit the Voting Rights Exercise Form of the principal at the reception desk, together with a power of attorney in this matter. Meanwhile, please note that a proxy must be another shareholder entitled to exercise voting rights.
3. If revisions are made to the matters to be provided in electronic format, the revisions will be indicated on the websites of the Company, the TSE, the NSE, the FSE, and the SSE indicated above.

Reference Documents for Exercising Voting Rights

< Company Proposals (Items 1 through 3) >

Item 1 Appropriation of Surplus for the 100th Term (from April 1, 2024 to March 31, 2025)

The Board of Directors proposes that the term-end dividend for the 100th term will be paid according to the “Surplus Distribution Policy” described on page 51 as follows:

(1) Kind of Dividend
Cash

(2) Dividend Payment and Total Payment
80 yen per share Total payment: 83,703,584,800 yen

(3) Effective Date of Dividend
Wednesday, June 25, 2025

(Reference)
For more information on dividends per share and dividend payout ratio on a consolidated basis for the 100th Term as well as those trends, see page 43.

Item 2 Election of Ten (10) Directors (Excluding Directors who are Audit & Supervisory Committee Members)

The term of office of all ten (10) Directors (excluding Directors who are Audit & Supervisory Committee Members) ends at the conclusion of the 101st General Meeting of Shareholders. The Board of Directors proposes that ten (10) Directors (excluding Directors who are Audit & Supervisory Committee Members) be elected. The candidates are set forth below. Mr. Tetsuro Tomita and Ms. Kuniko Urano are candidates for Outside Directors.

Candidates for Directors (Excluding Directors who are Audit & Supervisory Committee Members)

Name (date of birth)		Brief personal history (with material concurrent positions)		Number of shares of the Company owned
1	Eiji Hashimoto (December 7, 1955) 	April 1979:	Joined NSC	52,793
		April 2009:	Director (under the Executive Management System), Director, Plate Division and Director, Structurals Division of NSC	
		April 2011:	Director (under the Executive Management System) of NSC	
		October 2012:	Executive Officer of the Company	
		April 2013:	Managing Executive Officer of the Company	
		July 2015:	Managing Executive Officer, Vice Head of Global Business Development and Project Leader, Usiminas Project, Global Business Development Sector of the Company	
		April 2016:	Executive Vice President and Head of Global Business Development of the Company	
		June 2016:	Representative Director, Executive Vice President and Head of Global Business Development of the Company	
		April 2019:	Representative Director and President of the Company	
		Assumed current position as Representative Director, Chairman and CEO of the Company in April 2024		

	Name (date of birth)	Brief personal history (with material concurrent positions)		Number of shares of the Company owned
2	Tadashi Imai (May 22, 1963) 	April 1988:	Joined NSC	22,191
		April 2016:	Executive Officer and Head of Works, Nagoya Works of the Company	
		April 2019:	Managing Executive Officer of the Company	
		June 2020:	Managing Director, Member of the Board of the Company	
		April 2021:	Managing Director, Member of the Board and Deputy Project Leader, Zero-Carbon Steel Project; Deputy Project Leader, Next-Generation Hot Strip Mill Project of the Company	
		February 2022:	Managing Director, Member of the Board and Project Leader, Thai Steel Project, Global Business Development Sector; Deputy Project Leader, Zero-Carbon Steel Project; Deputy Project Leader, Next-Generation Hot Strip Mill Project of the Company	
		April 2022:	Managing Director, Member of the Board and Project Leader, Thai Steel Project, Global Business Development Sector; Vice Head of Green Transformation Development; Deputy Project Leader, Next-Generation Hot Strip Mill Project of the Company	
		April 2023:	Representative Director and Executive Vice President, Head of Green Transformation Development; Deputy Project Leader, Next Generation Hot Strip Mill Project of the Company	
		June 2023:	Representative Director and Executive Vice President, Head of Green Transformation Development; Project Leader, Electric Furnace Project; Deputy Project Leader, Next Generation Hot Strip Mill Project of the Company	
		Assumed current position as Representative Director, President and COO in April 2024		
		(Responsibilities) Chairman, The Japan Iron and Steel Federation		

Name (date of birth)		Brief personal history (with material concurrent positions)		Number of shares of the Company owned
3	Takahiro Mori (October 3, 1957) 	April 1983:	Joined NSC	20,952
		April 2020:	Managing Executive Officer, Head of Unit, Plate Unit, Head of Unit, Pipe & Tube Unit, Project Leader, VSB Project, Global Business Development Sector of the Company	
		April 2021:	Executive Vice President, Head of Global Business Development, and Project Leader, India Iron and Steel Project, Global Business Development Sector of the Company	
		June 2021:	Representative Director and Executive Vice President, Head of Global Business Development, and Project Leader, India Iron and Steel Project, Global Business Development Sector of the Company	
		April 2023:	Representative Director and Executive Vice President, Head of Global Business Development, and Project Leader, India Project, Global Business Development Sector of the Company	
		Assumed current position as Representative Director, Vice Chairman and Executive Vice President, Head of Global Business Development; Project Leader, India Project, Global Business Development Sector; Project Leader, USS Project of the Company in April 2024		
		(Responsibilities) Rendering assistance to Chairman and CEO, and cooperating with President and COO on large-scale overseas projects Head of Global Business Development; Project Leader, India Project, Global Business Development Sector; Project Leader, USS Project Accounting & Finance; Overseas Offices (including locally incorporated companies) Cooperating with Executive Vice President H. Funakoshi on Accounting & Finance and IR concerning Corporate Communications		

Name (date of birth)		Brief personal history (with material concurrent positions)		Number of shares of the Company owned
4	Naoki Sato (March 23, 1961) 	April 1983:	Joined NSC	13,262
		April 2020:	Executive Vice President and Head of Works, East Nippon Works of the Company	
		April 2021:	Executive Vice President, Project Leader, Next-Generation Hot Strip Mill Project, and Deputy Project Leader, India Iron and Steel Project, Global Business Development Sector of the Company	
		June 2021:	Representative Director and Executive Vice President, Project Leader, Next-Generation Hot Strip Mill Project, and Deputy Project Leader, India Iron and Steel Project, Global Business Development Sector of the Company	
		April 2022:	Representative Director and Executive Vice President, Project Leader, Next-Generation Hot Strip Mill Project, Project Leader, Ironmaking Operations Project, and Deputy Project Leader, India Iron and Steel Project, Global Business Development Sector of the Company	
		April 2023:	Representative Director and Executive Vice President, Project Leader, Next-Generation Hot Strip Mill Project, Project Leader, Ironmaking Operations Project, and Deputy Project Leader, India Project, Global Business Development Sector of the Company	
		Assumed current position as Representative Director and Executive Vice President, Deputy Project Leader, India Project, Global Business Development Sector; Deputy Project Leader, Thai Steel Project, Global Business Development Sector; Deputy Project Leader, USS Project of the Company in April 2024		
		(Responsibilities) Digital Innovation; Information & Communication Technology; Plant Engineering and Facility Management; Plant/Machinery Engineering & Construction Management Deputy Project Leader, India Project, Global Business Development Sector; Deputy Project Leader, Thai Steel Project, Global Business Development Sector; Deputy Project Leader, USS Project Cooperating with Executive Vice President T. Mori on Technology and Facilities concerning Global Business Development		

Name (date of birth)		Brief personal history (with material concurrent positions)		Number of shares of the Company owned
5	Takashi Hirose (April 19, 1962) 	April 1986:	Joined NSC	1,396
		April 2020:	Managing Executive Officer, Head of Unit, Flat Products Unit, and Project Leader, Shanghai-Baoshan Cold-rolled & Coated Sheet Products Project, Global Business Development Sector of the Company	
		April 2021:	Managing Executive Officer, Head of Unit, Flat Products Unit, Project Leader, Shanghai-Baoshan Cold-rolled & Coated Sheet Products Project, Global Business Development Sector, and Deputy Project Leader, Next-Generation Hot Strip Mill Project of the Company	
		April 2022:	Executive Vice President, Head of Unit, Flat Products Unit, and Deputy Project Leader, Next-Generation Hot Strip Mill Project of the Company	
		June 2022:	Executive Vice President, Head of Unit, Flat Products Unit, and Deputy Project Leader, Next-Generation Hot Strip Mill Project of the Company	
		April 2023:	Representative Director and Executive Vice President and Deputy Project Leader, Next-Generation Hot Strip Mill Project of the Company	
		January 2024:	Representative Director and Executive Vice President, Head of Unit, Pipe & Tube Unit, and Deputy Project Leader, Next-Generation Hot Strip Mill Project of the Company	
		Assumed current position as Representative Director and Executive Vice President and Deputy Project Leader, Next-Generation Hot Strip Mill Project of the Company in April 2024		
		(Responsibilities) Marketing Administration & Planning; Transportation & Logistics; Project Development; Raw Materials; Raw Materials Business Development; Steel Scrap, HBI & Pig Iron General Planning; Machinery & Materials Procurement; Steel Products Units; Domestic Office and Branches Deputy Project Leader, Next-Generation Hot Strip Mill Project Cooperating with Executive Vice President T. Mori on Overseas Offices (including locally incorporated companies)		
		(Material concurrent position) Chairman, The Japan Ferrous Raw Materials Association		

Name (date of birth)		Brief personal history (with material concurrent positions)		Number of shares of the Company owned
6	Hirofumi Funakoshi (June 17, 1963) 	July 1987:	Joined NSC	3,964
		April 2019:	Executive Officer and Head of Division, Corporate Planning Division of the Company	
		April 2021:	Managing Executive Officer of the Company	
		April 2022:	Managing Executive Officer and Vice Head of Green Transformation Department of the Company	
		April 2023:	Executive Vice President of the Company	
		Assumed current position as Representative Director and Executive Vice President of the Company in June 2023		
		(Responsibilities) Corporate Planning; Group Companies Planning; General Administration; Corporate Communications; Legal; Internal Control & Audit; Human Resources; Environmental Planning; Policy issues concerning Green Transformation Development; Business Transformation Project		
		(Material concurrent position) Representative Director, Nippon Steel Arts Foundation		

<table>
<tr><th colspan="2">Name (date of birth)</th><th colspan="2">Brief personal history (with material concurrent positions)</th><th>Number of shares of the Company owned</th></tr>
<tr><td rowspan="8">7</td><td rowspan="8">Hiroyuki Minato
(February 23, 1965)
</td><td>April 1989:</td><td>Joined NSC</td><td rowspan="8">6,920</td></tr>
<tr><td>April 2020:</td><td>Executive Officer and Head of Muroran Works of the Company</td></tr>
<tr><td>April 2021:</td><td>Managing Executive Officer and Head of Muroran Works of the Company</td></tr>
<tr><td>April 2022:</td><td>Managing Executive Officer of the Company</td></tr>
<tr><td>April 2023:</td><td>Managing Executive Officer and Deputy Project Leader, Thai Steel Project, Global Business Development Sector of the Company</td></tr>
<tr><td>April 2024:</td><td>Executive Vice President, Project Leader, Next-Generation Hot Strip Mill Project, and Project Leader, Electric Furnace Project of the Company</td></tr>
<tr><td colspan="2">Assumed current position as Representative Director and Executive Vice President, Project Leader, Next-Generation Hot Strip Mill Project, and Project Leader, Electric Furnace Project of the Company in June 2024</td></tr>
<tr><td colspan="2">(Responsibilities)
Intellectual Property; Environment & Plant Safety; Technical Administration & Planning; Quality Management; Ironmaking Technology; Steelmaking Technology; Energy Technology; Slag, Cement & Resource Recycling; Technical issues concerning Green Transformation Development
Project Leader, Electric Furnace Project; Project Leader, Next-Generation Hot Strip Mill Project
Cooperating with Executive Vice President H. Funakoshi on Production & Facilities Planning concerning Corporate Planning
Cooperating with Executive Vice President T. Hirose on Transportation & Logistics Technology
Cooperating with Executive Vice President T. Hirose on Steel Scrap, HBI & Pig Iron General Planning
Cooperating with Executive Vice President T. Hirose on Steel Products Units</td></tr>
</table>

<table>
<tr><th colspan="2">Name (date of birth)</th><th colspan="2">Brief personal history (with material concurrent positions)</th><th>Number of shares of the Company owned</th></tr>
<tr><td rowspan="7">8</td><td rowspan="7">[New Candidate]

Nobuhiro Fujita
(September 20, 1964)
</td><td>April 1989:</td><td>Joined NSC</td><td rowspan="7">2,238</td></tr>
<tr><td>April 2018:</td><td>Executive Officer and Head of Steel Research Laboratories, Research and Development of the Company</td></tr>
<tr><td>April 2021:</td><td>Managing Executive Officer and Head of Steel Research Laboratories, Research and Development of the Company</td></tr>
<tr><td>April 2024:</td><td>Senior Managing Executive Officer and Head of Steel Research Laboratories, Research and Development of the Company</td></tr>
<tr><td colspan="2">Assumed current position as Executive Vice President and Head of Research and Development of the Company in April 2025</td></tr>
<tr><td colspan="2">(Responsibilities)
Head of Research and Development
Cooperating with Executive Vice President H. Minato on Green Transformation Development</td></tr>
<tr><td colspan="2">(Material concurrent position)
Chairman, The Iron and Steel Institute of Japan
Chairman, The Japan Research and Development Center For Metals</td></tr>
</table>

Name (date of birth)		Brief personal history (with material concurrent positions)		Number of shares of the Company owned
9	[Outside Director] [Independent Director] Tetsuro Tomita (October 10, 1951)  Status of attendance at the Board of Directors (Fiscal Year 2024): 89% (16 out of 18 meetings)	April 1974:	Joined Japanese National Railways	4,827
		April 1987:	Joined East Japan Railway Company	
		June 2000:	Director and General Manager of Management Administration Department, Corporate Planning Headquarters of East Japan Railway Company	
		June 2003:	Executive Director and Deputy Director General of Corporate Planning Headquarters of East Japan Railway Company	
		July 2004:	Executive Director and Deputy Director General of Corporate Planning Headquarters, General Manager of IT Business Department, Corporate Planning Headquarters of East Japan Railway Company	
		June 2005:	Executive Director and Deputy Director General of Corporate Planning Headquarters of East Japan Railway Company	
		June 2008:	Executive Vice President and Representative Director, and Director General of Life-Style Business Development Headquarters of East Japan Railway Company	
		June 2009:	Executive Vice President and Representative Director, and Director General of Corporate Planning Headquarters of East Japan Railway Company	
		April 2012:	President and Representative Director, and Director General of Corporate Planning Headquarters of East Japan Railway Company	
		June 2012:	President and Representative Director of East Japan Railway Company	
		April 2018:	Chairman and Director of East Japan Railway Company	
		Assumed current position as Outside Director of the Company in June 2020 Assumed current position as Advisor of East Japan Railway Company in April 2024		
		(Material concurrent position) Outside Director, ENEOS Holdings, Inc. Outside Director, Nippon Life Insurance Company		
		- Reasons for the election as Outside Director Candidate and outline of expected roles The Board of Directors has proposed the re-election of Mr. Tetsuro Tomita as an Outside Director because it believes that he is well-qualified for the position by reason of the deep insight and ample experience in		

		corporate management, as well as his appropriate actions and remarks as an Outside Director of the Company since his appointment at the 96th General Meeting of Shareholders held on June 24, 2020. Mr. Tetsuro Tomita is expected to contribute to, among others, decision-makings from various perspectives, enhancement of supervisory functions over management and management transparency, of the Board of Directors, by actions such as expressing his opinions and exercising his voting rights from an independent standpoint in such opportunities as meetings of the Board of Directors, based on his deep insight and ample experience.	

(Notes)
1) Mr. Tetsuro Tomita currently serves as an Outside Director of the Company, and will have served as an Outside Director of the Company for five (5) years as of the conclusion of this General Meeting of Shareholders.
2) The Company has already filed Mr. Tetsuro Tomita as a candidate for an “independent director” with each financial exchange in Japan where it is listed.
3) Mr. Tetsuro Tomita was previously engaged in the execution of business of East Japan Railway Company, which has a business relationship with the Company for transactions of steel and other products/services, however he is no longer an executive officer of the company. Since the amount of transactions with the said company accounts for less than 1% of the consolidated revenue of the Company, the said company is not a specified associated service provider of the Company.

Name (date of birth)		Brief personal history (with material concurrent positions)		Number of shares of the Company owned
10	[Outside Director] [Independent Director] Kuniko Urano (October 19, 1956)  Status of attendance at the Board of Directors (Fiscal Year 2024): 100% (18 out of 18 meetings)	April 1979:	Joined Komatsu Ltd.	1,000
		April 2011:	Executive Officer, General Manager of Corporate Communications Department of Komatsu Ltd.	
		April 2014:	Executive Officer, General Manager of Human Resources Department of Komatsu Ltd.	
		April 2016:	Senior Executive Officer, General Manager of Human Resources Department of Komatsu Ltd.	
		June 2018:	Director and Senior Executive Officer of Komatsu Ltd.	
		April 2021:	Director of Komatsu Ltd.	
		June 2021:	Advisor of Komatsu Ltd. (retired in June 2024)	
		Assumed current position as Outside Director of the Company in June 2022		
		(Material concurrent position) Outside Director, Yokogawa Electric Corporation		
		- Reasons for the election as Outside Director Candidate and outline of expected roles The Board of Directors has proposed the re-election of Ms. Kuniko Urano as an Outside Director because it believes that she is well-qualified for the position by reason of the deep insight and ample experience in corporate management, as well as her appropriate actions and remarks as an Outside Director of the Company since her appointment at the 98th General Meeting of Shareholders held on June 23, 2022. Ms. Kuniko Urano is expected to contribute to, among others, decision-makings from various perspectives, enhancement of supervisory functions over management and management transparency, of the Board of Directors, by actions such as expressing her opinions and exercising her voting rights from an independent standpoint in such opportunities as meetings of the Board of Directors, based on her deep insight and ample experience.		

(Notes)
1) Ms. Kuniko Urano currently serves as an Outside Director of the Company, and will have served as an Outside Director of the Company for three (3) years as of the conclusion of this General Meeting of Shareholders.
2) The Company has already filed Ms. Kuniko Urano as an "independent director" with each financial exchange in Japan where it is listed.
3) Ms. Kuniko Urano had previously been an executive officer of Komatsu Ltd., which has a business relationship with the Company for transactions of steel and other products/services, however she is no longer an executive officer of the company. Since the amount of transactions with the said company accounts for less than 1% of the consolidated revenue of the Company, the said company is not a specified associated service provider of the Company.

(Liability Limitation Agreements)

The Company has concluded an agreement with Mr. Tetsuro Tomita and Ms. Kuniko Urano limiting their liability under Article 423, Paragraph 1 of the Companies Act to 20 million yen or the amount stipulated under Article 425, Paragraph 1 of the Companies Act, whichever is greater, as long as they act unknowingly and are not grossly negligent in performing their duties. Upon approval of Item 2 as proposed herein, the agreements will continue to be in effect.

(Indemnity Agreements)

The Company has concluded an agreement with each of Mr. Eiji Hashimoto, Mr. Tadashi Imai, Mr. Takahiro Mori, Mr. Naoki Sato, Mr. Takashi Hirose, Mr. Hirofumi Funakoshi, Mr. Hiroyuki Minato, Mr. Tetsuro Tomita and Ms. Kuniko Urano that the Company indemnifies each of them for the costs stipulated in Article 430-2, Paragraph 1, Item (i) of the Companies Act and the losses stipulated in Item (ii) of the same Paragraph to the extent stipulated by laws and regulations. Upon approval of Item 2 as proposed herein, the agreements will continue to be in effect with each individual.

Upon approval of Item 2 as proposed herein, the Company intends to conclude an agreement with the same terms and conditions as those of the above with Mr. Nobuhiro Fujita.

(Directors and Officers Liability Insurance Contract)

The Company has concluded a directors and officers liability insurance contract with an insurance company with persons including directors, audit & supervisory board members, executive officers, and important employees, of the Company, its subsidiaries, and other related entities as the insured. Under the contract, the insurance company will cover, among others, legal compensation for damages and litigation costs to be incurred by the insured as a result of claims for damages arising from acts (including inaction) of the insured pursuant to their positions. Upon approval of Item 2 as proposed herein and assumption of office as Directors of the Company (excluding Directors who are Audit & Supervisory Committee Members), the candidates will be insured under the insurance.

The Company plans to renew the insurance contracts with the same details for the duration of the candidates' term of office.

[Opinion of the Audit & Supervisory Committee]

The Audit & Supervisory Committee examined this proposal in accordance with the Audit & Supervisory Committee Auditing Standards in consideration of developments including the outline of discussions by the Nomination and Compensation Advisory Committee.

As a result, the Audit & Supervisory Committee concluded that there is nothing in particular to be pointed out regarding this proposal.

(For reference) Composition of the Board of Directors and Skills Matrix of Directors

If Item 2 is approved as proposed herein, the Directors of the Company after this Ordinary General Meeting of Shareholders will be as indicated in the table below. Outside Directors will account for one-third (5 out of 15) of all members of the Company's Board of Directors.

The Company believes that its Board of Directors, as a whole, must have the necessary skills and experience based on the Company's Group corporate philosophy and medium- to long-term management plan, etc. The main skills and experience possessed by each candidate for Director are as shown in the table below.

	Name		Position (Planned)	Skill / Experience								
				Corporate Planning / Business strategy	Finance / Accounting, Monetary / Economy	Personnel / Labor affairs / HR Development	Governance / Risk Management / Legal / Compliance	Technology / R&D	Sales / Purchasing / Marketing	Global	Environment / Sustainability	Public Administration / Public Policy
Directors (Excluding Directors who are Audit & Supervisory Committee Members)	Eiji Hashimoto		Representative Director, Chairman and CEO	✓			✓		✓	✓	✓	
	Tadashi Imai		Representative Director, President and COO	✓			✓	✓			✓	
	Takahiro Mori		Representative Director, Vice Chairman and Executive Vice President	✓	✓				✓	✓		
	Naoki Sato		Representative Director and Executive Vice President				✓	✓			✓	
	Takashi Hirose		Representative Director and Executive Vice President	✓					✓	✓		
	Hirofumi Funakoshi		Representative Director and Executive Vice President	✓		✓	✓				✓	
	Hiroyuki Minato		Representative Director and Executive Vice President				✓	✓			✓	
	Nobuhiro Fujita	New	Representative Director and Executive Vice President				✓	✓			✓	
	Tetsuro Tomita	Outside Independent	Director	✓		✓	✓			✓		
	Kuniko Urano	Outside Independent	Director			✓	✓				✓	
Directors who are Audit & Supervisory Committee Members	Kazumasa Shinkai		Senior Audit & Supervisory Committee Member (full-time)			✓	✓		✓		✓	
	Eiji Sogo		Senior Audit & Supervisory Committee Member (full-time)	✓		✓	✓		✓			
	Kenji Hiramatsu	Outside Independent	Audit & Supervisory Committee Member				✓			✓	✓	✓
	Aiko Sekine	Outside Independent	Audit & Supervisory Committee Member		✓		✓			✓		
	Sumiko Takeuchi	Outside Independent	Audit & Supervisory Committee Member				✓				✓	✓

(Notes) 1. New: New candidate Outside: Outside Director Independent: Independent Director

2. The check mark indicates the main skills and experience (up to four in principle) possessed by each Director candidate, based on their career history and experience.

Item 3 Decisions on the Amount and Details of Performance-linked Stock Compensation for Directors (Excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)

1. Reasons for the proposal

(1) Introduction of performance-linked stock compensation system

This proposal is to request approval for the Company to introduce a new performance-linked stock compensation system. The purpose is to link a portion of the compensation of its Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) to the Company's stock value, and for the Directors to share with its shareholders profits and risks arising from stock price fluctuations, thereby further strengthening the Directors' focus on contributing to the enhancement of medium- to long-term performance and to corporate value.

(2) New compensation system

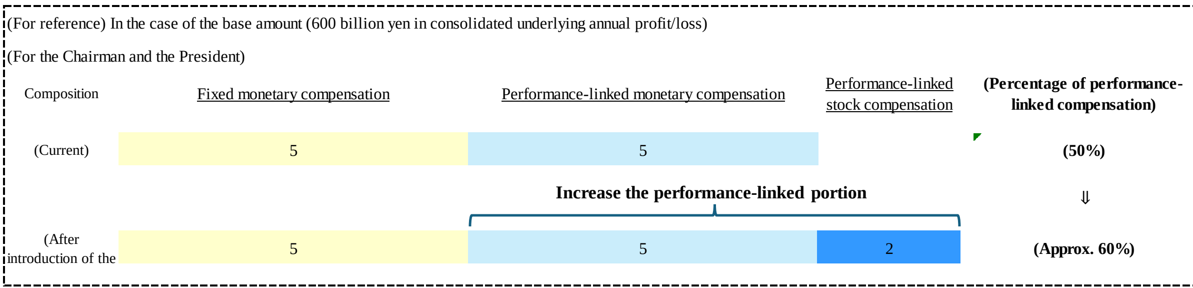
At present, compensation for the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members) consists of fixed compensation and performance-linked compensation, both of which are monetary compensation. This proposal, which will be in addition to the current compensation structure and will not alter it, is to introduce a performance-linked stock compensation system (the "**System**"), using the trust explained in 2. below for the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors). The Company would like to request that its shareholders leave the decision on the specifics of the System to the Board of Directors' discretion within the scope stated in 2. below.

(3) Background to introduction of the System

In order to grow sustainably and enhance its medium- to long-term corporate value amid the ongoing extremely challenging business environment, the Company is tackling unprecedentedly diverse and difficult management issues, including boosting the competitiveness of its domestic steel business, expanding its global business in the growing overseas markets, and achieving carbon neutrality in the steel production processes. To address these management issues, the Company needs to continuously secure excellent personnel that can enhance its medium- and long-term corporate value, as well as to appropriately take risks through proactive and bold decision-making, thereby robustly accelerating growth measures, including research and development, capital expenditures, M&As, and pay raise.

In light of the above circumstances, and to provide the Directors with appropriate position- and performance-based incentives, this proposal is to determine the amount and details of a new performance-linked stock compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors; hereinafter the same applies in this proposal, unless otherwise noted) under the System, taking into consideration trends in the levels and systems of executive compensation in other companies and changes in economic circumstances, among other factors. This proposal will be in addition to the amount of compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) approved at the 100th Ordinary General Meeting of Shareholders held on June 21, 2024 (within 290 million yen per month (of which the amount of compensation for Outside Directors shall be within 14 million yen per month), which will remain without being altered as the upper limit on fixed compensation and performance-linked compensation, both of which are monetary compensation.

Following the introduction of the System, compensation for the Directors will consist of (i) fixed monetary compensation, (ii) performance-linked monetary compensation, and (iii) performance-linked stock compensation, with an even stronger link to the Company's performance and also a link to its stock value.



If Item 2 is approved as proposed therein, the number of Directors eligible for the System will be eight (8).

Note: If this proposal is approved as proposed herein, the Company plans to introduce a similar performance-linked stock compensation system for its Executive Officers.

2. Amount and details of compensation under the System

(1) Overview of the System

The System is a performance-linked stock compensation system using a trust established by the Company (the "**Trust**"). The Company will award points to each Director according to factors such as their positions and the Company's performance, taking into consideration compensation level commensurate with the skills and responsibilities required, pursuant to the share delivery regulations established by the Board of Directors. The Company will deliver to the Directors, upon their retirement as a general rule, the number of Company shares (acquired by the Trust) equivalent to the number of points so awarded through the Trust. The number of voting rights with respect to the shares equivalent to the maximum total number of points per fiscal year that can be awarded to the Directors is 2,950, representing less than 0.03% of the number of voting rights, 10,379,742 (as of March 31, 2025), with respect to the total number of the Company's issued shares.

(i)	Persons eligible for the System	The Company's Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)
(ii)	Subject period	From July 2025 to June 2028 (three (3) years), provided that the subject period may be extended as set forth in (2) below.
(iii)	Maximum amount of monetary contributions made by the Company during the subject period in (ii) as funds to acquire Company shares required for delivery to the eligible persons in (i)	1,650 million yen in total for the initial subject period (three (3) years). If the subject period is extended, the amount obtained by multiplying the number of years so extended by 550 million yen.
(iv)	Method of acquiring Company shares	Acquisition on financial instruments exchange markets (including by off-floor trading) or from the Company (acquisition from the Company shall be made by the disposition of treasury shares).
(v)	Maximum total number of points awarded to the eligible persons in (i)	295,000 points per fiscal year
(vi)	Criteria for awarding points	Points are awarded according to factors such as the eligible person's position and the Company's performance.
(vii)	Timing of delivery of Company shares to the eligible persons in (i)	Upon retirement, as a general rule

(2) Maximum amount of monetary contributions by the Company

The initial period of the Trust shall be approximately three (3) years. The Company shall establish the Trust for the Directors who meet certain requirements as beneficiaries, and shall contribute up to a total of 1,650 million yen to the Trust, as compensation for the Directors who are in office during the subject period, to acquire Company shares required for delivery to those Directors under the System. The Trust shall acquire Company shares on financial instruments exchange markets (including by off-floor trading) or from the Company, using the funds that the Company places in the trust (acquisition from the Company shall be made by the disposition of treasury shares).

Note: In addition to the aforementioned funds to acquire Company shares, the Company shall also place the funds necessary to cover expenses in the trust, such as trust fees and trust administrator's fees. In addition, if a similar performance-linked stock compensation system is introduced for Executive Officers as set forth above, the Company also shall place the funds in the trust to acquire Company shares required for delivery to Executive Officers under the System.

By a resolution of the Company's Board of Directors, the System may be continued by extending the subject period in each instance for a period not exceeding ten (10) years, and by extending the trust period accordingly (including extending the trust period in real terms by transferring the assets in the Trust to another trust established by the Company for the same purpose as that of the Trust; hereinafter the same applies). In that case, the Company shall continue to award the points and deliver Company shares as set forth in (3) below by making an additional monetary contribution to the Trust for up to the amount calculated by multiplying the number of extended years of the subject period by 550 million yen, as funds to acquire additional Company shares required for delivery to Directors under the System (the same shall apply to any subsequent extensions).

In addition, even if the Company does not extend the subject period or continue the System as stated above, if a Director has been awarded points and has not yet retired at the expiration of the trust period, the trust period may be extended until the Director retires and the delivery of Company shares is completed.

(3) Method of calculation and upper limit of the Company shares to be delivered to Directors

(i) Method of awarding points to Directors

In accordance with the share delivery regulations established by the Company's Board of Directors, the Company shall award points to each Director on the point awarding date stipulated therein, according to factors such as the Director's position and the Company's performance.

The upper limit of the total number of points awarded by the Company to the Directors shall not exceed 295,000 per fiscal year.

(ii) Delivery of Company shares in accordance with the number of points awarded

Directors shall receive the delivery of Company shares in accordance with the procedure set forth in (iii) below, according to the number of points awarded in (i) above. However, in certain cases including where a Director is dismissed or resigns due to having executed his or her duties for the purpose of seeking wrongful gain of the Director or a third party, or causing damage to the Company, the Director shall, by a resolution of the Board of Directors, forfeit all or part of the points already awarded and shall not receive the delivery of Company shares pertaining to the forfeited points.

One point represents one Company share. However, if an event occurs with respect to the Company shares that renders it reasonable to adjust the number of Company shares deliverable, such as consolidation of shares or share split, the number of Company shares per point shall be adjusted according to factors such as the ratio of the share split or consolidation of shares.

(iii) Delivery of Company shares to Directors

Each Director acquires beneficial interests in the Trust by following the prescribed procedures upon his or her retirement as a general rule and receives the delivery of Company shares from the Trust as a beneficiary thereof, as set forth in (ii) above.

However, a certain portion of such Company shares may be sold for cash in the Trust in order for the Company to deduct withholding income tax or other tax payment funds, and such cash may be provided in lieu of the Company shares. In addition, if any portion of the Company shares held by the Trust is converted into cash, such as when the relevant Company shares held by the Trust are tendered and settled in a tender offer, such cash will be provided in lieu of the Company shares.

(4) Exercise of voting rights

During the trust period, the voting rights pertaining to the Company shares held in the Trust shall not be exercised in accordance with the instructions of the trust administrator, who is independent of the Company and its officers. This is to ensure neutrality with respect to the Company's business management in the exercise of voting rights related to the Company shares held in the Trust.

(5) Handling of dividends

Dividends on the Company shares held in the Trust shall be received by the Trust and used to acquire Company shares, as well as to pay the trust fees and other expenses related to the Trust.

3. Reasons to consider the System appropriate

The Company resolved at its Board of Directors meeting held on May 16, 2025 to revise its Policies regarding Decisions on the Amount of Compensation for Directors (excluding Directors who are Audit &

Supervisory Committee Members) as set forth in the “For reference” section below, subject to approval of this proposal.
The Company considers this proposal to be essential and reasonable for setting the compensation of Directors in accordance with such revised policies. This proposal has been deliberated by the Nomination and Compensation Advisory Committee, a majority of whose members are Outside Directors. The Company therefore believes that the content of this proposal is appropriate.

(For reference)
The Company’s Policies regarding Decisions on the Amount of Compensation for Directors are as set forth on page 62 to 64. The Company resolved at its Board of Directors meeting held on May 16, 2025 to revise, subject to an approval of this proposal, its Policies regarding Decisions on the Amount of Compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members), after deliberation by the Nomination and Compensation Advisory Committee, a majority of whose members are Outside Directors. The revised policies will be as follows.

Policies regarding Decisions on the Amount of Compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members)

(1) Basic policy, and composition of compensation
Compensation for the Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) consists of (i) fixed monetary compensation, (ii) performance-linked monetary compensation, and (iii) performance-linked stock compensation.

The fixed monetary compensation and the performance-linked monetary compensation are paid monthly. The base amounts of fixed monetary compensation and performance-linked monetary compensation (i.e., the amount of compensation when the Company’s consolidated performance reaches a certain level) are determined for each Director’s position in consideration of compensation level commensurate with the skills and responsibilities required. The amount of performance-linked monetary compensation varies within a certain range based on the Company’s consolidated performance. The amounts of the fixed monetary compensation and the performance-linked monetary compensation for each Director are determined within the limit approved by the General Meeting of Shareholders.

The performance-linked stock compensation is based on a trust-type stock compensation system. Pursuant to the share delivery regulations established by the Board of Directors, each Director (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) is awarded points according to their position and the Company’s consolidated performance, taking into consideration compensation level commensurate with the skills and responsibilities required. The Director receives the delivery of the number of Company shares (those acquired by the trust established through the Company’s monetary contributions) equivalent to the number of points so awarded through the trust upon his or her retirement, as a general rule.

Compensation for Outside Directors (excluding Outside Directors who are Audit & Supervisory Committee Members) consists solely of fixed monetary compensation, which is paid monthly.

The amount of fixed monetary compensation for each Outside Director is determined within the limit approved by the General Meeting of Shareholders taking into consideration compensation level commensurate with the skills and responsibilities required.

(2) Policy on performance-linked compensation
As indicators for performance-linked monetary compensation and performance-linked stock compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors), the Company uses consolidated underlying annual profit/loss (which is consolidated business profit/loss excluding inventory valuation impact and other items, and recognized as representing the Company group’s actual profitability) in order to set an appropriate compensation commensurate with performance for the corresponding term, while taking into account other factors including the revenue targets in the medium- to long-term management plan.

(3) Policy on the ratio of compensation by type

With regard to the ratio of fixed monetary compensation, performance-linked monetary compensation and performance-linked stock compensation, the ratio of performance-linked compensation (i.e., performance-linked monetary compensation and performance-linked stock compensation) is set higher for higher level positions in order to provide appropriate incentives according to the position and performance.

For the Representative Director, Chairman, and the Representative Director, President, the ratio of "fixed compensation (i.e., fixed monetary compensation) to performance-linked compensation (i.e., performance-linked monetary compensation and performance-linked stock compensation)" is set at approximately 5:7 at the base amount (when the Company achieves 600 billion yen in consolidated underlying annual profit/loss). This ratio varies within the range of 3:7 to 10:0 depending on the Company's performance. In addition, for the Representative Director, Chairman, and the Representative Director, President, the performance-linked stock compensation accounts for approximately 40% of their performance-linked monetary compensation.

(4) Method of determining compensation for each individual

The specific amount and details of fixed monetary compensation, performance-linked monetary compensation, and performance-linked stock compensation for each Director (excluding Directors who are Audit & Supervisory Committee Members) are determined by a resolution of the Board of Directors after deliberation by the Nomination and Compensation Advisory Committee, a majority of whose members are Outside Directors.

[Opinion of the Audit & Supervisory Committee] The Audit & Supervisory Committee examined this proposal in accordance with the Audit & Supervisory Committee Auditing Standards in consideration of developments including the outline of discussions by the Nomination and Compensation Advisory Committee. As a result, the Audit & Supervisory Committee concluded that there is nothing in particular to be pointed out regarding this proposal.

<Shareholder Proposals (Items 4 through 6)>

About Shareholder Proposals

The Companies Act recognizes shareholder proposal rights under certain conditions. The Company is obliged to include proposals made by shareholders and the reasons for those proposals in the Reference Documents for the General Meeting of Shareholders, unless there are violations of laws and regulations or the Articles of Incorporation or other reasons.

Items 4 through 6 are jointly proposed by two shareholders (with an aggregate voting rights ratio of less than 0.01%).

The Company's Board of Directors opposes each of these Items proposed by the shareholders as shown in the following statement.

The following details of the proposals common to Items 4 through 6, title of each Item, details of the proposals, and the reasons for the proposals have been quoted from relevant parts of the original documents submitted by the proposing shareholders.

Details of the proposals common to Items 4 through 6
With regard to Proposal 1 below (the "**Proposal to Amend Articles of Incorporation**"), if any formal adjustments (including but not limited to renumbering of clauses) to any chapters or clauses of the Company's Articles of Incorporation referred to in the Proposal to Amend Articles of Incorporation are required due to approval or disapproval of other proposals (including those related to any of the Company's proposals) presented at the Shareholders Meeting, the clauses related to the Proposal to Amend Articles of Incorporation shall be deemed to refer to the clauses that reflect the required adjustments. For more explanation of the Shareholder Proposals below, please refer to https://stracap.jp/english/ or the link to a special webpage to be provided in the upper right-hand corner of the website of Strategic Capital, Inc. (https://stracap.jp/english/). All corporate figures contained in the Shareholder Proposals are based on the Company's consolidated financial statements, unless identified as "non-consolidated."

Company's Note: The term "Proposal 1 below" mentioned above refers to Item 4.

Item 4 Amendment to the Articles of Incorporation with Regard to the Management of Subsidiaries

Details of the proposal
To add the following Chapter and Article to the current Articles of Incorporation:

CHAPTER VII. MANAGEMENT OF SUBSIDIARIES
Article 36
1. With respect to listed subsidiaries of which the Company is the parent company, the points listed below shall be deliberated at least once a year by the Board of Directors, taking into consideration the maximization of shareholder value of the Company and the listed subsidiaries and the protection of the minority shareholders of the listed subsidiaries. The details of the deliberations made during the relevant fiscal year shall be disclosed in the Corporate Governance Report submitted by the Company to the relevant financial instruments exchange.

A) How maintaining a subsidiary as a listed subsidiary will contribute to increasing the shareholder value of the Company and the listed subsidiary (e.g., reasons for maintaining the subsidiary as a listed subsidiary instead of taking it private, such as by making it a wholly-owned subsidiary)

B) As the parent company, whether there is an appropriate governance system to discipline the management of the listed subsidiary and protect the interests of the minority shareholders of the listed subsidiary.

2. If the listed subsidiary's PBR (the value calculated by dividing the price per share of its common stock by the per-share amount of consolidated net assets (meaning the value obtained by deducting the number of treasury shares from the number of issued shares, and calculated in accordance with Guidance No. 4 of the Accounting Standards Board of Japan (ASBJ) titled "Guidance on Accounting Standard for Earnings Per Share")) as of the last stock trading day of its previous fiscal year is below lx, or if its return on equity (ROE) as of the end of its

previous fiscal year was less than 8%, the Company's Board of Directors shall discuss the adequacy of the management plan for the listed subsidiary at least once a year and request that the relevant subsidiary formulate an improvement plan. The details of the deliberation and requests to the listed subsidiary made during the relevant fiscal year shall be disclosed in the Corporate Governance Report submitted by the Company to the relevant financial instruments exchange.

3. In the event that shares issued by a listed subsidiary are in violation of the listing maintenance criteria established by any of the stock exchanges on which the subsidiary is listed (including cases where it is objectively considered that there is a high likelihood of a breach of the criteria for maintaining listing), the Board of Directors shall deliberate on an appropriate response policy from the perspective of protecting the interests of minority shareholders of the listed subsidiary at least once a year (including making the subsidiary a wholly-owned subsidiary of the Company or taking it private through an absorption-type merger), and the Company shall disclose the details of the deliberation made during the relevant fiscal year in its Corporate Governance Report submitted by the Company to the relevant financial instruments exchange.

Reason for the proposal
As of March 31, 2025, the Company had five listed subsidiaries (one of which is scheduled to go private), four of which had a PBR less than lx, meaning that the Company is leaving the negligent management of these companies unchecked.

In addition, a parent-subsidiary listing poses a risk of conflict of interest with minority shareholders of the subsidiary. For example, for years, the Company's listed subsidiaries have provided a large amount of funds to the Company at interest rates well below those subsidiaries' cost of equity, resulting in a decline in capital efficiency and a loss of profit for minority shareholders.

If the Company wishes to continue to enjoy the same benefits of the controlling shareholder as before, those subsidiaries should be converted to wholly-owned subsidiaries and taken private. If the parent-subsidiary listing is to be maintained, the Corporate Governance Report should clearly state, among other matters, the reasons for maintaining the parent-subsidiary listing, while seeking to expand the common interests of shareholders of both the parent company and subsidiaries and protect the interests of the minority shareholders of those subsidiaries.

In addition, even greater protection of minority shareholders is required for listed subsidiaries that violate or are highly likely to violate the criteria for maintaining listing.

[Opinion of the Board of Directors on Shareholder Proposal Item 4]

The Company's Board of Directors **opposes this Shareholder Proposal**.

(Reasons for the Opposition)

The Company considers that this Shareholder Proposal is not appropriate as (i) the Company is taking proper measures to manage its listed subsidiaries and making disclosure thereof, and (ii) it is inappropriate to prescribe in the Articles of Incorporation in a uniform and rigid manner individual and specific matters such as deliberation and disclosure concerning the management of listed subsidiaries.

Measures Implemented by the Company

Management of Subsidiaries
The Company manages its listed subsidiaries in ways generally outlined below, including appropriate deliberations, as necessary, by the Board of Directors:

(i) Management of group companies

Guided by the Nippon Steel Corporation Group Corporate Philosophy, the Company aims to be a company that is relied upon by society, while promoting sound and sustainable growth and improving the medium- to long-term corporate value of the Nippon Steel Group (the "**Group**"). Under this guiding principle, the Company has set basic rules in the Rules for Control of Group Companies to manage group companies, built and is maintaining an internal control system suitable for the Group's businesses, and ensures appropriate implementation of the system, including PDCA management such as formulation of consolidated management plans and management of consolidated financial results. For example, the Company conducts assessment of the management soundness of all group companies, including listed subsidiaries, at least once a year based on financial data and reports the results to the Corporate Policy Committee and the Board of Directors.

The Company reviews on a continuous basis its capital policy concerning individual group companies from a comprehensive perspective, taking into account factors including their positions in the Group's business strategies and capital efficiency. With respect to the relationships between the Company and its listed subsidiaries, as discussed in its Corporate Governance Report, which explains the reasons for holding each listed subsidiary, the Company considers its relationships with the listed subsidiaries, including the current capital holding therein, as appropriate from three perspectives: the reasons for the Company to have those listed subsidiaries in the Group; the reasons for those listed subsidiaries to belong to the Group; and the necessity for those companies to be listed companies. Further, the Company conducts a review as necessary in response to changes in the business environment and its group strategy while taking into account the perspective of not disadvantaging minority shareholders. As a result of such review, for example, the Company made Nisshin Steel Co., Ltd., a then-listed subsidiary, a wholly-owned subsidiary in 2019, Nippon Steel Trading Corporation, a then-equity method listed affiliate, a consolidated and unlisted subsidiary in 2023, and Sanyo Special Steel Co., Ltd., a listed subsidiary, a wholly-owned subsidiary on April 25, 2025.

(ii) Independence of listed subsidiaries; protection of minority shareholders

The Company considers that independent decision-making is ensured and autonomous management is conducted at each of its listed subsidiaries, with more than one-third of the Board members of each of those subsidiaries being independent outside directors in accordance with the principle of the Corporate Governance Code.

The Company takes proper measures, including deciding the terms and conditions of parent-subsidiary transactions on the basis of standard commercial terms and conditions with other customers, market prices, and other reasonable criteria, in order to ensure that the minority shareholders of the listed subsidiaries are not disadvantaged. For the subsidiaries listed on the Prime Market of the Tokyo Stock Exchange, the Company has established a system to set up a special committee if a significant parent-subsidiary transaction or action occurs.

Disclosure Concerning Group Companies Including Listed Subsidiaries

The Company appropriately discloses its approach and policies regarding the management of the Group, including the management of its listed subsidiaries, as well as the details of specific measures that it takes to manage those listed subsidiaries, in relevant disclosure documents. The Company considers making such disclosures appropriately as one of its responsibilities as a listed company, and intends to continue its efforts to enhance disclosure in order to promote constructive dialogue with its shareholders and investors with a view to enhancing its corporate value.

The Company is thus making proper efforts to manage its listed subsidiaries and making disclosures thereof.

The Company considers none of its listed subsidiaries to be in a situation to potentially violate any continued listing criteria at this point.

Appropriateness of Amending the Articles of Incorporation

The Company considers this Shareholder Proposal to be inappropriate as it seeks to prescribe in the Articles of Association, which prescribe basic matters such as the organization of the Company, in a uniform and rigid manner individual and specific matters such as deliberation and disclosure concerning the management of listed subsidiaries, interfering with the Company's swift policy formulation and amendment and business execution in response to changes in the business environment.

Therefore, the Company's Board of Directors opposes this Shareholder Proposal.

Item 5 Grant of Restricted Stock Compensation to Representative Directors, and Change of the Composition of Fixed and Performance-linked Compensation, and Stock Compensation, of Representative Directors

Details of the proposal
This proposal requests that the Company introduce restricted stock compensation to the Representative Directors ("**Stock Compensation**") without amending the maximum annual amount of compensation paid to Directors (excluding Directors who are members of the Audit and Supervisory Committee) from the current annual amount of JPY 3.48 billion (of which the amount for Outside Directors shall not exceed JPY 168 million), and that the ratio of fixed and performance-liked compensation, and the Stock Compensation paid to the Representative Directors, be changed.

The current and post-change compensation systems for the Representative Directors shall be as follows.

Matters relating to the compensation of the Company's Directors not specified below shall be subject to the provisions of the current compensation system and other agenda items approved by resolution at the Shareholders Meeting.

<Current compensation system for Representative Directors>

1. The compensation of a Representative Director consists of fixed compensation and performance-linked compensation.

2. The index for the performance-linked compensation shall be the consolidated underlying annual profit/loss (which is consolidated business profit/loss excluding inventory valuation impact and other items), and the base amount for the performance-linked compensation shall be the achievement of JPY 600 billion.

3. The ratio of fixed compensation to performance-linked compensation at the time of achievement of the base amount set forth in item 2 above shall be 50:50.

<Compensation system for Representative Directors under the proposed change> (changes underlined)

1. The compensation of a Representative Director consists of fixed compensation, performance-linked compensation, and restricted stock compensation ("**Stock Compensation**").

2. The index for the performance-linked compensation shall be the consolidated underlying annual profit/loss (which is consolidated business profit/loss excluding inventory valuation impact and other items), and the base amount for the performance-linked compensation shall be the achievement of JPY 600 billion.

3. The ratio of fixed and performance-linked compensation, and Stock Compensation, at the time of achievement of the base amount of set forth in item 2 above shall be 30:30:40, and neither the amount of the fixed compensation nor that of the performance-linked compensation shall exceed the amount of the Stock Compensation.

4. The Stock Compensation shall be provided through granting of "restricted stock." The compensation and other payments provided in order to grant "restricted stock" to Representative Directors eligible for Stock Compensation ("**Subject Directors**") shall be paid in the form of monetary compensation claims, the total amount of which shall not exceed JPY 1,324.8 million per year. The Board of Directors shall determine the specific timing and allocation of the payment to each Subject Director after consulting with the Nomination and Compensation Advisory Committee. Pursuant to a resolution of the Company's Board of Directors, the Subject Directors shall receive all of the monetary compensation claims to be paid under this proposal as assets contributed in kind, and shall have shares of common stock of the Company issued or appropriated, and the total number of shares of common stock of the Company to be issued or appropriated for the Subject Directors as a result shall be 400,000 shares or less (however, if on or after the date of the Shareholder Proposals, a stock split (including the allotment of shares of common stock of the Company without contribution) or consolidation of shares of common stock of the Company, or any other event occurs requiring adjustment of the total number of shares of the Company's common stock issued or appropriated under the current system, that total number shall be adjusted to a reasonable extent). The amount to be paid per share shall be determined by the Board of Directors based on the last closing price of the common stock on the Tokyo Stock Exchange on the business day

immediately preceding the date of the resolution of the Board of Directors (or if there is no trading closed on that day, then the closing price on the immediately preceding trading day), to the extent that such amount is not particularly favorable to the Subject Directors who will subscribe for such shares of common stock. The issuance or appropriation of shares of the Company's common stock, and the payment of monetary claims as assets contributed in-kind, shall be subject to the execution of a Restricted Share Allotment Agreement containing the following provisions between the Company and the respective Subject Directors (each, an "**Allotment Agreement**").

Allotment Agreement

(1) Transfer restriction period

The Subject Directors may not transfer, create a security interest in, or otherwise dispose of, the shares of the Company's common stock allotted pursuant to the respective Allotment Agreements ("**Allotted Shares**") during the period from the date of payment for the Allotted Shares to the time immediately following the time the relevant persons retire from their positions as an officer or employee of the Company or its subsidiary, as previously determined by the Company's Board of Directors ("**Transfer Restriction Period**") ("**Transfer Restriction**").

(2) Cancellation of Transfer Restriction

The Company shall cancel the Transfer Restriction with respect to all of the Allotted Shares upon the expiration of the Transfer Restriction Period, on the condition that the relevant Subject Director has continuously held the position set forth in item (1) above during the period predetermined by the Company's Board of Directors ("**Service Period**"). However, if such Subject Director resigns from the position set forth in item (1) above before the expiration of the Service Period, due to the expiration of his/her term of office, death or other justifiable reasons, the Company shall reasonably adjust the number of the Allotted Shares for which the Transfer Restriction is cancelled and the timing of cancellation of the Transfer Restriction, as necessary. In addition, the Company automatically shall acquire the Allotted Shares for which the Transfer Restriction has not yet been cancelled without consideration as of the time immediately following the cancellation of the Transfer Restriction in accordance with the provisions above.

(3) Handling of resignations for reasons other than justifiable reasons

Notwithstanding item (2) above, if a Subject Director resigns from the position set forth in item (1) above for reasons other than justifiable reasons during the Transfer Restriction Period, the Company automatically shall acquire the relevant Allotted Shares, without consideration.

(4) Handling in the case of organizational restructuring, etc.

Notwithstanding the provisions of item (1) above, if a merger agreement in which the Company is dissolved, a share exchange or transfer agreement under which the Company becomes a wholly-owned subsidiary, or any other transactions, such as organizational restructuring, are approved at a general meeting of shareholders of the Company (or by the Company's Board of Directors if approval therefor is not required by a general meeting of shareholders) during the Transfer Restriction Period, the Company, by resolution of the Board of Directors, before the effective date of the organizational restructuring, etc., shall cancel the Transfer Restriction of Allotted Shares, the number of which shall be reasonably determined based on the period from the commencement date of the Transfer Restriction Period to the date of approval of the organizational restructuring. In addition, in the above cases, the Company automatically shall acquire the Allotted Shares the Transfer Restriction of which has not been cancelled, without consideration, as of the time immediately following the cancellation of the Transfer Restriction.

(5) Other matters

Other matters relating to Allotment Agreements shall be determined by the Company's Board of Directors.

Reason for the proposal

This proposal contemplates the introduction of the Stock Compensation as compensation for Representative Directors, a change to the ratio of fixed and performance-linked compensation, and Stock Compensation.

Currently, the Representative Directors' compensation is composed of fixed and performance-linked compensation at a 50:50 ratio, with no Stock Compensation.

Although the Company has set global crude steel production capacity of 100 million tons and consolidated business profit of JPY 1 trillion as its key indicators, shareholder value will not necessarily increase unless investments, acquisitions, etc., are made at appropriate prices.

The stock prices of both the Company and its listed subsidiaries have remained sluggish, and, since fiscal year 2016, when Eiji Hashimoto, the current Chairman and CEO, was first appointed Representative Director, the Company's PBR has never exceeded lx.

For this reason, Stock Compensation should be introduced for the Representative Directors to strengthen incentives to increase shareholder value.

In the event that U.S. Steel or other large acquisitions materialize in the future, the base amount of performance-linked compensation should be reviewed also.

[Opinion of the Board of Directors on Shareholder Proposal Item 5]

The Company's Board of Directors **opposes this Shareholder Proposal**.

(Reasons for the Opposition)

With respect to the compensation of Directors, the Company believes that the new compensation system, which will include the performance-linked stock compensation, proposed in Item 3 of the Company Proposal "Decisions on the Amount and Details of Performance-linked Stock Compensation for Directors (Excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)," is appropriate. Item 3 of the Company Proposal is intended to provide the Directors with appropriate incentives commensurate with their positions and the Company's performance, given the circumstances requiring (i) continuously securing excellent personnel that can enhance the Group's medium- and long-term corporate value and (ii) appropriate risk taking through proactive and bold decision-making in order to address diverse and difficult management issues. The Company considers that this Shareholder Proposal contravenes this company proposal and is not appropriate.

At present, compensation for the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members) consists of fixed compensation and performance-linked compensation, both of which are monetary compensation. The Company requests approval of its shareholders in Item 3 of the Company Proposal, which will be in addition to the current compensation structure and will not alter it, to introduce a performance-linked stock compensation system (the "**System**"), using a trust for its Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors). The purpose of the System is to further strengthen the Directors' focus on contributing to the enhancement of medium- to long-term performance and corporate value by linking a portion of their compensation to the Company's stock value and by the Directors sharing with its shareholders profits and risks arising from stock price fluctuations.

In order to grow sustainably and enhance its medium- to long-term corporate value amid the ongoing extremely challenging business environment, the Company is tackling unprecedentedly diverse and difficult management issues, including boosting the competitiveness of its domestic steel business, expanding its global business in the growing overseas markets, and achieving carbon neutrality in the steel production processes. To address these management issues, the Company needs to continuously secure excellent personnel that can enhance its medium- and long-term corporate value, as well as to appropriately take risks through proactive and bold decision-making, thereby robustly accelerating growth measures, including research and development, capital expenditures, M&As, and pay raise.

In light of the above circumstances, and to provide the Directors with appropriate position- and performance-based incentives, the System is designed to provide them with new performance-linked stock compensation, taking into consideration trends in the levels and systems of executive compensation in other companies and changes in economic circumstances, among other factors. The System is separate from, and will not alter the upper limit on the existing fixed compensation and performance-linked compensation.

If Item 3 of the Company Proposal is approved as proposed therein, compensation for the Company's

Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) will consist of (i) fixed monetary compensation, (ii) performance-linked monetary compensation, and (iii) performance-linked stock compensation, with an even stronger link to the Company's performance and also a link to its stock value.

The Company's Board of Directors has resolved to present Item 3 of the Company Proposal at this Shareholders Meeting after deliberation by the Nomination and Compensation Advisory Committee, a majority of whose members are Outside Directors.

In addition, in conjunction with introducing the System, after deliberation by the Nomination and Compensation Advisory Committee, the Company resolved at its Board of Directors meeting held on May 16, 2025 to revise its Policies regarding Decisions on the Amount of Compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members), subject to an approval of Item 3 of the Company Proposal. The revised policies will provide the following:

- with regard to the ratio of fixed monetary compensation, performance-linked monetary compensation and performance-linked stock compensation, the ratio of performance-linked compensation (i.e., performance-linked monetary compensation and performance-linked stock compensation) is set higher for higher level positions in order to provide appropriate incentives according to the position and performance;
- for the Representative Director, Chairman, and the Representative Director, President, the ratio of "fixed compensation (i.e., fixed monetary compensation) to performance-linked compensation (i.e., performance-linked monetary compensation and performance-linked stock compensation)" is set at approximately 5:7 at the base amount (when the Company achieves 600 billion yen in consolidated underlying annual profit/loss). This ratio varies within the range of 3:7 to 10:0 depending on the Company's performance; and
- for the Representative Director, Chairman, and the Representative Director, President, the performance-linked stock compensation accounts for approximately 40% of their performance-linked monetary compensation.

The Company believes that the new compensation system outlined above, which will include performance-linked stock compensation to be proposed, following deliberation by the Nomination and Compensation Advisory Committee, as Item 3 of the Company Proposal, is appropriate from the perspective of providing the Directors with appropriate incentives commensurate with their positions and the Company's performance, given the circumstances requiring (i) continuously securing excellent personnel that can enhance the Group's medium- and long-term corporate value and (ii) appropriate risk taking through proactive and bold decision-making in order to address diverse and difficult management issues. This Shareholder Proposal contravenes the compensation system proposed by the Company and is not appropriate.

Therefore, the Company's Board of Directors opposes this Shareholder Proposal.

Item 6 Addition of Clawback Clauses for Performance-linked Compensation of Representative Directors

Details of the proposal

This proposal seeks to defer the payment of performance-linked compensation to Representative Directors and to forfeit a portion of such compensation as set forth below in the event of losses (including but not limited to impairment losses on goodwill, intangible assets, and property, plant or equipment; hereinafter the same) associated with companies, shares of which the Company acquires on or after the date of the Shareholders Meeting, making them consolidated subsidiaries or equity method affiliates of the Company (including newly acquiring shares of an existing company, acquiring additional shares of an existing company in which the Company has already made an investment, or establishing a new company; "**Subsidiaries**"). The amount of deferral related to the above, whether a loss related to any Subsidiary constitutes a forfeiture event, and the specific amount to be deducted shall be decided by the Board in consultation with the Nomination and Compensation Advisory Committee.

(1) Types of compensation subject to deferral and forfeiture

Performance-linked compensation paid to Representative Directors based on a resolution of a general meeting of shareholders, which will be determined and paid on or after the date of the Shareholders Meeting and the payment of which the Nomination and Compensation Advisory Committee has deemed is lawful to defer and forfeit, or with respect to which the subject Representative Director agrees to the deferral or forfeiture.

(2) Length of deferral

Five years ("**Deferral Period**")

(3) Handling of deferrals and forfeiture of compensation

(A) In the event no losses are incurred during the continuation period with regard to any Subsidiary, the shares of which the Company acquires on or after the date of the Shareholders Meeting:
At the expiration of the Deferral Period, the Company shall pay the relevant Representative Directors the total amount of compensation that has been deferred and interest calculated at the statutory interest rate.

(B) In the event losses are incurred during the Deferral Period with regard to any Subsidiary, shares of which the Company acquires on or after the date of the Shareholders Meeting:
Upon the expiration of the Deferral Period, the Company shall recalculate the performance-linked compensation calculated based on the performance from the time of acquisition of such shares to the time when the relevant loss occurred, after deducting the amount of such loss as an expense for the prorated period from the consolidated business profit/loss, and then pay the relevant Representative Directors an amount reflecting the deduction.

Reasons for the proposal
This proposal seeks to defer the payment of performance-linked compensation to the Representative Directors and to forfeit part of the compensation if the Company incurs any losses related to a company acquired by the Company in the future.

The Company has set global crude steel production capacity of 100 million tons and consolidated business profit of JPY 1 trillion as its key indicators and is currently aiming to acquire U.S. Steel. While the acquisition may have great growth potential, concerns remain as to whether the increased scale brought by the acquisition will lead to increased shareholder value.

Currently, the majority of the Company's listed subsidiaries in Japan have a PBR less than lx on a regular basis, in view of these circumstances, which casts doubt that the corporate value of a subsidiary acquired by the Company will necessarily increase as a result of the acquisition.

Therefore, in the event of an impairment or other loss related to a company acquired by the Company on or after the date of the Shareholders Meeting, the Company should recalculate performance-linked compensation, after taking into account the amount of such loss, and reduce the amount paid.

[Opinion of the Board of Directors on Shareholder Proposal Item 6]

The Company's Board of Directors **opposes this Shareholder Proposal**.

(Reasons for the Opposition)

With respect to the compensation of Directors, the Company believes that the new compensation system, which will include the performance-linked stock compensation, proposed in Item 3 of the Company Proposal "Decisions on the Amount and Details of Performance-linked Stock Compensation for Directors (Excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)," is appropriate. In addition, the Company considers that the clawback clauses proposed in this Shareholder Proposal are inappropriate, as they would hold the Directors accountable for the outcomes of business management without due consideration of the specific and individual circumstances and will hinder their appropriate risk taking.

Executive Compensation System of the Company

As stated in "Opinion of the Board of Directors on Shareholder Proposal Item 5," the Company believes that the new compensation system, which will include the performance-linked stock compensation, proposed in Item 3 of the Company Proposal following deliberation by the Nomination and Compensation Advisory Committee, is appropriate from the perspective of providing the Directors with appropriate incentives commensurate with their positions and the Company's performance, given the circumstances requiring (i) continuously securing excellent personnel that can bring sustainable growth to the Group and can enhance its medium- and long-term corporate value and (ii) appropriate risk taking through proactive and bold decision-making in order to address diverse and difficult management issues. The Company notes that the performance-linked stock compensation proposed in Item 3 of the Company Proposal is designed to allow the Company to elect not to deliver all or part of the Company's shares in cases such as where the relevant Director is dismissed or resigns due to having executed his or her duties for the purpose of seeking wrongful gain of the Director or a third party, or causing damage to the Company.

Further, the Company has established the Nomination and Compensation Advisory Committee, a majority of whose members are Outside Directors, and the amount and details of the specific compensation of each Director are examined by the said Committee and then determined by a resolution of the Board of Directors. The Company believes that matters such as the necessity for any compensation to Directors to be returned or deferred must be appropriately determined after sufficient, in-depth and careful discussions and consideration by the said Committee and the Board of Directors.

Propriety of the Proposed Clawback Clauses

This Shareholder Proposal seeks to defer the payment of performance-linked compensation, which accounts for a fair portion of a Representative Director's compensation, and to forfeit the performance-linked compensation uniformly if the Company incurs any losses related to a company that newly becomes a consolidated subsidiary or an equity method affiliate of the Company, without taking into account the specific and individual circumstances. The Company considers that such arrangement would hold the Directors accountable for the outcomes of business management without due consideration of the specific and individual circumstances, including compliance with their duty of due care of a prudent manager. It would also unduly and inappropriately discourage the Representative Directors' business decisions, including on investments, and hinder appropriate risk taking, which would not result in the enhancement of the Company's corporate value or the interests of its shareholders.

Therefore, the Company's Board of Directors opposes this Shareholder Proposal.

Business Report
100th Term: From April 1, 2024 to March 31, 2025

1. Current Situations of the NIPPON STEEL Group

(1) Progress and Results of Business Operations and Tasks Ahead

General Review

In fiscal 2024, the global economy downward pressure continued due to prolonged effects of inflation and monetary tightening. Although recovery was anticipated in the Japanese economy, domestic demand continued to lack strength.

Under these economic conditions, the global supply and demand for steel remained in a critical state, with an unprecedentedly severe business environment that continues to deteriorate. In addition to sluggish demand, structural issues such as overproduction and an increase in exports, driven by a widening gap between supply and demand due to the slowdown of the Chinese economy, show no signs of improvement, further heightening uncertainty.

Having anticipated such a challenging business environment from an early stage, the Nippon Steel Group ("the Group") aimed at achieving the four pillars of its medium- to long-term management plan (formulated in March 2021): "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." The Group also implemented various measures by taking the lead in profit restructuring measures ahead of other companies to build a profit structure capable of securing underlying* consolidated business profit of ¥600.0 billion or more, regardless of the business environment. Although the business environment has worsened since fiscal 2024 at a scale and speed exceeding the assumptions at the time of formulating our medium- to long-term management plan, the structural measures and profit improvement initiatives we have implemented ahead of other companies have proven effective, enabling us to maintain a relatively high level of profitability compared to global competitors.

*Business profit excluding inventory valuation impact and other items, and recognized as representing the Group's actual profitability.

Business Segment Review

The NIPPON STEEL Group's business segments strived to respond to their changing business environments and have applied their utmost management effort.

・Steelmaking and Steel Fabrication

In the Steelmaking and Steel Fabrication segment, the Group has been steadily implementing facility structural measures, with or without a short-term improvement in the business environment. We have also worked on establishing an integrated business structure that encompasses everything from raw materials to manufacturing and distribution, strengthen competitiveness across the entire supply chain, and create a more resilient business structure (a business structure with a robust profit base). As a result, the segment recorded revenue of ¥7,874.3 billion and business profit of ¥621.0 billion.

Specifically, the following efforts were made during fiscal 2024.

While steadily improving baseline operational performance, we are optimizing production capacity and scale of fixed costs by suspending one series of upstream facilities, including the Kashima No. 3 blast furnace, in accordance with the roadmap for production facility structural measures, and the sophistication of order mix. Furthermore, to further strengthen the competitiveness of our domestic steel business, including both the Company and the Group as a whole, we have implemented the reorganization of our ERW steel pipe business in Japan, the absorption-type merger of NIPPON STEEL Stainless Steel Corporation by the Company, and a tender offer to make Sanyo Special Steel Co., Ltd. a wholly owned subsidiary.

In the raw materials business, we are working to strengthen our consolidated earnings structure into one that is more resilient to external conditions in the business environment, such as through securing coking coal essential for carbon-neutral steel production processes and high-quality iron ore suitable for direct reduced iron production by large-sized electric arc furnaces (EAFs), as well as making investments in raw material interests. As part of these efforts, we acquired a 20% interest in the Blackwater coal mine in Australia, and a

30% interest in the Kami Iron Ore Project in Canada, along with entering into an agreement to establish a joint venture for development and operation in new mining areas. In the trading company and distribution sector, we are strengthening collaboration between Nippon Steel Trading Corporation, the Company, and our Group companies to pursue synergies. Specifically, we are advancing initiatives such as carbon-neutral raw material procurement and investment, reinforcement and optimization of an integrated supply chain, and expansion into growth sectors.

Overseas, the Steelmaking and Steel Fabrication segment is working to expand integrated steel manufacturing bases in “markets with promising growth in steel demand” and “markets where Nippon Steel’s technologies and products are highly appreciated.” Thus, we will ensure capturing of local demand and securing high integrated added-value. In particular, in India, where future market expansion and further development of domestic production are expected, we are currently working to expand capacity at the Hazira steel mill, an existing base of ArcelorMittal Nippon Steel India Limited. In addition, we are considering further investments, including the construction of integrated steelworks, to expand capacity. Through such initiatives, we aim to enhance our market presence. Moreover, we are pursuing a merger (the “Merger”) between our United States subsidiary and United States Steel Corporation (“US Steel”) in the United States, a country that has the highest demand for high-grade steel and where we can fully make use of our technological and product strengths. The Merger was approved at a special meeting of stockholders by US Steel held in April 2024, and approvals were obtained from regulatory authorities outside the United States. However, in January 2025, then-President Biden issued a decision to block the Merger, following a review by the Committee on Foreign Investment in the United States (CFIUS). In response, we and US Steel have filed a lawsuit seeking to vacate the order and prompt another review by the CFIUS, asserting that the order was made on improper political grounds without the CFIUS conducting the appropriate review procedures from a national security perspective as required. On April 6 of the same year, current President Trump issued a presidential memorandum instructing the CFIUS to re-review the case. We continue to engage in discussions with the CFIUS and the United States government to obtain approval for the Merger. If the Merger is completed this means for us to secure three key areas, adding the United States to India and our home market of ASEAN. As a result, the Company’s global crude steel production capacity is projected to reach 86.00 million tons. As we aim for the realization of 100 million tons in global crude steel capacity, we will continue to improve profitability through expansion of our integrated production system in major overseas markets.

About our efforts to achieve carbon neutrality, we have implemented various measures to realize the Nippon Steel Carbon Neutral Vision 2050. Specifically, in the East Nippon Works Kimitsu Area, development testing at a pilot test furnace for the Super COURSE50 successfully achieved a world-first 43% reduction in CO_2 emissions, surpassing the original development target ahead of schedule. In addition, at the Hasaki Research and Development Center “Hydreams,” a small EAF was completed, and trials toward the development of high-grade steel manufacturing technologies using large EAFs launched in December 2024. In this way, steady progress is being made in the development of three breakthrough technologies to achieve carbon neutrality: injection of hydrogen into blast furnaces, 100% hydrogen use in the direct reduction process, and high-grade steel production in large-sized EAFs. In addition, we provide the two products of value to our customers through realizing carbon neutrality: 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). Through providing these values, we meet our customers’ decarbonization needs and support their international competitiveness. These 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 fund to the steel industry. We are therefore working to accelerate and move forward development and practical implementation in these areas. It deserves mention here that the Company’s climate change risk information based on its 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. Furthermore, we held a GX (green transformation) briefing session and tour to observe the actual GX research and development facilities, with the aim of providing a better understanding of our carbon neutrality initiatives and the creation of the GX steel market. The events were attended by a wide range of stakeholders, including institutional investors, financial institutions, analysts, environmental organizations, and members of the media.
(https://www.nipponsteel.com/en/ir/library/pdf/20250313_100.pdf).

As to DX strategy, we have promoted business and production process reforms that make full use of data and digital technology. As an example of specific initiatives in fiscal 2024, we established a system that enables real-time acquisition of operating information for management of vessel allocation when shipping raw materials by sea, allowing for daily monitoring. In addition, we have developed and implemented an algorithm capable of formulating optimal shipping plans from the countless complex routing patterns, significantly improving transportation efficiency. Furthermore, full-scale use of the steel output scheduling system for high-speed production planning in the steelmaking process is now under way at the East Nippon Works Kimitsu Area. We are now in the process of deploying this system across other steelworks, one by one, to promote greater efficiency and sophistication of production plans across the entire company. We have also established a wireless IoT sensor platform (NS-IoT) for steelmaking processes across companies, which enables centralized management of data from on-site wireless IoT sensors. We also continue to work on various DX measures in areas such as remote management, predictive monitoring, and automation of operations and equipment maintenance using IoT and AI, as well as centralization and acceleration of performance management and integrated production planning.

・**Engineering and Construction**

At Nippon Steel Engineering Co., Ltd., large-scale projects in the EPC field, such as waste-to-energy plant construction and building construction progressed smoothly and were completed as planned. In the service business field, strong performance was also seen in the Environmental O&M business and the Power business, allowing overall revenue to remain at approximately the same level year-on-year. As for business profit, with revenue remaining at a high level and no loss events such as those seen in the previous year such as recording of losses due to malfunctions on an owned marine workship, businesses progressed steadily, resulting in increased profits.

For fiscal 2024, the Engineering and Construction segment recorded revenue of ¥400.4 billion and business profit of ¥14.6 billion.

・**Chemicals and Materials**

Nippon Steel Chemical & Material Co., Ltd. posted a year-on-year increase in profits despite a severe business environment in which demand continued to be sluggish due to soaring raw material and fuel prices worldwide, owing to maximum efforts to fundamentally strengthen the profit structure, including the suspension of operations at Kashima Works of the Coal Tar Chemicals Division. In the Coal Tar Chemicals business, demand for needle coke used in graphite electrodes, its main product, remained sluggish. Sales volume of carbon black for tires remained at the same level year-on-year despite demand, which had declined due to vehicle inspection misconduct, recovered in the second half of the fiscal year. 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 stagnate the styrene monomer market. In the Functional Materials business, sales remained strong, driven by growth in the semiconductor market owing to growth in the high-end segment such as investments in data centers and demand related to AI, as well as the recovery in demand for end products such as smartphones, TVs, and motorcycles. In particular, sales of functional resins were robust, supported by increasing demand for AI servers and data centers. Although the business was affected by rising raw material costs, continued yen depreciation also contributed to solid sales performance. For the sales of carbon fiber composite materials, carbon fiber reinforced materials for civil engineering and construction declined, while they increased for industrial applications. As for carbon fibers, high-end products for the sports field performed steadily.

The overall Chemicals and Materials segment recorded revenue of ¥269.1 billion and business profit of ¥18.9 billion.

・**System Solutions**

NS Solutions Corporation is actively working to expand the business by fully capturing robust demand for digital transformation (DX). It has offered various solutions by leveraging years of operational knowledge and knowhow gained at actual production sites, including the launch of the new production management package "PPMP," which was developed as an asset based on the production management system implemented within the Company. Additionally, it has launched "CloudHarbor," which provides comprehensive support for cloud-native transformation*, thereby strongly facilitating customers' DX initiatives. To strengthen and expand its business base, NS Solutions has pursued 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 strengths 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 and business profit of ¥38.8 billion.

*Cloud native: A design technology approach for developing scalable, reliable, resilient and loosely coupled systems that fully leverages the capabilities offered by cloud platforms. It is an extended approach of traditional application development adapted to cloud environments.

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, underlying business profit of ¥793.7 billion, business profit of ¥683.2 billion, and profit attributable to owners of the parent of ¥350.2 billion.

An overview of the revenue and business profit of each business segment in fiscal year 2024 is as follows:

Revenue and Business Profit by Business Segment

(Billions of yen)

	Steelmaking and steel fabrication	Engineering and construction	Chemicals and materials	System solutions	Adjustments	Consolidated total
Revenue	7,874.3	400.4	269.1	339.3	(187.8)	8,695.5
Business profit	621.0	14.6	18.9	38.8	(10.2)	683.2

Non-consolidated financial result for fiscal year 2024 was net sales of ¥4,712.2 billion, operating profit of ¥253.3 billion, ordinary profit of ¥294.2 billion and profit of ¥205.3 billion.

Assets, Liabilities, and Equity

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 contributing to the increase 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). However, there was also a decrease in trade and other receivables (¥157.5 billion), a decrease in inventories (¥77.5 billion), and a decrease in other financial assets under non-current assets (¥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 was ¥2,507.4 billion, a decrease of ¥204.2 billion from ¥2,711.6 billion as of March 31, 2024, and a decrease in trade and other payables (¥219.3 billion). However, there was also an increase in 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, and in addition to a decrease of ¥162.0 billion resulting from dividend payment, an increase of ¥329.2 billion in common stock and capital surplus resulting from the exercise of stock acquisition rights incorporated in convertible bonds, and an increase in the foreign exchange differences on translation of foreign operations (¥98.1 billion). However, there was also a decrease of ¥123.6 billion in changes in fair value of financial assets measured at fair value through other comprehensive income, among other factors. 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).

Dividends

The Company’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. The Company has 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.

NIPPON STEEL 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 pay a year-end dividend of ¥80 per share (the annual dividend will be ¥160 per share).

Tasks Ahead

・Outlook for Operations in Fiscal Year 2025

The severe situations in both the domestic and global economy, as well as in steel supply and demand, is expected to persist in fiscal 2025, with the effects of trade measures on imported materials in various countries becoming more apparent. In addition, the U.S. administration's tariff policies are becoming increasingly uncertain on a daily basis and are beginning to have a significant impact on the global economy. As a result, the trend toward domestic production is accelerating, and substantial effects, including indirect effects, are anticipated for the steel industry both in Japan and overseas.

Global steel demand continues to face increasing challenges, particularly due to the sluggish Chinese economy. The current external economic environment is extremely harsh, with sharp declines in both product and raw material prices. In response, while the start-up of planned capacity expansion in India has been delayed until fiscal 2026 or later, efforts are underway to boost profit by leveraging the effects of structural measures and capital investment completed by fiscal year 2024. As a result, there is a clear prospect of achieving underlying business profit exceeding ¥700.0 billion.

However, given the current unpredictability of the U.S. government's tariff policies, the indirect impact on the Company, whose products and services are provided to a wide range of domestic and international customers, is expected to be significant. At this time, it is difficult to quantify the full impact on the broader supply chain.

For fiscal 2025, despite the challenging environment, the Company aims to secure underlying business profit of over ¥600.0 billion (excluding effects of the Merger), and will continue to pursue profit maximization through profit improvement measures.

In addition to such circumstances and additional factors such as impacts from inventory evaluation losses, business profit is expected to be over ¥400.0 billion and profit attributable to owners of the parent is forecast to remain above ¥200.0 billion. However, for the dividends in fiscal 2025, the final year of the ongoing medium- to long-term management plan, we plan to pay ¥120 per share*, aiming for a five-year cumulative dividend payout ratio of approximately 30% from fiscal 2021 to fiscal 2025.

* If the Merger is completed, the Company plans to transfer its equity interest in AM/NS Calvert LLC. Should this transfer occur, it is expected to result in losses on reorganization of approximately ¥230.0 billion. Even if the full-year earnings forecast for fiscal 2025 is revised to reflect this transfer, there is no intention to change the full-year dividend forecast for fiscal 2025 based on this loss on reorganization. (If the Merger is not completed, the equity transfer will not be executed, and there will be no impact on earnings.)

With the aim of becoming "the best steelmaker with world-leading capabilities," the Company is committed to steadily implementing various measures aimed at achieving the four pillars of its 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."

NIPPON STEEL wishes to take this opportunity to ask its shareholders for their understanding of the aforementioned circumstances and for their continued support.

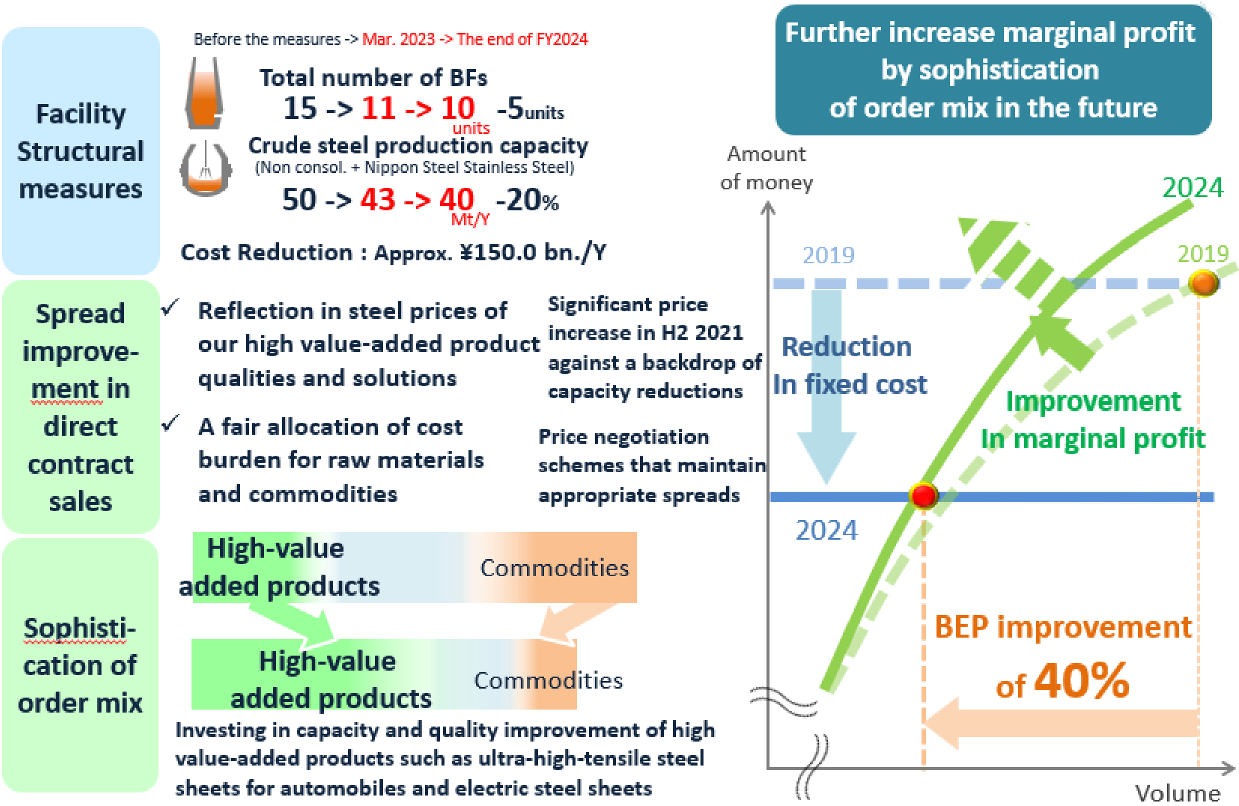
(For reference) Progress of NIPPON STEEL Group's Medium-to Long-term Management Plan

Below is an explanation of the current status of implementation of the NIPPON STEEL Group's Medium- to Long-term Management Plan formulated in March 2021.

Four pillars of the management plan
1. Rebuilding our domestic steel business and strengthening our group's management
2. Promoting a global strategy to deepen and expand our overseas business
3. Taking on the challenge of carbon neutrality
4. Promoting digital transformation strategies

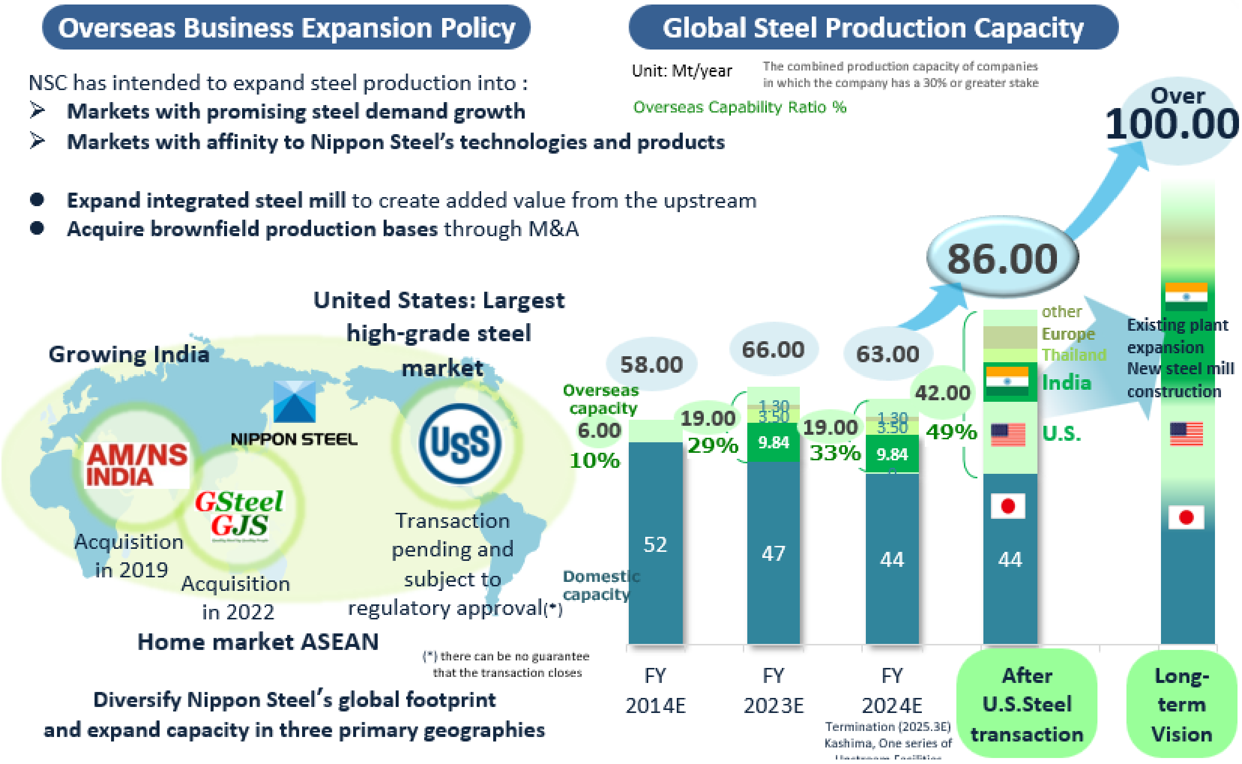
1. Rebuilding our domestic steel business

The Group's basic policies are "to realize a higher-level order mix through aggressive investment in strategic products," "to renew and improve facilities to ensure technological strength leading to profit generation," and "to make the production framework streamlined and more efficient by selective concentration on certain products and facilities." Based on these overall basic policies, we are striving to build an optimal production framework for our domestic steel business, strengthen our earnings base by re-establishing cost competitiveness, which will overwhelm our competitors, and securing appropriate margins.



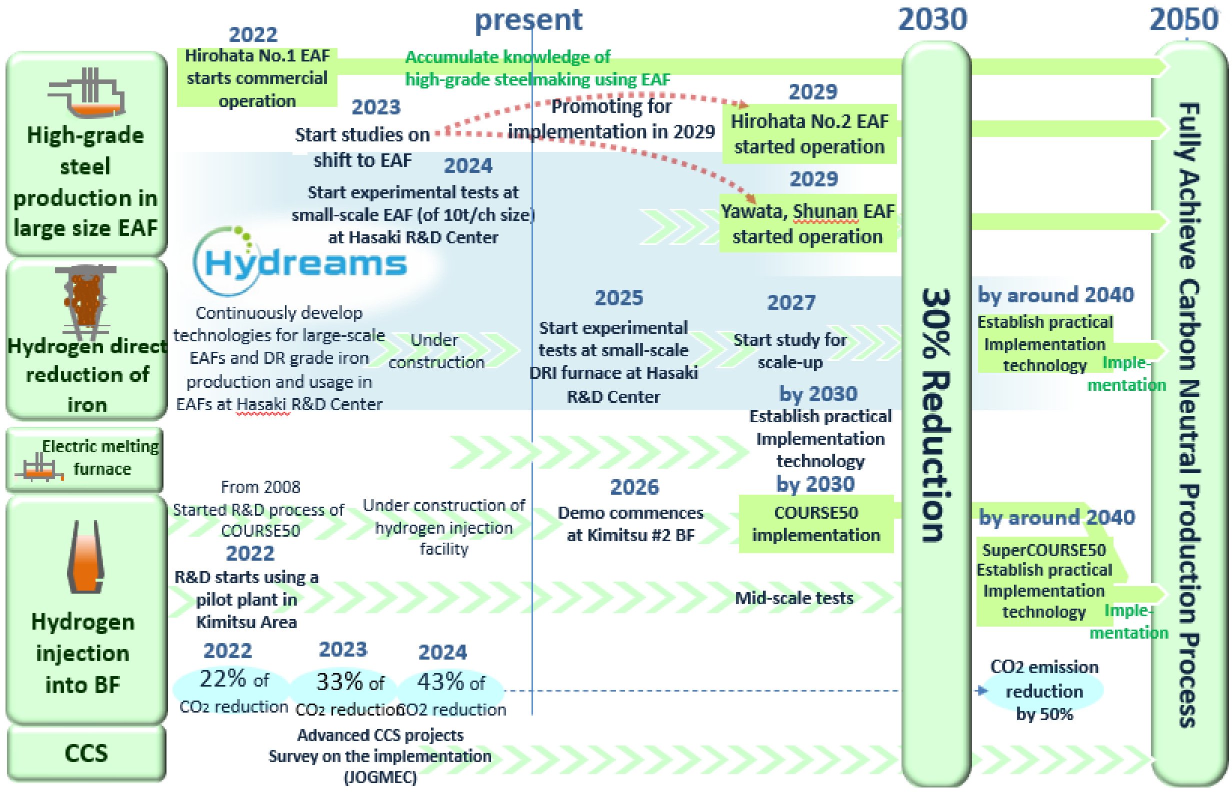
2. Deepening and expansion of overseas business

NIPPON STEEL will move away from our traditional business of exporting steel products, mainly high-grade steel, and supplying them through overseas companies in charge of producing predominantly cold-rolled and plating products. We will move toward 100 million ton global crude steel capacity through expanding integrated production framework in areas with demand and firmly capturing local demands in “districts and areas where demand is promisingly expected to grow” and in “sectors in which our technologies and products are appreciated.”



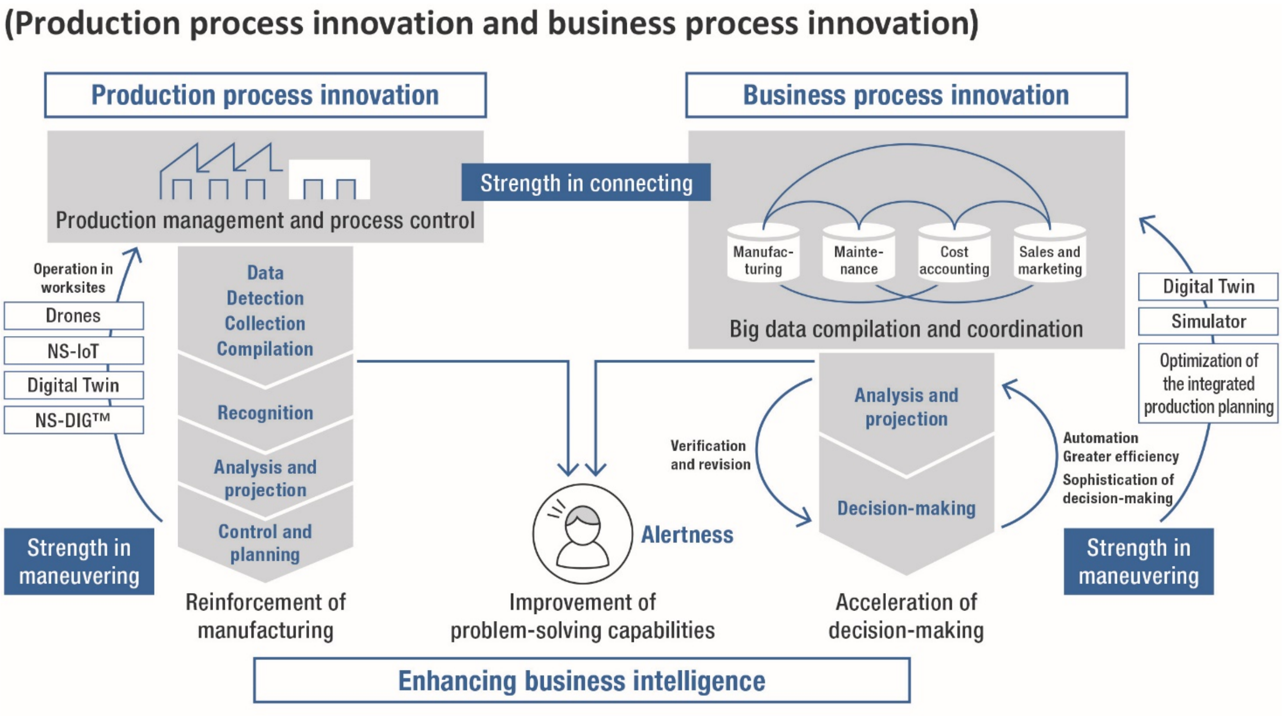
3. Taking on the challenge of carbon neutrality

Adopting "Nippon Steel Carbon Neutral Vision 2050," as our own new initiative against climate change, a critical issue affecting human beings, NIPPON STEEL will strive to achieve carbon neutrality by 2050 as our top priority management issue.



4. Promoting digital transformation strategies

Over the five years, we will invest ¥100 billion or more into our digital transformation strategy, with the aim of becoming a digitally advanced company in the steel industry.



(2) Capital Procurement

Date of issue	Title	Total issued amount
June 13, 2024	4th Unsecured Subordinated Bonds with interest deferrable clause and early redemption option	67.5 billion yen
June 13, 2024	5th Unsecured Subordinated Bonds with interest deferrable clause and early redemption option	20.0 billion yen
June 13, 2024	6th Unsecured Subordinated Bonds with interest deferrable clause and early redemption option	80.0 billion yen

(3) Plant and Equipment Investments

Classification	Title
Major ongoing plant and equipment investment during fiscal year 2024	Relining of No. 3 coke oven, including fixtures and fittings (Kimitsu, East Nippon Works, NIPPON STEEL) Establishment of next-generation hot-strip mill (Nagoya Works, NIPPON STEEL) Relining of No. 2 coke oven, including fixtures and fittings (Oita, Kyushu Works, NIPPON STEEL)

(4) Transfer of Business

There were no significant transfer of business during the current fiscal year.

(5) Changes in Assets and Profits/Losses

Classification \ Fiscal Term	97th Term	98th Term	99th Term	100th Term (fiscal year 2024)
Crude steel production (million tons)	44.46	40.32	40.51	39.64
Revenue (billions of yen) (Overseas revenue shown in brackets)	6,808.8 [2,707.0]	7,975.5 [3,239.8]	8,868.0 [3,581.2]	8,695.5 [3,580.1]
Business profit (billions of yen)	938.1	916.4	869.6	683.2
Profit for the year attributable to owners of the parent (billions of yen)	637.3	694.0	549.3	350.2
Total assets (billions of yen)	8,752.3	9,567.0	10,714.6	10,942.4
Total equity attributable to owners of the parent (billions of yen)	3,466.7	4,181.1	4,777.7	5,383.3
Basic earnings per share	692.16 yen	753.66 yen	596.59 yen	350.92 yen
Total equity attributable to owners of the parent per share	3,764.69 yen	4,540.59 yen	5,187.32 yen	5,150.56 yen
Dividends per share (Interim dividends shown in brackets)	160 yen [70 yen]	180 yen [90 yen]	160 yen [75 yen]	*160 yen [80 yen]
Ratio of cash dividends to consolidated profit (%)	23.1	23.9	26.8	*45.6

(Notes)

(1) The consolidated financial statements of NIPPON STEEL are prepared in accordance with the International Financial Reporting Standards (“IFRS”), pursuant to the provisions of Article 120, Paragraph 1 of the Rules of Corporate Accounting.

(2) The figures for crude steel production include production amounts of consolidated subsidiaries, in addition to NIPPON STEEL’s production.

(3) 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.

(4) The figures with an asterisk (*) are values on the assumption that the proposal on the year-end dividend payment is approved as originally proposed at the 101st General Meeting of Shareholders.

(6) Major Business Operations (as of March 31, 2025)

<table>
<tr><th>Business Segment</th><th colspan="3">Main Products</th></tr>
<tr><td rowspan="9">Steelmaking and Steel Fabrication</td><td rowspan="6">Steel Products</td><td>Bars and shapes</td><td>Billets, rails, sheet piles, H-beams, other shapes bars, bars, bars-in-coils, wire rods, special wire rods</td></tr>
<tr><td>Flat-rolled products</td><td>Heavy plates, medium plates, hot-rolled sheets, cold-rolled sheets, tinplates, tin-free steel, hot-dipped galvanized sheets, other metallic coated sheets, pre-coated sheets, cold-rolled electrical sheets</td></tr>
<tr><td>Pipe and tubes</td><td>Seamless, butt-welded, electric resistance-welded, electric-arc welded, cold-drawn, coated pipes and tubes, coated steel pipes</td></tr>
<tr><td>Railway/automotive/machinery parts</td><td>Parts for railway vehicles, die-forged products, forged aluminum wheels, retarders, ring-rolled products, forged steel products</td></tr>
<tr><td>Specialty steel</td><td>Stainless steel, machine structural carbon steel, structural alloy steel, spring steel, bearing steel, heat-resistant steel, free-cutting steel, piano wire rods, high tensile strength steel</td></tr>
<tr><td>Secondary steel products</td><td>Steel and synthetic segments, NS-BOX, metro deck, PANZERMAST, vibration-damping sheets and plates, structural steel sheet members, columns, welding materials, drums, bolts/nuts/washers, wire products, OCTG accessories, building and civil engineering materials</td></tr>
<tr><td colspan="2">Pig iron, steel ingots and others</td><td>Steelmaking pig iron, foundry pig iron, steel ingots, iron and steel slag products, cement, foundry coke</td></tr>
<tr><td colspan="2">Businesses incidental to Steelmaking and Steel Fabrication</td><td>Design/maintenance/installation of machines/electrical equipment/measurement apparatuses, marine transport, port/harbor transport, land transport, loading/unloading, warehousing, packaging, material testing/analysis, measurement of working environments, surveys on technical information, operation and management of facilities, security services, services related to payment of raw materials, iron-and steelmaking plant construction engineering, operating assistance, steelmaking know-how provision, rolls</td></tr>
<tr><td colspan="2">Others</td><td>Rolled titanium products, food and textile products, power supply, real estate, services and others</td></tr>
<tr><td>Engineering and Construction</td><td colspan="3">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.</td></tr>
</table>

Business Segment	Main Products
Chemicals and Materials	Pitch coke, pitch, naphthalene, phthalic anhydride, carbon black, styrene monomer, styrene resin, epoxy resin, adhesive-free copper-clad laminated sheet for flexible printed circuit boards, liquid crystal display materials, organic EL materials, UV/thermosetting resins, rolled metallic foils, semiconductor bonding wire and microballs, fillers for semiconductor encapsulation materials, carbon-fiber composite products, metal catalyst carriers for cleaning automotive emissions, porous carbon materials
System Solutions	Computer systems engineering and consulting, outsourcing and other services using IT

(7) Major Plants, Research Laboratories, Head Office, Office, Marketing Branches and Overseas Offices (as of March 31, 2025)

Plants	North Nippon Works (Muroran, Kamaishi), East Nippon Works (Kashima / Kimitsu / Kamaishi / Joetsu), Nagoya Works (Tokai), Kansai Works (Wakayama / Kainan / Sakai / Osaka / Amagasaki), Setouchi Works (Himeji / Sakai / Saijo / Amagasaki), Kyushu Works (Kitakyushu / Oita / Hikari)
Research Laboratories	Steel Research Laboratories, Advanced Technology Research Laboratories, Process Research Laboratory (Located in Futtsu, Amagasaki, Kamisu) R&D laboratories (Located within Steelworks of North Nippon, East Nippon, Nagoya, Kansai, Setouchi, Kyushu)
Head Office, Office and Marketing Branches	Head Office (Chiyoda-ku, Tokyo) Osaka Office (Osaka) Hokkaido Marketing Branch (Sapporo), Tohoku Marketing Branch (Sendai), Niigata Marketing Branch (Niigata), Nagoya Marketing Branch (Nagoya), Chugoku Marketing Branch (Hiroshima), Kyushu Marketing Branch (Fukuoka)
Overseas Offices	NIPPON STEEL Beijing Representative Office (China), NIPPON STEEL Shanghai Representative Office (China), NIPPON STEEL Guangzhou Representative Office (China), NIPPON STEEL Dubai Office (UAE), NIPPON STEEL NORTH AMERICA, INC. (USA), NIPPON STEEL AMÉRICA DO SUL LTDA. (Brazil), NIPPON STEEL EUROPE GmbH (Germany), NIPPON STEEL AUSTRALIA PTY. LIMITED (Australia), NIPPON STEEL CONSULTING (BEIJING) CO., LTD. (China), PT. NIPPON STEEL INDONESIA (Indonesia), NIPPON STEEL VIETNAM COMPANY LIMITED (Vietnam) NIPPON STEEL (THAILAND) CO., LTD. (Thailand), NIPPON INDIA PRIVATE LIMITED (India)

(Notes)

(1) Overseas Offices include local subsidiaries.
(2) See “(9) Principal Subsidiaries and Affiliates” for a listing of major subsidiaries and their locations.
(3) As of April 1, 2025, the following changes were made as a result of organizational restructuring:
  - A new plant, Yamaguchi Works , was established.
  - A new research laboratory, Yamaguchi R&D Laboratory, was established
  - Regarding overseas offices (local subsidiaries), the Company’s representative functions in China have been consolidated into the Shanghai Representative Office, and the Beijing Representative Office and Guangzhou Representative Office have been closed. Accordingly, the Company’s overseas office in China will be NIPPON STEEL BUSINESS CONSULTING (SHANGHAI) CO., LTD., and NIPPON STEEL CONSULTING (BEIJING) CO., LTD. is scheduled to be liquidated.

(8) Employment Data (as of March 31, 2025)

1) NIPPON STEEL Group

Business Segment	Number of employees
Steelmaking and Steel Fabrication	96,713 [12,153]
Engineering and Construction	5,115 [970]
Chemicals and Materials	3,317 [576]
System Solutions	8,700 [88]
Total	113,845 [13,787]

(Notes)

(1) Number of employees represents the number of employees engaged in each business at NIPPON STEEL and its subsidiaries.

(2) Temporary workers are not included. Numbers of temporary workers (average number of temporary workers employed during fiscal year 2024) are shown in brackets.

2) NIPPON STEEL

Number of employees	Average age	Average number of years employed
28,652 [1,296] employees	40.5 years old	18.2 years

(Note)

Temporary workers are not included. Number of temporary workers (average number of temporary workers employed during fiscal year 2024) is shown in brackets.

(9) Principal Subsidiaries and Affiliates (as of March 31, 2025)

Steelmaking and Steel Fabrication

Company (Location of head office)	Paid-in capital	Shareholding Ratio	Business content
[Subsidiaries]	Million yen	%	
Sanyo Special Steel Co., Ltd. (Himeji)	53,800	92.1	Makes and markets special steel products
NIPPON STEEL TRADING CORPORATION (Chuo-ku, Tokyo)	16,389	80.0	Markets, imports and exports iron and steel, industrial machinery, infrastructure, food and textile, and other products
NIPPON STEEL COATED SHEET CORPORATION (Chuo-ku, Tokyo)	12,588	100.0	Makes and markets galvanized sheets, prepainted galvanized sheets, coated sheets, and construction materials
Osaka Steel Co., Ltd. (Osaka)	8,769	*61.0	Makes and markets shapes, bars, flat steels and billets
NIPPON STEEL METAL PRODUCTS CO., LTD. (Chiyoda-ku, Tokyo)	5,912	100.0	Makes and markets structural materials for buildings and civil engineering work, prepainted galvanized sheets, steelmaking fluxes, and CC powders
Krosaki Harima Corporation (Kitakyushu)	5,537	*42.9	Makes, markets and constructs refractories
NIPPON STEEL TEXENG. CO., LTD. (Chiyoda-ku, Tokyo)	5,468	100.0	Conducts engineering, maintenance, and operations relating to machinery, electrical instrumentation, systems, and construction for steel-production and other facilities
NIPPON STEEL PIPE CO., LTD. (Chiyoda-ku, Tokyo)	5,000	100.0	Makes, coats and markets steel pipes and tubes
NIPPON STEEL Stainless Steel Corporation (Chiyoda-ku, Tokyo)	5,000	100.0	Makes and markets stainless steel
NIPPON STEEL LOGISTICS CO., LTD. (Chuo-ku, Tokyo)	4,000	100.0	Undertakes ocean and land transportation and warehousing
NIPPON STEEL SG WIRE CO., LTD. (Chiyoda-ku, Tokyo)	3,634	100.0	Makes and markets bars and wire rods
Geostr Corporation (Bunkyo-ku, Tokyo)	3,352	*43.8	Makes and markets concrete and metal products for civil engineering and building construction work
NIPPON STEEL WELDING & ENGINEERING CO., LTD. (Koto-ku, Tokyo)	2,100	100.0	Makes and markets welding materials and apparatuses
NIPPON STEEL DRUM CO., LTD. (Koto-ku, Tokyo)	1,654	100.0	Makes and markets drums
NIPPON STEEL PROCESSING Co., Ltd. (Sakai)	1,530	*64.2	Makes, processes, and markets cold-heading wire, cold-finished bars, other secondary processed products using bars and wires, drawn steel tubes, and machine parts
NIPPON STEEL CEMENT CO., LTD. (Muroran)	1,500	85.0	Makes and markets cement
NIPPON STEEL FINANCE Co., Ltd. (Chiyoda-ku, Tokyo)	1,000	100.0	Engages in the Group’s financing operations
NIPPON STEEL STAINLESS STEEL PIPE CO., LTD. (Chiyoda-ku, Tokyo)	916	100.0	Makes and markets stainless-steel pipes

Company (Location of head office)	Paid-in capital	Shareholding Ratio	Business content
NIPPON STEEL Eco-Tech Corporation (Minato-ku, Tokyo)	500	*84.2	Designs, builds, operates, maintains, and manages water-treatment and other systems; designs civil-engineering projects; and performs environmental and chemical analysis
G Steel Public Company Limited (Rayong State, Thailand)	THB 144,643 million	*60.2	Makes and markets hot-rolled steel sheets
G J Steel Public Company Limited (Chon Buri State, Thailand)	THB 24,467 million	*57.6	Makes and markets hot-rolled steel sheets
NS-Siam United Steel Co., Ltd. (Rayong State, Thailand)	THB 13,007 million	*95.2	Makes and markets cold-rolled sheets, galvanized sheets, and tinplate
NIPPON STEEL PIPE (THAILAND) CO., LTD. (Chon Buri State, Thailand)	THB 8,336 million	*100.0	Makes and markets steel pipes and tubes
PT KRAKATAU NIPPON STEEL SYNERGY (Cilegon, Indonesia)	US$186 million	84.8	Makes and markets cold-rolled sheets and galvanized sheets
Standard Steel, LLC (Pennsylvania, U.S.A.)	US$77 million	*100.0	Makes and markets railway wheels and axles
WHEELING-NIPPON STEEL, INC. (West Virginia, U.S.A.)	US$ 71 million	*100.0	Makes and markets galvanized sheets
PT. PELAT TIMAH NUSANTARA TBK. (Jakarta, Indonesia)	US$ 26 million	*40.0	Makes and markets tinplate
NIPPON STEEL Processing (Thailand) Co., Ltd. (Rayong State, Thailand)	THB 571 million	*70.1	Makes and markets cold-heading wire and cold-finished bars
NIPPON STEEL PIPE AMERICA, INC. (Indiana, U.S.A.)	US$ 10 million	*80.0	Makes and markets steel pipes and tubes

Company (Location of head office)	Paid-in capital	Shareholding Ratio	Business content
[Companies accounted for using the equity method]	Million yen	%	
Usinas Siderúrgicas de Minas Gerais S.A.-USIMINAS (Estado do Minas Gerais, Brazil)	R$13,200 million	22.2	Makes and markets steel products
WISCO-NIPPON STEEL Tinplate Co., Ltd. (Hubei, China)	RMB 2,310 million	50.0	Makes and markets tinplate and tinplate sheets
AMNS Luxembourg Holding S.A. (Luxembourg, Luxembourg)	US$229 million	40.0	A holding company of ArcelorMittal Nippon Steel India Limited
Jamshedpur Continuous Annealing & Processing Company Private Limited (West Bengal, India)	INR 14,320 million	49.0	Makes and markets automotive cold-rolled steel sheets
UNIGAL Ltda. (Estado do Minas Gerais, Brazil)	R$584 million	*30.0	Makes galvanized sheets

Engineering and Construction

Company (Location of head office)	Paid-in capital	Shareholding Ratio	Business content
[Subsidiaries]	Million yen	%	
NIPPON STEEL ENGINEERING CO., LTD. (Shinagawa-ku, Tokyo)	15,000	100.0	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

Company (Location of head office)	Paid-in capital	Shareholding Ratio	Business content
[Subsidiaries]	Million yen	%	
NIPPON STEEL Chemical & Material Co., Ltd. (Chuo-ku, Tokyo)	5,000	100.0	Makes and markets coal chemicals, petrochemicals, electronic materials, semiconductor components and materials, electronic components and materials, carbon-fiber composite products, and metal-processed products

System Solutions

Company (Location of head office)	Paid-in capital	Shareholding Ratio	Business content
[Subsidiaries]	Million yen	%	
NS Solutions Corporation (Minato-ku, Tokyo)	12,952	63.4	Provides engineering and consulting pertaining to computer systems, outsourcing and other services using IT

(Notes)
(1) Figures with asterisks (*) include shares held by subsidiaries
(2) The percentage of the Group’s ownership of Krosaki Harima Corporation, Geostr Corporation and PT PELAT TIMAH NUSANTARA TBK. is 50% or less. However, NIPPON STEEL has determined that it effectively has control over these companies and has included them in the scope of consolidation as subsidiaries.
(3) NIPPON STEEL PIPE CO., LTD. was dissolved on April 1, 2025, through an absorption-type merger in which the Company was the surviving company and NIPPON STEEL PIPE CO., LTD. as the absorbed company.
(4) NIPPON STEEL Stainless Steel Corporation was dissolved on April 1, 2025, through an absorption-type merger in which the Company was the surviving company and NIPPON STEEL Stainless Steel Corporation as the absorbed company.

(10) Major Lenders (as of March 31, 2025)

Lender	Funds borrowed (Billions of yen)
Sumitomo Mitsui Banking Corporation	346.8
MUFG Bank, Ltd.	340.6
Mizuho Bank, Ltd.	285.6
Development Bank of Japan Inc.	125.4
Sumitomo Mitsui Trust Bank, Limited	88.2

(11) Surplus Distribution Policy

1) Dividends

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 NIPPON STEEL on a consolidated and a non-consolidated basis.

NIPPON STEEL aims to achieve a consolidated annual payout ratio target of approximately 30% as benchmark for the payment of dividends from distributable funds in consideration of the consolidated operating results.

The level of the first half dividend is determined in consideration of the first-half performance results and full-year earnings forecasts.

As in the past, the year-end dividend payment will be made according to the resolution of the General Meeting of Shareholders, and any other form of distribution and appropriation of surplus (including the interim dividend) will be made according to the resolution of the Meeting of the Board of Directors as provided in Article 33 of the Articles of Incorporation and with the aim of securing flexibility in financial operations.

2) Acquisition of treasury stocks

The Company will acquire treasury stocks according to the resolution of the Meeting of the Board of Directors, as provided by Article 33 of the Articles of Incorporation and with the aim of securing flexibility in financial operations. At the Meeting of the Board of Directors, the acquisition of treasury stocks will be comprehensively determined after examining the needs of flexible financial operations management and after studying the effect of such an acquisition on NIPPON STEEL's financial structure.

(12) Others

On October 30, 2018, December 21, 2023, and January 11, 2024, the Supreme Court of Korea dismissed the appeals by NIPPON STEEL (NIPPON STEEL lost the appeals) of a decision concerning three lawsuits originally filed in the Republic of Korea by certain South Korean plaintiffs claiming damages for their work as draftees for Japan Iron & Steel Co., Ltd. during the Second World War, and handed down decisions (ordering NIPPON STEEL to pay aggregated 14 plaintiffs in the three lawsuits a total of 1.2 billion Won (approximately 120 million yen) and accrued interest).

Additionally, in connection with the series of so-called draftee cases in the Republic of Korea, including the above lawsuits, the assets of NIPPON STEEL located in the country (a portion of the shares in POSCO-Nippon Steel RHF Joint Venture Co., Ltd. owned by NIPPON STEEL) is currently under seizure. The procedures to convert such assets to cash are pending.

NIPPON STEEL will deal appropriately with this matter, taking into account the status of diplomatic negotiations between the governments of Japan and South Korea and other factors.

On April 1, 2025, the Company conducted an absorption-type merger, with the Company as the surviving company and NIPPON STEEL Stainless Steel Corporation as the absorbed company.

2. Shares and Stock Acquisition Rights

(1) Overview of Shares (as of March 31, 2025)

1) Total number of shares authorized to be issued	2,000,000,000 shares
2) Total number of shares issued	1,074,726,752 shares (including 28,431,942 treasury stocks)
3) Number of shareholders	689,666

4) Top 10 shareholders

Name of shareholder	Shares held (Thousand shares)	Percentage of ownership (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	154,504	14.8
Custody Bank of Japan, Ltd. (Trust Account)	55,413	5.3
STATE STREET BANK WEST CLIENT - TREATY 505234	19,659	1.9
Nippon Life Insurance Company	19,179	1.8
KOREA SECURITIES DEPOSITORY-SAMSUNG	15,704	1.5
Meiji Yasuda Life Insurance Company	13,712	1.3
STATE STREET BANK AND TRUST COMPANY 505001	13,684	1.3
Nippon Steel Group Employees Shareholding Association	13,038	1.2
JP MORGAN CHASE BANK 385781	12,252	1.2
Mizuho Bank, Ltd.	11,046	1.1

(Note)
The percentage of ownership is calculated based on the total number of shares issued excluding treasury stocks.

5) Shares delivered to Directors as compensation for the execution of their duties during the current fiscal year

No matters to be reported during this period.

(2) Stock Acquisition Rights (as of March 31, 2025)

No matters to be reported during this period.

3. Basic Philosophy of Corporate Governance

The Company has established a corporate governance system suited to the businesses of the NIPPON STEEL Group in order to achieve the sound and sustainable growth of the NIPPON STEEL Group and increase its corporate value over the medium- to long-term, in response to the delegation of responsibilities by and trust of all stakeholders, including its shareholders and business partners.

The Company has adopted a company structure with an Audit & Supervisory Committee for the purpose of, among others, expediting management decision-making, enhancing discussions by the Board of Directors relating to matters such as the formulation of management policies and strategies by limiting the number of items for deliberation by the Board of Directors, and strengthening the supervisory function of the Board of Directors over management.

Currently, the Board of Directors of NIPPON STEEL is comprised of fifteen (15) members, of whom ten (10) are Directors (excluding Directors who are Audit & Supervisory Committee Members) and five (5) are Directors who are Audit & Supervisory Committee Members. By all Directors appropriately fulfilling their respective roles and responsibilities, prompt decision-making is achieved corresponding and transparent decision-making by the Board of Directors are secured. In addition, Directors who are Audit & Supervisory Committee Members have voting rights on the Board of Directors regarding decisions on proposals for the election and dismissal of Directors as well as the election and dismissal of Representative Directors, and other decisions in general regarding business execution (excluding decisions that have been delegated to Directors). The Audit & Supervisory Committee has the authority to give its opinions at the General Meeting of Shareholders regarding the election, compensation, etc. of Directors, excluding Directors who are Audit & Supervisory Committee Members. This structure strengthens the supervisory function of the Board of Directors over management.

If Item 2 is approved as proposed herein at the 101st General Meeting of Shareholders, Outside Directors will continue to account for one-third (5 out of 15) of all members of the Company’s Board of Directors.

4. Members of the Board of Directors

(1) Executive Officers as of March 31, 2025

Title and name	Responsibilities/positions and material concurrent positions
Representative Director, Chairman and CEO Eiji Hashimoto	<u>Material concurrent positions</u> Vice Chair, KEIDANREN (Japan Business Federation)
Representative Director, President and COO Tadashi Imai	<u>Material concurrent positions</u> Chairman, The Japan Iron and Steel Federation
Representative Director, Vice Chairman and Executive Vice President Takahiro Mori	Rendering assistance to Chairman and CEO, and cooperating with President and COO on large-scale overseas projects Head of Global Business Development; Project Leader, India Project, Global Business Development Sector; Project Leader, USS Project Accounting & Finance; Overseas Offices (including locally incorporated companies) <u>Material concurrent positions</u> Vice Chairman, WISCO-NIPPON STEEL Tinplate Co., Ltd.
Representative Directors and Executive Vice Presidents Naoki Sato	Digital Innovation; Information & Communication Technology; Plant Engineering and Facility Management; Plant/Machinery Engineering & Construction Management; Ironmaking Technology; Steelmaking Technology; Energy Technology Deputy Project Leader, India Project, Global Business Development Sector; Deputy Project Leader, Thai Steel Project, Global Business Development Sector; Deputy Project Leader, USS Project Cooperating with Executive Vice President H. Minato on Production and Facilities stabilization concerning Technical Administration & Planning Cooperating with Executive Vice President T. Hirose on Production and Facilities stabilization concerning Steel Products Units Cooperating with Executive Vice President T. Mori on Technology and Facilities concerning Global Business Development
Takashi Hirose	Marketing Administration & Planning; Transportation & Logistics; Project Development; Raw Materials; Machinery & Materials Procurement; Steel Products Units; Domestic Office and Branches Deputy Project Leader, Next-Generation Hot Strip Mill Project Cooperating with Executive Vice President T. Mori on Overseas Offices (including locally incorporated companies) <u>Material concurrent positions</u> Chairman, The Japan Ferrous Raw Materials Association
Kazuhisa Fukuda	Head of Research and Development Cooperating with Executive Vice President H. Minato on Green Transformation Development <u>Material concurrent positions</u> Chairman, The Iron and Steel Institute of Japan Chairman, The Japan Research and Development Center For Metals

Title and name	Responsibilities/positions and material concurrent positions
Hirofumi Funakoshi	Corporate Planning; Group Companies Planning; General Administration; Legal; Internal Control & Audit; Human Resources; Environmental Planning; Business Transformation & Standardization; Policy issues concerning Green Transformation Development Cooperating with Executive Vice President H. Minato on Environmental Technology & Management <u>Material concurrent positions</u> Representative Director, Nippon Steel Arts Foundation
Hiroyuki Minato	Intellectual Property; Environment & Plant Safety; Environmental Technology & Management; Technical Administration & Planning (including Standardization); Quality Management; Slag, Cement & Resource Recycling; Technical issues concerning Green Transformation Development Project Leader, Next-Generation Hot Strip Mill Project; Project Leader, Electric Furnace Project Cooperating with Executive Vice President H. Funakoshi on Production & Facilities Planning concerning Corporate Planning Cooperating with Executive Vice President H. Funakoshi on Environmental Planning Cooperating with Executive Vice President T. Hirose on Steel Products Units Cooperating with Executive Vice President T. Hirose on Transportation & Logistics Technology
Directors, Member of the Board (Outside Directors)	
Tetsuro Tomita	Advisor, East Japan Railway Company <u>Material concurrent positions</u> Outside Director, ENEOS Holdings, Inc. Outside Director, Nippon Life Insurance Company
Kuniko Urano	<u>Material concurrent positions</u> Outside Director, Yokogawa Electric Corporation Outside Director, MORINAGA & CO., LTD.
Senior Audit & Supervisory Committee Members (full-time)	
Kazumasa Shinkai	
Eiji Sogo	
Audit & Supervisory Committee Members (Outside Director)	
Kenji Hiramatsu	Chairman of the Institute, Institute for International Strategy, Japan Research Institute
Aiko Sekine	Advisor, Japanese Institute of Certified Public Accountants Professor, Faculty of Commerce, Waseda University <u>Material concurrent positions</u> Audit & Supervisory Board Member (Outside), IHI Corporation Member of the Board of Directors (Outside Director), ORIX
Sumiko Takeuchi	Director and Senior Fellow, International Environment and Economy Institute Co-representative, U3Innovations LLC Specially Appointed Professor, Tohoku University <u>Material concurrent positions</u> Outside Director, the Board of Japan Pulp & Paper Co., Ltd. Outside Director, GRID Inc.

(Notes)

(1) The Company has concluded an agreement with each Outside Director (excluding Executive Directors etc.) limiting their liability under Article 423, Paragraph 1 of the Companies Act to 20 million yen or the amount stipulated under Article 425, Paragraph 1 of the Companies Act,

whichever is greater, as long as he/she acts unknowingly and is not grossly negligent in performing his/her duties.

(2) The Company has concluded an agreement with each Director that the Company indemnifies each of them for the costs stipulated in Article 430-2, Paragraph 1, Item (i) of the Companies Act and the losses stipulated in Item (ii) of the same Paragraph to the extent stipulated by laws and regulations. The agreement stipulates, among others, that the Company shall not be obligated to compensate each of them for the costs incurred by a Director in the event that the Company makes a claim seeking liability against that Director (excluding cases of shareholder derivative suits), or the costs in the event that a Director has acted in bad faith or gross negligence in performing their duties.

(3) The Company has concluded a directors and officers liability insurance contract with the insurance company with persons including directors, audit & supervisory board members, executive officers, and important employees, of the Company, its subsidiaries, and other related entities as the insured. Under the contract, the insurance company will cover, among others, legal compensation for damages and litigation costs to be incurred by the insured as a result of claims for damages arising from acts (including inactions) of the insured pursuant to their positions. All insurance premiums are paid by the Company and its subsidiaries. The contract stipulates a deductible amount and also stipulates that damages caused by criminal acts of the insured or damages caused by acts committed by the insured that the insured knew were in violation of laws and regulations are not covered.

(4) Representative Director and Executive Vice President Takashi Hirose served as Chairman, Baosteel-Nippon Steel Automotive Steel Sheets Co., Ltd. until October 29, 2024.

(5) Director Kuniko Urano served as Advisor of Komatsu Ltd. until June 30, 2024.

(6) Audit & Supervisory Committee Member Aiko Sekine is a certified public accountant with substantial knowledge of finance and accounting.

(7) The Company elected Mr. Kazumasa Shinkai and Mr. Eiji Sogo as full-time Audit & Supervisory Committee Members to ensure the effectiveness of audits.

(8) The Company has filed all five Outside Directors as its “independent directors” with each financial exchange in Japan where it is listed.

(2) Executive Officers after April 1, 2025

Title and name	Responsibilities/positions
Representative Director, Chairman and CEO Eiji Hashimoto	
Representative Director, President and COO Tadashi Imai	
Representative Director, Vice Chairman and Executive Vice President Takahiro Mori	Rendering assistance to Chairman and CEO, and cooperating with President and COO on large-scale overseas projects Head of Global Business Development; Project Leader, India Project, Global Business Development Sector; Project Leader, USS Project Accounting & Finance; Overseas Offices (including locally incorporated companies) Cooperating with Executive Vice President H. Funakoshi on Accounting & Finance and IR concerning Corporate Communications
Representative Directors and Executive Vice Presidents Naoki Sato	Digital Innovation; Information & Communication Technology; Plant Engineering and Facility Management; Plant/Machinery Engineering & Construction Management Deputy Project Leader, India Project, Global Business Development Sector; Deputy Project Leader, Thai Steel Project, Global Business Development Sector; Deputy Project Leader, USS Project Cooperating with Executive Vice President T. Mori on Technology and Facilities concerning Global Business Development
Takashi Hirose	Marketing Administration & Planning; Transportation & Logistics; Project Development; Raw Materials; Raw Materials Business Development; Steel Scrap, HBI & Pig Iron General Planning; Machinery & Materials Procurement; Steel Products Units; Domestic Office and Branches Deputy Project Leader, Next-Generation Hot Strip Mill Project Cooperating with Executive Vice President T. Mori on Overseas Offices (including locally incorporated companies)
Hirofumi Funakoshi	Corporate Planning; Group Companies Planning; General Administration; Corporate Communications; Legal; Internal Control & Audit; Human Resources; Environmental Planning; Policy issues concerning Green Transformation Development; Business Transformation Project

Title and name	Responsibilities/positions
Hiroyuki Minato	Intellectual Property; Environment & Plant Safety; Technical Administration & Planning; Quality Management; Ironmaking Technology; Steelmaking Technology; Energy Technology; Slag, Cement & Resource Recycling; Technical issues concerning Green Transformation Development Project Leader, Electric Furnace Project; Project Leader, Next-Generation Hot Strip Mill Project Cooperating with Executive Vice President H. Funakoshi on Production & Facilities Planning concerning Corporate Planning Cooperating with Executive Vice President T. Hirose on Transportation & Logistics Technology Cooperating with Executive Vice President T. Hirose on Steel Scrap, HBI & Pig Iron General Planning Cooperating with Executive Vice President T. Hirose on Steel Products Units
Directors, Member of the Board	
Kazuhisa Fukuda	Advisor to the President
Directors, Member of the Board (Outside Directors)	
Tetsuro Tomita	Advisor, East Japan Railway Company
Kuniko Urano	
Senior Audit & Supervisory Committee Members (full-time)	
Kazumasa Shinkai	
Eiji Sogo	
Audit & Supervisory Committee Members (Outside Directors)	
Kenji Hiramatsu	Chairman of the Institute, Institute for International Strategy, Japan Research Institute
Aiko Sekine	Advisor, Japanese Institute of Certified Public Accountants Professor, Faculty of Commerce, Waseda University
Sumiko Takeuchi	Director and Senior Fellow, International Environment and Economy Institute Co-representative, U3Innovations LLC Specially Appointed Professor, Tohoku University

(3) Compensation Paid to Company Officers

(Compensation, etc. from April 2024 to June 2024)

Position	Number of recipients	Total amount (yen)	Total amount by type (yen)		
			Monthly compensation*	Non-monetary compensation	Other compensation
Directors (excluding Directors who are Audit & Supervisory Committee Members)	10	309,710,000	309,710,000	-	-
Outside Directors	2	8,640,000	8,640,000	-	-
Directors who are Audit & Supervisory Committee Members	5	43,280,000	43,280,000	-	-
Outside Directors	3	12,960,000	12,960,000	-	-
Total	15	352,990,000	352,990,000	-	-

(Notes)

(1) The above number of recipients includes one (1) Director (excluding Directors who are Audit & Supervisory Committee Members) and five (5) Directors who are Audit & Supervisory Committee Members, including three (3) Outside Directors, who retired at the conclusion of the 100th General Meeting of Shareholders held on June 21, 2024.

(2) Of monthly compensation with an asterisk (*), matters regarding performance-linked compensation are as follows.
(i) Monthly compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) is wholly based upon the performance of NIPPON STEEL. As indicators for performance-linked compensation, NIPPON STEEL uses consolidated annual profit/loss (however, corrections were made for the sake of fair remuneration commensurate with earnings for the term by excluding the portion of gains/losses from reorganization for production facility structural measures; hereinafter the same in (ii) and (iii) below), which clearly indicates its business performance and earnings power, and consolidated EBITDA, while taking into account other factors including the revenue targets in the Medium- to Long-term Management Plan.
(ii) Monthly compensation for Directors who are Audit & Supervisory Committee Members (excluding Outside Directors) is fixed compensation in principle, but the amount of compensation will be increased or decreased only in the event of significant changes in the consolidated annual profit/loss and consolidated EBITDA of NIPPON STEEL.
(iii) Monthly compensation for Outside Directors is fixed compensation in principle, but the amount of compensation may be increased or decreased only in the event of significant changes in the consolidated annual profit/loss of NIPPON STEEL.
As for monthly compensation for Directors, the base amount of compensation for each position, etc. fluctuates within a certain range based on each of the above indicators, and the amount of each Director's monthly compensation is determined within the limit approved by the General Meeting of Shareholders. The consolidated profit for the year attributable to owners of the parent and consolidated EBITDA in fiscal year 2022, which were used to determine the monthly compensation for Directors from April 2024 to June 2024, were 694.0 billion yen and 1,256.6 billion yen.

(3) The specific amount of monthly compensation for each Director (excluding Directors who are Audit & Supervisory Committee Members) is, as detailed in (4) 1) (A) (i) c. below, determined by the Board of Directors after discussion in the "Nomination and Compensation Advisory Committee." The specific amount of monthly compensation for each Director who is Audit & Supervisory Committee Member is determined by discussions of the Directors who are Audit & Supervisory Committee Members.

(4) The limit on the amount of compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) was approved at the 96th General Meeting of Shareholders held on June 24, 2020 to be within 140 million yen per month (including compensation for Outside Directors of within 12 million yen per month). The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) was 11 (including 3 Outside Directors) at the conclusion of the 96th General Meeting of Shareholders.

(5) The limit on the amount of compensation for Directors who are Audit & Supervisory Committee Members was approved at the 96th General Meeting of Shareholders held on June 24, 2020 to be within 22 million yen per month. The number of Directors who are Audit & Supervisory Committee Members was 7 (including 4 Outside Directors) at the conclusion of the 96th General Meeting of Shareholders.

(Compensation, etc. from July 2024 to March 2025)

Position		Number of recipients	Total amount (yen)	Total amount by type (yen)		
				Fixed compensation	Performance-linked compensation*	Non-monetary compensation
Directors (excluding Directors who are Audit & Supervisory Committee Members)		10	1,801,710,000	738,630,000	1,063,080,000	-
	Outside Directors	2	29,880,000	29,880,000	-	-
Directors who are Audit & Supervisory Committee Members		5	157,230,000	157,230,000	-	-
	Outside Directors	3	44,820,000	44,820,000	-	-
Total		15	1,958,940,000	895,860,000	1,063,080,000	-

(Notes)

(1) Of compensation with an asterisk (*), matters regarding performance-linked compensation are as follows.
As indicators for performance-linked compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors), the Company uses consolidated underlying profit/loss based on actual performance (which is consolidated profit/loss excluding inventory valuation impact and other items, and recognized as representing the Group's actual profitability) in order to set an appropriate compensation commensurate with performance for the corresponding term, while taking into account other factors including the revenue targets in the medium- to long-term management plan.
As for performance-linked compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors), the base amount of performance-linked compensation for each position (i.e., the amount of compensation when the Company's consolidated performance reaches a certain level) fluctuates within a certain range based on the above indicators, and the amount of each Director's monthly compensation is determined within the limit approved by the General Meeting of Shareholders.
The consolidated underlying annual profit/loss in fiscal year 2023, which were used to determine the performance-linked compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) from July 2024 to March 2025, were 935.0 billion yen.

(2) The specific amount of fixed compensation and performance-linked compensation for each Director (excluding Directors who are Audit & Supervisory Committee Members) is, as detailed in (4) 1) (B) (i) c. below, determined by the Board of Directors after discussion in the "Nomination and Compensation Advisory Committee." The specific amount of fixed compensation for each Director who is Audit & Supervisory Committee Member is determined by discussions of the Directors who are Audit & Supervisory Committee Members.

(3) The limit on the amount of compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) was approved at the 100th General Meeting of Shareholders held on June 21, 2024 to be within 290 million yen per month (including compensation for Outside Directors of within 14 million yen per month). The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) was 10 (including 2 Outside Directors) at the conclusion of the 100th General Meeting of Shareholders.

(4) The limit on the amount of compensation for Directors who are Audit & Supervisory Committee Members was approved at the 100th General Meeting of Shareholders held on June 21, 2024 to be within 25 million yen per month. The number of Directors who are Audit & Supervisory Committee Members was 5 (including 3 Outside Directors) at the conclusion of the 100th General Meeting of Shareholders.

(4) Policies regarding Decision on the Amount of Compensations for Directors

1) Content of policies

(A) From April 1, 2024 to June 21, 2024

The policies regarding the decisions on the amount of compensation, etc. for Directors of NIPPON STEEL are as detailed in items (i) and (ii) below.

NIPPON STEEL abolished its retirement benefits for Directors in 2006. Furthermore, the policies relating to their bonuses were removed from the "Policies regarding the Decisions on the Amount of Compensation" for Directors, etc. in 2013.

(i) Directors (excluding Directors who are Audit & Supervisory Committee Members)

a. Basic policy

NIPPON STEEL sets the base amount of compensation for each position as it deems appropriate in consideration of the skills and responsibilities it requires of each Director. This base amount varies within a certain range based on NIPPON STEEL's consolidated performance. The Company then determines the amount of monthly compensation for each Director within the limit approved by the General Meeting of Shareholders.

b. Policy on performance-linked compensation

In accordance with the basic policy in the above a, compensation of Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) consists solely of monthly compensation, and the amount of compensation is wholly based upon the performance of NIPPON STEEL, in order to give incentives for the sustainable growth of NIPPON STEEL's group and improvement of its corporate value. As indicators for performance-linked compensation, NIPPON STEEL uses consolidated annual profit/loss (however, corrections were made for the sake of fair remuneration commensurate with earnings for the term by excluding the portion of gains/losses from reorganization for production facility structural measures; hereinafter the same in this section), which clearly indicates its business performance and earning power, and consolidated EBITDA, while taking into account other factors including the revenue targets in the Medium- to Long-term Management Plan.

Compensation for Outside Directors (excluding Directors who are Audit & Supervisory Committee Members) consists solely of monthly compensation, and fixed compensation in principle, but the amount of compensation may be increased or decreased only in the event of significant changes in the consolidated annual profit/loss of NIPPON STEEL.

c. Method of determining compensation for each individual

The specific amount of monthly compensation for each Director (excluding Directors who are Audit & Supervisory Committee Members) is determined by the Board of Directors after the deliberation of the "Nomination and Compensation Advisory Committee."

(ii) Directors who are Audit & Supervisory Committee Members

NIPPON STEEL determines the monthly compensation for each Director who is an Audit & Supervisory Committee Member, within the limit approved by the General Meeting of Shareholders, by considering the duties of the Director's position and whether the Director is full-time or part-time.

(B) From June 21, 2024

The policies regarding the decisions on the amount of compensation, etc. for Directors of NIPPON STEEL are as detailed in items (i) and (ii) below.

NIPPON STEEL abolished its retirement benefits for Directors in 2006. Furthermore, the policies relating to their bonuses were removed from the "Policies regarding the Decisions on the Amount of Compensation" for Directors, etc. in 2013.

(i) Directors (excluding Directors who are Audit & Supervisory Committee Members)

a. Basic policy

The amount of compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) consists solely of monthly compensation, set based on an appropriate composition of fixed compensation and performance-linked compensation. NIPPON STEEL sets the base amount of fixed compensation and performance-linked compensation (i.e., the amount of compensation when the Company's consolidated performance reaches a certain level) for each position as it deems appropriate in consideration of the skills and responsibilities it requires of each Director. The base amount of performance-linked compensation varies within a certain range based on NIPPON STEEL's consolidated performance. The Company then determines the amount of monthly compensation for each Director within the limit approved by the General Meeting of Shareholders.

b. Composition of compensation and policy on performance-linked compensation

In accordance with the basic policy in the above a, the Company uses consolidated underlying profit/loss based on actual performance (which is consolidated profit/loss excluding inventory valuation impact and other items, and recognized as representing the Group's actual profitability) as indicators for performance-linked compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) in order to set an appropriate compensation commensurate with performance for the corresponding term, while taking into account other factors including the revenue targets in the medium- to long-term management plan. The ratio of fixed compensation to performance-linked compensation at the base amount (when consolidated underlying profit/loss reaches 600.0 billion yen) is set at 50% to 50% for Representative Directors, and approximately 70% to 30% for Directors in other positions (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors), to provide appropriate incentives according to their position and performance.

Compensation for Outside Directors (excluding Directors who are Audit & Supervisory Committee Members) consists solely of fixed compensation.

c. Method of determining compensation for each individual

The specific amount of monthly compensation for each Director (excluding Directors who are Audit & Supervisory Committee Members) is determined by the Board of Directors after the deliberation of the "Nomination and Compensation Advisory Committee" consisting of the Chairman, the President and three (3) or more Outside Directors appointed by the President who serves as the chairman of the committee.

(ii) Directors who are Audit & Supervisory Committee Members

Compensation for Directors who are Audit & Supervisory Committee Members consists solely of fixed monthly compensation. NIPPON STEEL determines the amount of monthly compensation for each Director within the limited amount approved by the General Meeting of Shareholders by considering the duties of the Director's position and whether the Director is full-time or part-time.

2) Methods of determining the policies

(A) From April 1, 2024 to June 21, 2024

The policies described in 1) (A) above for Directors (excluding Directors who are Audit & Supervisory Committee Members) are determined by resolution of the Board of Directors, after the deliberation of the "Nomination and Compensation Advisory Committee," while for Directors who are Audit & Supervisory Committee Members, the policies described in 1) (A) above are determined through discussion by Directors who are Audit & Supervisory Committee Members.

The Nomination and Compensation Advisory Committee conducts discussions on a wide-range of topics including the system of Directors' compensation and the appropriateness of the compensation levels by position, taking into account the survey results of directors' compensation levels of other companies obtained from the third-party research organizations.

(B) From June 21, 2024

The policies described in 1) (B) above for Directors (excluding Directors who are Audit & Supervisory Committee Members) are determined by resolution of the Board of Directors, after the deliberation of the "Nomination and Compensation Advisory Committee," while for Directors who are Audit & Supervisory Committee Members, the policies described in 1) (B) above are determined through discussion by Directors who are Audit & Supervisory Committee Members.

The Nomination and Compensation Advisory Committee conducts discussions on a wide-range of topics including the system of Directors' compensation and the appropriateness of the compensation levels by position, taking into account the survey results of directors' compensation levels of other companies obtained from the third-party research organizations.

3) Reason the Board of Directors judged that the content of compensation, etc., for individual Directors

(excluding Directors who are Audit & Supervisory Committee Members) for the current fiscal year is in line with the policy stated in 1) above

Compensation, etc., for individual Directors (excluding Directors who are Audit & Supervisory Committee Members) for the current fiscal year were determined by the Board of Directors following confirmation that those amounts are in line with the policy stated in 1) above, after the deliberation of the "Nomination and Compensation Advisory Committee." Therefore, the Board of Directors judged that the content of the compensation, etc., for each individual is in line with the policy stated in 1) above.

(5) Outside Directors

1) Material concurrent positions held by Outside Directors
Such positions are shown on pages 54 to 56.

2) Activities of the Outside Directors

Position	Name	Main activities
Director (excluding Directors who are Audit & Supervisory Committee Members)	Tetsuro Tomita	Mr. Tomita has attended Board Meetings and Nomination and Compensation Advisory Committee meetings, presented his views based on knowledge and experience in corporate management, and exercised his voting rights at Board Meetings. Outside Directors, including Mr. Tomita, regularly hold meetings with the Chairman, the President, etc., to share the management challenges and exchange opinions. Through these actions, Mr. Tomita contributes to, among others, decision-makings from various perspectives, enhancement of supervisory functions over management and management transparency of the Board of Directors, thereby appropriately fulfilling the expected roles of an Outside Director. Board Meeting attendance rate: 89% (16 out of 18 meetings) Nomination and Compensation Advisory Committee meeting attendance rate: 100% (3 out of 3 meetings)
	Kuniko Urano	Ms. Urano has attended Board Meetings and Nomination and Compensation Advisory Committee meetings, presented her views based on knowledge and experience in corporate management, and exercised her voting rights at Board Meetings. Outside Directors, including Ms. Urano, regularly hold meetings with the Chairman, the President, etc., to share the management challenges and exchange opinions. Through these actions, Ms. Urano contributes to, among others, decision-makings from various perspectives, enhancement of supervisory functions over management and management transparency of the Board of Directors, thereby appropriately fulfilling the expected roles of an Outside Director. Board Meeting attendance rate: 100% (18 out of 18 meetings) Nomination and Compensation Advisory Committee meeting attendance rate: 100% (3 out of 3 meetings)

Position	Name	Main activities
Directors who are Audit & Supervisory Committee Members	Kenji Hiramatsu	Mr. Hiramatsu has attended Board Meetings, Audit & Supervisory Committee meetings and Nomination and Compensation Advisory Committee meetings, conducted hearings on business conditions of each Division, as well as visits to our major steelworks, presented his views based on knowledge and experience regarding international affairs, economy, culture, etc., and exercised his voting rights at Board Meetings. Outside Directors, including Mr. Hiramatsu, regularly hold meetings with the Chairman, the President, etc., to share the management challenges and exchange opinions. Through these actions, Mr. Hiramatsu contributes to, among others, decision-makings from various perspectives, enhancement of audit and supervisory functions over management and management transparency of the Board of Directors, thereby appropriately fulfilling the expected roles of an Outside Director. Board Meeting attendance rate: 93% (13 out of 14 meetings) Audit & Supervisory Committee meetings attendance rate: 100% (11 out of 11 meetings) Nomination and Compensation Advisory Committee meeting attendance rate: 100% (3 out of 3 meetings)
	Aiko Sekine	Ms. Sekine has attended Board Meetings and Audit & Supervisory Committee meetings, conducted hearings on business conditions of each Division, as well as visits to our major steelworks, presented her views based on her knowledge and experience, etc. as a certified public accountant possessing deep familiarity with corporate accounting, and exercised her voting rights at Board Meetings. Outside Directors, including Ms. Sekine, regularly hold meetings with the Chairman, the President, etc., to share the management challenges and exchange opinions. Through these actions, Ms. Sekine contributes to, among others, decision-makings from various perspectives, enhancement of audit and supervisory functions over management and management transparency of the Board of Directors, thereby appropriately fulfilling the expected roles of an Outside Director. Board Meeting attendance rate: 100% (14 out of 14 meetings) Audit & Supervisory Committee meetings attendance rate: 100% (11 out of 11 meetings)
	Sumiko Takeuchi	Ms. Takeuchi has attended Board Meetings and Audit & Supervisory Committee meetings, conducted hearings on business conditions of each Division, as well as visits to our major steelworks, presented her views based on her knowledge and experience in corporate management and as a researcher in the fields of environment and energy, and exercised her voting rights at Board Meetings. Outside Directors, including Ms. Takeuchi, regularly hold meetings with the Chairman, the President, etc., to share the management challenges and exchange opinions. Through these actions, Ms. Takeuchi contributes to, among others, decision-makings from various perspectives, enhancement of audit and supervisory functions over management and management transparency of the Board of Directors, thereby appropriately fulfilling the expected roles of an Outside Director. Board Meeting attendance rate: 100% (14 out of 14 meetings) Audit & Supervisory Committee meetings attendance rate: 100% (11 out of 11 meetings)

3) Total amount of compensation, etc.

Total amount of compensation, etc. paid to outside directors is as shown on page 59 to 61.

5. Certain Matters concerning Accounting Auditor

(1) Name

KPMG AZSA LLC

(Note) NIPPON STEEL NORTH AMERICA, INC. and some other subsidiaries of the Company are audited by audit firms other than the above-mentioned audit firm.

(2) Amount of Compensations, etc. of Accounting Auditor and Grounds for Consent to Such Compensations, etc. by Audit & Supervisory Committee

1) Amount of compensations paid	174,000,000 yen
2) The amount of compensations payable by NIPPON STEEL and its subsidiaries to accounting auditor for its audit certification services	1,156,549,300 yen
3) Total amount of cash and other financial benefit payable by NIPPON STEEL and its subsidiaries to accounting auditor	1,185,669,300 yen

(Notes) (1) With respect to 1) above, the compensations for audit services under the Companies Act and the compensations for audit services under the Financial Instruments and Exchange Act are not clearly distinguished and it is not practically possible to distinguish them, therefore, their total amount is shown above.

(2) The Company has engaged the Accounting Auditor to perform non-audit services, including advisory services related to sustainability disclosures, and has paid compensation for such services.

The Audit & Supervisory Committee, having confirmed the audit plan of the Accounting Auditor, the status of execution of their duties, the data used to calculate the estimated compensation, and other related matters, have determined that the compensation of the Accounting Auditor is reasonable, and have given their consent in accordance with Article 399, Paragraph 1 of the Companies Act.

(3) Policy regarding Decision on Dismissal or Non-Reelection of Accounting Auditor

NIPPON STEEL will dismiss the accounting auditor by unanimous consents of the Audit & Supervisory Committee Members upon occurrence of events justifying such dismissal, pursuant to laws and regulations. In addition, the Audit & Supervisory Committee shall resolve and submit proposal to dismiss or not to reelect the accounting auditor to the General Meeting of Shareholders if any event materially interferes with continuation of the audit services occurs.

6. Outline of the Resolution Concerning Establishment and Management of the System to Ensure Appropriateness of Business, etc. and Status of Operation of the System

(1) Basic policy on internal control system (system to ensure appropriateness of business, etc.)

The resolutions made to ensure appropriateness of its business are as follows.

NIPPON STEEL is aiming at continuous improvement of its corporate value and winning the trust of society under the "Corporate Philosophy of the Nippon Steel Corporation Group." In addition, NIPPON STEEL will establish and appropriately manage an internal control system (system to ensure appropriateness of business, etc.) as follows to comply with applicable laws and regulations, and ensure integrity of financial reporting, and effectiveness and efficiency of business, and will continue to improve such system in view of further enhancement of corporate governance.

I. Matters Necessary for the Execution of Duties of the Audit & Supervisory Committee

1. Matters related to Directors and Employees to Assist the Audit & Supervisory Committee of NIPPON STEEL in its Duties

NIPPON STEEL will establish the Audit & Supervisory Committee Members' Office and assign full-time employees (the "dedicated staff members"), in order to assist the Audit & Supervisory Committee in the smooth execution of its duties. No Directors will be assigned to assist the Audit & Supervisory Committee in its duties.

2. Matters related to the Independence of the Dedicated Staff Members from Other Directors (Excluding Directors Who are Audit & Supervisory Committee Members) and Matters related to Ensuring the Effectiveness of Instructions of the Audit & Supervisory Committee to the Dedicated Staff Members

The dedicated staff members are full-time employees and perform their duties under the direction of the Audit & Supervisory Committee. In addition, the Head of the Human Resources Division discusses with the Audit & Supervisory Committee in advance the transfer and evaluation, etc. of the dedicated staff members to ensure their independence from the executive divisions and the effectiveness of the Audit & Supervisory Committee's instructions to the dedicated staff members.

3. System for Directors, Employees, Etc. of NIPPON STEEL and Its Subsidiaries to Report to the Audit & Supervisory Committee

The Directors (excluding Directors who are Audit & Supervisory Committee Members), Executive Officers, General Managers, and other employees of NIPPON STEEL will report to the Audit & Supervisory Committee in a timely and appropriate manner in accordance with laws and regulations or NIPPON STEEL's rules, either directly or through the related divisions such as the Internal Control & Audit Division, on the status of the execution of duties, the maintenance and operation of the internal control system (hereinafter including the status of whistleblower systems.), major accidents and incidents, and other matters related to risk management. They will also report important management matters to the Board of Directors, the Corporate Policy Committees and the Risk Management Committees, and other corporate committees, and thereby share such information with the Audit & Supervisory Committee.

In addition, the directors, audit & supervisory board members, employees, etc. of each Group company of NIPPON STEEL will report to the Audit & Supervisory Committee in a timely and appropriate manner in accordance with laws and regulations or NIPPON STEEL's rules and other regulations, either directly or through the related divisions such as the Internal Control & Audit Division, on the status of the execution of duties, the maintenance and operation of internal control systems, major accidents and incidents, and other matters related to risk management at each Group company.

4. System to Ensure that the Person Who Made the Report Referred to in the Preceding Paragraph will not be Treated Unfavorably for the Reason of Making Such Report

NIPPON STEEL will stipulate Rules for the Whistleblower System, which state that NIPPON STEEL shall not unfavorably treat a person who has reported as stated in the preceding paragraph, for reasons of such report, make such rules known, and implement them appropriately.

5. Matters related to the Policy for the Handling of Expenses Incurred in the Performance of Duties by Audit & Supervisory Committee Members

NIPPON STEEL will record in its budget such expenses as it deems necessary for the execution of duties of Audit & Supervisory Committee Members. If an Audit & Supervisory Committee Member requests reimbursements of such expenses, NIPPON STEEL will handle them appropriately in accordance with the provisions of the Companies Act.

6. Other Systems to Ensure that Audits by the Audit & Supervisory Committee are Conducted Effectively

The General Manager of the Internal Control & Audit Division and the heads of each functional division of NIPPON STEEL cooperate closely with the Audit & Supervisory Committee through means such as exchanging opinions on the operation of the internal control system and other matters on a regular basis or whenever necessary. In addition, NIPPON STEEL will strive to create an environment that enables the Audit & Supervisory Committee to conduct audits in an organized and efficient manner.

II. System to Ensure that Execution of Duties by the Directors of NIPPON STEEL Complies with Applicable Laws and Regulations and the Articles of Incorporation and Other Systems to Ensure Appropriateness of Operation in the Corporate Group Consisting of NIPPON STEEL and its Subsidiaries

1. System to Ensure that Performance of Responsibilities by the Directors of NIPPON STEEL Complies with Applicable Laws and Regulations and the Articles of Incorporation.

The Board of Directors will make decisions or receive reports on important matters of management in accordance with the Rules of the Board of Directors and other relevant internal rules.

In accordance with the resolution at the Board of Directors, each of the Executive Directors will, in his/her assigned area, perform his/her responsibilities and supervise the performance of responsibilities of employees, and report such supervisory status to the Board of Directors.

2. System for the Preservation and Management of Information in relation to the Performance of Responsibilities by the Directors of NIPPON STEEL

NIPPON STEEL will appropriately preserve various information in relation to the performance of responsibilities, including minutes of Meetings of the Board of Directors, by, among others, specifying managers in charge of information preservation and management, and classifying each information by security level, in accordance with the internal rules for information management.

NIPPON STEEL will seek to make timely and accurate disclosure of important corporate information, such as its management plan and financial information, in addition to such disclosure as required by applicable laws and regulations.

3. Rules and Other Systems with respect to Loss-related Risk Management of NIPPON STEEL

The General Manager of each division will identify and evaluate risks associated with business in his/her division, and carry out his/her duties in accordance with the authority and responsibilities set out in internal rules for organization and operation.

With respect to risks related to areas such as safety and health, environment and disaster prevention, information management, intellectual properties, quality control, and integrity of financial reporting, the division in charge of each specific area (each functional division) will establish rules and other systems from a company-wide perspective, inform other divisions of such rules and systems, identify and evaluate the status of risk management at other divisions through monitoring and other methods, and provide guidance and advice to such divisions.

Upon the occurrence of an accident, disaster, compliance issue, or other event which causes a material effect on the management, the Executive Directors will immediately convene “Emergency Control Headquarters” and other meetings, and take necessary actions in order to minimize the damage, impact, and other effects.

4. System to Ensure Efficiency in the Performance of Responsibilities by Directors of NIPPON STEEL

The Board of Directors will make decisions on the execution of management plans and business strategies, as well as important business executions such as capital expenditure, and investments and provision of loans, after such matters are deliberated by companywide Committees for relevant areas such as ordinary budget, plant and equipment investment budget, investment and financing, and technology development, and the Corporate Policy Committee.

The business execution under the resolution at the Board of Directors and other corporate organizations is performed promptly by the Executive Directors, Executive Officers, and General Managers.

5. System to Ensure that Performance of Responsibilities by Employees of NIPPON STEEL Complies with Applicable Laws and Regulations and the Articles of Incorporation

NIPPON STEEL will build and maintain an internal control system based on autonomous internal controls.

Each General Manager will develop an autonomous internal control system in his/her Division, and strive to ensure thorough compliance with applicable laws and regulations and internal rules, and prevent any violation of applicable laws and regulations in business and affairs. NIPPON STEEL will also develop and enhance an employee-education system that includes regular seminars, and the creation and distribution of manuals for the purpose of ensuring compliance with applicable laws and regulations and internal rules. When each General Manager becomes aware of any potentially illegal acts or facts, he or she will immediately report such matters to the General Manager for the Internal Control & the Audit Division.

The General Manager of the Internal Control & Audit Division will confirm the status of developing and operating company-wide internal control systems, and identify and evaluate each Division's situation of compliance with applicable laws and regulations and internal rules, and take necessary measures such as preventing violations of applicable laws and regulations and internal rules. Moreover, the General Manager will report on such matters to the Risk Management Committee, and further report on important items among such matters to the Corporate Policy Committee and the Board of Directors. The General Manager will also establish and operate a whistleblower system that provides consultations and takes reports regarding risks in the operation of business. Employees are obligated to comply with applicable laws and regulations and internal rules and to appropriately perform their responsibilities.

Employees who violate applicable laws and regulations and internal rules will be subject to disciplinary action under the Rules of Employment.

6. System to Ensure Appropriateness of Operation in the Corporate Group Consisting of NIPPON STEEL and its Subsidiaries

Under the "Corporate Philosophy of the NIPPON STEEL Group," NIPPON STEEL and each Group company will share business strategy and conduct their business in a unified manner, taking into account each company's business characteristics, and will familiarize their respective employees with their respective business operation policies and other related matters. With respect to control of the Group companies, NIPPON STEEL will set forth basic rules in the Rules for Control of group companies, and ensure their appropriate application.

Each Group company will build and maintain its internal control system based on autonomous internal controls, and seek to improve measures relating to internal control through, among other measures, information sharing with NIPPON STEEL. Each responsible division of NIPPON STEEL will confirm the status of internal controls at each Group company, and provide assistance in its improvements, where necessary.

The General Manager of the Internal Control & Audit Division will coordinate with each functional division, and identify and evaluate the situation of internal control of the Group companies as a whole, and provide guidance and advice to each responsible division and each Group company.

The specific systems under the views above are as follows.

(i) System for Reporting to NIPPON STEEL in relation to the Performance of Responsibilities by the Group Companies' Directors

The responsible divisions of NIPPON STEEL will request that each Group company report on important management matters in relation to NIPPON STEEL's consolidated management or each Group company's management, including business plans, significant business policies, and financial results, and give advice and other guidance.

(ii) Rules and Other Systems with respect to Group Companies' Loss-related Risk Management

The responsible divisions of NIPPON STEEL will request that each Group company report on the situation of risk management in each Group company, and give advice and other guidance.

(iii) System to Ensure Efficiency in the Performance of Responsibilities by the Group Companies' Directors

The responsible divisions of NIPPON STEEL will evaluate the business performance of each Group company, and give support for the management.

(iv) System to Ensure that the Performance of Responsibilities by Group Companies' Directors and Employees Complies with Applicable Laws and Regulations and the Articles of Incorporation

The responsible divisions of NIPPON STEEL will request that Group companies report on their respective situation on compliance with applicable laws and regulations, and the development and operation of internal control systems, and give necessary support, advice, and other guidance. Additionally, such divisions will request that each Group company report on any actions and facts in such Group company that may violate applicable laws and regulations, and promptly report to the General Manager of the Internal Control & Audit Division.

(2) Outline of status of operation

1) Operational organization

NIPPON STEEL has established an operational organization for its internal control systems. This organization consists of the Internal Control & Audit Division (21 full-time and 24 concurrently with their other posts), which is responsible for the internal control plan and internal audits, and functional divisions responsible for managing risk in each field (about 800 staff members). NIPPON STEEL has also designated a person in charge of risk management (about 130 for NIPPON STEEL) and a person responsible for risk management (about 500 in group companies) who are engaged in planning and promoting autonomous internal-control activities in each division and Group company.

This organization operates the internal control system as follows.

2) Specific status of operation

a) Internal control plan

In March of each year, NIPPON STEEL develops an annual plan on internal control for NIPPON STEEL Group as a whole based on changes in the related laws and the business circumstances. This plan includes a basic policy, separate plans for each function, including safety, environment, plant safety, and quality, an internal audit plan, and an education plan. Each division and Group company creates its own plan for the fiscal year based on such annual plan developed by NIPPON STEEL.

b) Autonomous internal control activities

In accordance with the annual plan, each division and Group company autonomously performs internal control activities based on the characteristics of each business and its inherent risks. Specifically, such activities include establishment, education and voluntary inspections of operational rules, manuals and other documentation; third-party monitoring; and improvements to operations based on the results thereof.

Such divisions and Group companies immediately report any accidents, disasters, facts that may violate applicable laws and regulations, etc. to the Internal Control & Audit Division, and coordinate with the relevant divisions to take corrective measures, such as measures to prevent recurrence. The Internal Control & Audit Division compiles case studies of such incidents and shares them within the NIPPON STEEL Group. Each division and Group company then performs inspections for similar risks.

c) Internal audits, etc.

Internal audits confirm the status of internal controls via internal-control checklists and other documents. Additionally, the Internal Control & Audit Division and each functional division monitor each division and group company.

As measures to complement NIPPON STEEL's internal controls, NIPPON STEEL also operates a hotline for internal reporting and consultations within the company and at external professional organizations, which are open to officers and employees of NIPPON STEEL and group companies and their families, as well as employees of NIPPON STEEL's suppliers and others. In fiscal year 2024, there were 437 cases of internal reporting and consultations. NIPPON STEEL and its major group companies regularly conduct employee awareness surveys regarding internal controls.

d) Assessment and improvement

The Internal Control & Audit Division and each functional division report the status of operation of the internal control system at the quarterly meeting of the Risk Management Committee. They also report important matters at meetings of the Corporate Policy Committee and the Board of Directors. In addition, the status of operation of the internal control system is also shared with each division and Group company at the meeting of the persons in charge of risk management and the meeting of the persons responsive for risk management, which meet quarterly.

The Internal Control & Audit Division also assesses the effectiveness of its internal control system as of the end of each fiscal year, and compiles a report of its assessment based on the status of internal-control activities, internal audits, etc. This assessment is then reported to the Risk Management Committee, Corporate Policy Committee, and Board of Directors.

Based on the results of these assessments, NIPPON STEEL establishes measures to improve the effectiveness of its internal control system, and incorporates them into the next fiscal year's internal control plan.

e) Education and awareness raising

The Company educates officers and employees of NIPPON STEEL and those of its group companies through sessions on internal controls prepared by NIPPON STEEL. The sessions include position-specific training, and are given to everyone from new hires to executive management. The Company also works actively to raise awareness of its approach to internal controls, establishment of better workplace culture, and other topics through a dialog between the Internal Control & Audit Division, and each division of NIPPON STEEL, and its group companies.

f) Coordination with the Audit & Supervisory Committee and Accounting Auditor

The Internal Control & Audit Division reports the status of internal controls to the Audit & Supervisory Committee each quarter. It also reports and discusses the status of internal controls with the Risk Management Committee with the attendance of Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee. The Internal Control & Audit Division is also committed to sharing information and coordinating, including holding monthly liaison meetings.

It reports and discusses such matters as the results of assessments of internal controls relating to the status of operation of the Risk Management Committee and reporting of financial statements to the Accounting Auditor periodically.

7. Basic Policy regarding the Control of NIPPON STEEL

Basic Policy on the Composition of Persons to Control Decision-Making over the Financial and Business Policies of NIPPON STEEL

Under the corporate philosophy that the NIPPON STEEL group will pursue world-leading technologies and manufacturing capabilities, and contribute to society by providing excellent products and services, the NIPPON STEEL group aims to improve its corporate value, and further the common interests of its shareholders, by enhancing its competitiveness and profitability through the planning and execution of management strategies.

NIPPON STEEL believes that in the event a third party proposes the acquisition of substantial shareholdings in NIPPON STEEL (a “Takeover Proposal”), the ultimate decision as to whether or not to accept the Takeover Proposal should be made by the then shareholders of NIPPON STEEL. On the other hand, NIPPON STEEL believes that such Takeover Proposals could include those with the potential to cause clear damage to the corporate value of NIPPON STEEL or the common interests of the shareholders of NIPPON STEEL or those with the potential to practically coerce shareholders into selling their shares of NIPPON STEEL.

Consequently, NIPPON STEEL will pay close attention to the status of trading of shares of NIPPON STEEL and changes of its shareholders in order to prepare for such disadvantages to the shareholders of NIPPON STEEL in the event a Takeover Proposal is made by a third party, and, for the occasions where a Takeover Proposal is actually made, will make efforts to enable its shareholders to make an appropriate informed judgment based on sufficient information and with a reasonable time period to consider such proposal.

If a Takeover Proposal is reasonably judged to damage the corporate value of NIPPON STEEL, which could result in harm to the common interests of shareholders of NIPPON STEEL, NIPPON STEEL will aim to protect its corporate value and the common interests of its shareholders by taking prompt and appropriate measures to the extent permitted under the then applicable laws and regulations.

(Note)
With respect to amount of money and numbers of shares expressed in this Business Report, the amount less than unit are truncated.

● Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(Millions of Yen)

ASSETS	March 31, 2025	LIABILITIES	March 31, 2025
Current assets :		**Current liabilities :**	
Cash and cash equivalents	672,526	Trade and other payables	1,671,352
Trade and other receivables	1,430,435	Bonds, borrowings and lease liabilities	473,466
Inventories	2,199,096	Other financial liabilities	823
Other financial assets	41,425	Income taxes payable	126,428
Other current assets	205,019	Other current liabilities	63,421
Total current assets	**4,548,503**	**Total current liabilities**	**2,335,493**
		Non-current liabilities :	
		Bonds, borrowings and lease liabilities	2,034,026
Non-current assets :		Other financial liabilities	35
Property, plant and equipment	3,635,585	Defined benefit liabilities	111,552
Right-of-use assets	101,934	Deferred tax liabilities	137,014
Goodwill	71,639	Other non-current liabilities	420,955
Intangible assets	263,231		
Investments accounted for using the equity method	1,600,366	**Total non-current liabilities**	**2,703,584**
Other financial assets	461,378		
Defined benefit assets	116,415	**Total liabilities**	**5,039,077**
Deferred tax assets	135,074		
Other non-current assets	8,329	**EQUITY**	
Total non-current assets	**6,393,955**	Common stock	569,519
		Capital surplus	578,457
		Retained earnings	3,819,934
		Treasury stock	(58,236)
		Other components of equity	473,635
		Total equity attributable to owners of the parent	**5,383,311**
		Non-controlling interests	**520,069**
		Total equity	**5,903,380**
Total assets	**10,942,458**	**Total liabilities and equity**	**10,942,458**

(2) Consolidated Statements of Profit or Loss (April 1, 2024 - March 31, 2025)

(Millions of Yen)

	Fiscal 2024
Revenue	8,695,526
Cost of sales	(7,323,874)
Gross profit	**1,371,651**
Selling, general and administrative expenses	(815,817)
Share of profit in investments accounted for using the equity method	126,900
Other operating income	79,845
Other operating expenses	(79,343)
Business profit	**683,237**
Losses on reorganization	(135,277)
Operating profit	**547,960**
Finance income	20,841
Finance costs	(44,423)
Profit before income taxes	**524,377**
Income tax expense	(141,405)
Profit for the year	**382,972**
Profit for the year attributable to :	
Owners of the parent	**350,227**
Non-controlling interests	32,744

(3) Consolidated Statements of Changes in Equity

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

(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 transactions with owners and others	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				Non-controlling interests	Total equity
	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		
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 transactions with owners and others	—	—	(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**

Notes to the consolidated financial statements

I. Material accounting policies for consolidated financial statements

1. Standards for preparation of consolidated financial statements
The consolidated financial statements of the Company have been prepared in conformity with the International Financial Reporting Standards (“IFRS”) pursuant to the provisions of Article 120, paragraph (1) of the Ordinance on Accounting of Companies. Some of the items in the consolidated financial statements required to be disclosed by IFRS have been omitted in accordance with the provisions of the second sentence of Article 120, paragraph (1) of the Ordinance on Accounting of Companies.

2. Scope of consolidation
Number of consolidated subsidiaries: 419 companies
Principal consolidated subsidiaries are presented in “1. Current Situations of the Nippon Steel Group, (9) Principal Subsidiaries and Affiliates.”

In fiscal 2024, the scope of consolidation expanded by 7 companies, including 3 newly established companies and 2 newly acquired companies, etc. 22 companies—13 merged companies and 6 liquidations, etc.—were eliminated from the scope of consolidation in fiscal 2024.

3. Application of equity method and proportionate consolidation
Number of equity-method and proportionate-consolidation affiliates (associates, joint operations and joint ventures): 110 companies
Principal equity-method and proportionate-consolidation affiliates are presented in “1. Current Situations of Nippon Steel Group, (9) Principal Subsidiaries and Affiliates.”

During fiscal 2024, 4 companies were added to the scope of equity-method and proportionate-consolidation affiliates and 7 companies were removed from the scope of equity-method affiliates.

4. Accounting principles
(1) Financial instruments
1) Recognition and measurement
The Group recognizes financial assets when it becomes a party to the contractual provisions of the assets. Financial assets purchased or sold in a regular way are recognized on the trade date. Financial assets other than derivative financial instruments are classified at initial recognition as those measured at amortized cost or at fair value through other comprehensive income. Financial assets measured at amortized cost and at fair value through other comprehensive income are initially recognized at their fair value plus transaction costs that are directly attributable to the acquisition of the assets. However, the trade receivables that do not contain a significant financing component are recognized initially at their transaction price.

(i)Financial assets measured at amortized cost
Financial assets are classified as financial assets measured at amortized cost only if the assets are held within the Group’s business model with an objective of collecting contractual cash flows, and if the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii)Financial assets measured at fair value through other comprehensive income
For certain equity instruments held primarily for the purpose of maintaining or strengthening business relationship with investees, the Group designates these instruments as financial assets measured at fair value through other comprehensive income at initial recognition.

Subsequent changes in fair value are recognized in other comprehensive income. When these financial assets are derecognized or significant deterioration of fair value occurs, a gain or loss accumulated in other comprehensive income is reclassified to retained earnings. Dividends from the financial assets measured at fair value through other comprehensive income are recognized in profit or loss when the Group’s right to receive dividends is established.

2) Derecognition
Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire, or when the Group transfers the financial assets and substantially all the risks and rewards of ownership of the assets to another party.

3) Impairment of financial assets measured at amortized cost

The Group assesses expected credit loss at the end of each reporting period for the impairment of financial assets measured at amortized cost.
The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and financial assets with a significant increase in credit risk since initial recognition.
The Group determines whether credit risk has significantly increased based on changes in the risk of a default occurring on the financial assets. When determining whether there are changes in the risk of a default occurring on the financial assets, the Group considers the following;
- Significant deterioration in the financial conditions of an issuer or a borrower;
- A breach of contract, such as default or past-due payment of interest or principal; or
- It has become probable that a borrower will enter into bankruptcy or other financial reorganization

(2) Derivatives and hedge accounting

The Group utilizes derivatives, including foreign exchange forward contracts, interest rate swaps and currency swaps, to hedge foreign currency risk and interest rate risk. These derivatives are initially recognized at fair value when the contract is entered into, and are subsequently measured at fair value.

Changes in fair value of derivatives are recognized in profit or loss. However, the effective portion of cash flow hedges is recognized in other comprehensive income.

The Group formally documents relationships between hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions in an internal rule titled “Administrative Provisions on Transactions of Derivative Instruments”. The rule stipulates that derivative transactions are conducted only for the purpose of mitigating risks arising from the Group’s principal business activities (including forecast transactions) and the trading of derivatives for speculative purposes is prohibited.

The Group evaluates whether the derivatives designated as a hedging instrument offsets changes in fair value or the cash flows of the hedged items to a great extent when designating a hedging relationship and on an ongoing basis. A hedging relationship that qualifies for hedge accounting is classified and accounted for as follows:

1) Fair value hedges

Changes in fair value of derivative as a hedging instrument are recognized in profit or loss. Changes in fair value of a hedged item adjust the carrying amount of the hedged item and are recognized in profit or loss.

2) Cash flow hedges

The effective portion of changes in fair value of derivative as a hedging instrument is recognized in other comprehensive income. Any ineffective portion of changes in fair value of derivative as the hedging instrument is recognized in profit or loss.
The amount accumulated in other comprehensive income is reclassified to profit or loss when the hedged transactions affect profit or loss. When a hedged item results in the recognition of a non-financial asset or a non-financial liability, the amount recognized as other components of equity is reclassified as an adjustment of initial carrying amount of the non-financial asset or non-financial liability.

(3) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is measured mainly based on the weighted average method, and comprises all costs of purchasing and processing as well as other costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(4) Property, plant and equipment

1) Recognition and measurement

Property, plant and equipment is initially measured at cost and presented at cost less accumulated depreciation and impairment losses.
Acquisition cost includes costs directly attributable to the acquisition of the asset and costs of dismantling, removing and restoration of the asset.

2) Depreciation

Depreciation of property, plant and equipment is mainly computed by the straight-line method over the estimated useful lives of each component based on the depreciable amount. The depreciable amount is the cost of the asset less the respective estimated residual values.
The estimated useful lives of major property, plant and equipment are as follows:
- Buildings: Principally 31 years
- Machinery: Principally 14 years

The depreciation methods, estimated useful lives and residual values are reviewed at the end of each reporting period, and modified as necessary.

(5) Goodwill and intangible assets

Intangible assets are measured at cost. Intangible assets with finite useful lives are presented at cost less accumulated amortization and impairment losses. Goodwill and intangible assets with indefinite useful lives are presented at cost less accumulated impairment losses.

1) Goodwill

When the total of consideration transferred in business combinations and amount of non-controlling interests in the acquiree exceeds the net of identifiable assets acquired and liabilities assumed on the acquisition date, the excess amount is recognized as goodwill.

Goodwill is not amortized and is allocated to cash-generating units or groups of cash-generating units.

Regarding accounting policy for impairment of goodwill, refer to (7) “Impairment of non-financial assets”.

2) Intangible assets

Intangible assets acquired separately are measured at cost at the date of initial recognition. The costs of intangible assets acquired in business combinations are measured at fair value at the acquisition date. Expenditures related to internally generated intangible assets are recognized as expenses when incurred, unless development expenses meet the criteria for capitalization.

3) Amortization

Amortization of intangible assets with finite useful lives is recognized as an expense by the straight-line method over their estimated useful lives from the date when the assets are available for their intended use. The amortization methods and useful lives are reviewed at the end of each reporting period, and modified as necessary.

The estimated useful lives of major intangible assets with finite useful lives are as follows:

- Software:	Principally 5 years
- Mining rights:	Principally 35 years

Intangible assets with indefinite useful lives and intangible assets not yet available for use are not amortized.

(6) Leases

The Group determines whether a contract is, or contains, a lease based on the substance of the contract rather than its legal form at the commencement date of the lease.

The Group recognizes right-of-use assets and lease liabilities at the commencement date of a lease contract or a contract which is determined to contain a lease. Lease liabilities are measured at the discounted present value of the total lease payments that are not paid at the lease commencement date.

Right-of-use assets are initially measured at the amount of initial measurement of the corresponding lease liability, adjusted mainly by any initial direct costs, and any prepaid lease payments, plus costs including restoration obligations under the lease agreement. Right-of -use assets are depreciated mainly on a straight-line basis over the lease term. Finance costs are presented separately from depreciation costs on right-of-use assets on the consolidated statements of profit or loss.

For leases with an initial term of 12 months or less and leases for which the underlying asset is of low value, the Group applied an exemption of IFRS 16 and elected not to recognize the lease payments associated with those leases as right-of-use assets or lease liabilities. The Group recognizes such lease payments as expenses mainly on a straight-line basis over the lease term.

(7) Impairment of non-financial assets

For the non-financial assets other than inventories and deferred tax assets, the Group assesses whether there is any indication of impairment on each asset or the cash-generating unit to which the asset belongs at the end of each reporting period. If any indication of impairment exists, the recoverable amount of the asset or the cash-generating unit to which the asset belongs is estimated and impairment tests are performed. Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever an indication of impairment exits.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. When the recoverable amount of the individual asset cannot be estimated, the Group estimates the recoverable amount of the cash-generating unit or the group of cash-generating units to which the asset belongs. The value in use is calculated by discounting the estimated future cash flows to the present value, and a pre-tax discount rate that reflects the time value of money and the risks specific to the asset is used as a discount rate.

The cash flows are based on the medium- to long-term management plan and the latest business plan, which incorporate the steel supply and demand forecast and manufacturing cost improvement as key assumptions. Projections of steel supply and demand and manufacturing cost improvements are subject to a high degree of uncertainty, and management's judgments regarding these factors are expected to have a material impact on future cash flows.

An impairment loss is reversed if there are indications that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased and the recoverable amount of the asset is greater than its carrying amount. The amount to be reversed would not exceed its carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. An impairment loss recognized in goodwill is not reversed.

(8) Revenue

Revenue is recognized based on the following five-steps.

Step 1: Identify the contract with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when or as the Group satisfies a performance obligation

Revenue generated from Steelmaking and Steel Fabrication segment and Chemicals and Materials segment primarily consists of revenue generated from sale of goods while revenue generated from Engineering and Construction segment primarily consists of construction contracts and revenue generated from System Solutions segment mainly consists of services rendered and construction contracts (built-to-order software).

1) Performance obligations satisfied at a point in time

The Group recognizes revenue from sale of goods at the point of shipment as the customer obtains control of the goods and therefore a performance obligation is satisfied at a point in time where the Group no longer retains physical possession of the goods upon shipment, the Group has the right to be paid from the customer and their legal title is transferred to the customer.

With respect to revenue from rendering of service whose performance obligation is satisfied at a point in time, the Group recognizes revenue when the rendering of service is completed.
Revenue is measured at the amount of consideration received or receivable less discounts and rebates.
The consideration of the transaction is primarily collected within one year after the satisfaction of its performance obligation and it does not contain a significant financing component.

2) Performance obligations satisfied over time

The Group recognizes revenue from construction contracts and built-to-order software on the basis of progress towards satisfaction of performance obligation as the Group transfers control over time. The progress is measured on the basis of percentage of actual costs incurred to date to estimated total costs as it is considered that costs incurred properly reflect the progress of the services. (input methods)

With respect to revenue from rendering of services whose performance obligation is satisfied over time, the Group recognizes revenue evenly throughout the duration of the service.

(9) Employee benefits

Employee benefits include short-term employee benefits, retirement benefits, and other long-term employee benefits.

1) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recognized as expenses when the related service is provided.
A liability is recognized for the amount expected to be paid under short-term cash incentive plans if the Group has a present legal or constructive obligation to pay in exchange for services provided by the employees in the prior period, and such obligation can be reliably estimated.

2) Retirement benefits

Retirement benefit plans comprise of defined benefit corporate pension plans, defined contribution plans, and lump-sum retirement payment plans. These retirement benefit plans are accounted for as follows:

(i) Defined benefit corporate pension plans and lump-sum retirement payment plans

The net defined benefit liabilities or assets of defined benefit plans are recognized as the present value of defined benefit obligations less the fair value of any plan assets. If the defined benefit plan has surplus, the defined benefit asset is limited to the asset ceiling that is the present value of any future economic benefits available in the form of reductions in the future contributions to the plan or cash refunds.

The present value of defined benefit obligations is calculated annually by qualified actuaries using the projected unit credit method. The discount rates are based on the market yields of high quality corporate bonds at the end of each reporting period that have terms consistent with the discount period, which is established as the estimated term of the retirement benefit obligations through to the estimated dates for payments of future benefits.

Remeasurements of defined benefit plans are immediately recognized in other comprehensive income when incurred and then directly transferred to retained earnings, while past service costs are recognized in profit or loss.

(ii) Defined contribution plans

Contributions to defined contribution retirement plans are recognized as expenses in the period when the employees render the related services.

(10) Income taxes

Income taxes comprise of current taxes and deferred taxes, and are recognized in profit or loss, except for the items which are recognized directly in equity or other comprehensive income.

Current taxes are measured at the amounts expected to be paid or recovered from the taxation authorities using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and deferred tax liabilities are recognized based on future tax consequences attributable to temporary differences between the carrying amounts of assets or liabilities for accounting purposes and the tax bases of the assets or liabilities, carryforward of unused tax losses and tax credits. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilized. Deferred tax assets are reviewed at the end of each reporting period and recognized only to the extent that it is probable that the tax benefits can be realized.
However, deferred tax assets are not recognized if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination, affects neither accounting profit nor taxable profit, and does not give rise to equal taxable and deductible temporary differences at the time of the transaction.

Deferred tax assets arising from deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements are recognized only to the extent of the following circumstances:

- The temporary difference will reverse in the foreseeable future; and
- Taxable profit will be available against which the temporary difference can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences, except for the following circumstances:

- On the initial recognition of goodwill;
- On the initial recognition of an asset or liability in a transaction that is not a business combination, affects neither accounting profit nor taxable profit, and does not give rise to equal taxable and deductible temporary differences at the time of the transaction;
- Taxable temporary differences associated with investments in subsidiaries to the extent that the parent company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group assesses the recoverability of deferred tax assets using all the future information available such as projections of the future taxable profit based on the medium- to long-term management plan and the latest business plan which incorporate the steel supply and demand forecast and manufacturing cost improvement as key assumptions. Although the Group recognizes its deferred tax assets to the extent that it is probable that the related tax benefits will be realized, the recoverable amount may vary depending on the factors such as the changes in the projections of the future taxable profit in case of not achieving the goal of the medium- to long-term management plan and business plan due to unfavorable business environment or tax reforms including the changes in the statutory tax rate.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and in either of the following circumstances:

- Income taxes are levied by the same taxation authority on the same taxable entity; or
- Different taxable entities intend either to settle current tax assets and current tax liabilities on a net basis, or to realize the current tax assets and settle the current tax liabilities simultaneously.

The Group has applied International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12 Income Taxes) (announced in May 2023). With regard to the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes, the exceptions set forth in these amendments are applied.

5. Material accounting estimates and judgments

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. However, actual results could differ from these estimates.

The estimates and their underlying assumptions are reviewed on an ongoing basis. The effects of changes in accounting estimates are recognized prospectively in the period in which the estimates are revised.

Information about uncertainty of key estimates and assumption that may have material risks of causing material adjustments to the carrying amount of assets and liabilities in the subsequent reporting year, particularly the impairment of non-financial assets and the recoverability of deferred tax assets that the Group considers material, is included in the following notes.

-I. Material accounting policies for consolidated financial statements 4. Accounting principles
(7) Impairment of non-financial assets

-The carrying amounts in the consolidated financial statements as of the year ended March 31, 2025

Property, plant and equipment	¥ 3,635,585 million
Right-of-use assets	101,934 million
Goodwill	71,639 million
Intangible assets	263,231 million
Investments accounted for using the equity method	1,600,366 million

-I. Material accounting policies for consolidated financial statements 4. Accounting principles
(10) Income taxes

-The carrying amounts in the consolidated financial statements as of the year ended March 31, 2025

Deferred tax assets	¥ 135,074 million

II. Notes to the consolidated statements of financial position

1. Assets pledged as collateral and secured debts

Assets pledged as collateral	Amount (Millions of Yen)
Land	5,605
Buildings and structures	1,966
Machinery and vehicles	660
Other	11,251
Total	19,483

Secured debts	Amount (Millions of Yen)
Short-term borrowings	320
Other	888
Total	1,208

In addition to the pledged assets listed above, ¥461 million of shares of associates are pledged as collateral for affiliates' loans.

2. Inventories

Merchandise and finished goods (including semi-finished products)	¥ 1,207,139 million
Work in progress	112,832 million
Raw materials and supplies	879,123 million

3. Allowance for doubtful accounts directly deducted from assets

Trade and other receivables	¥ 3,929 million
Other financial assets	3,730 million

4. Accumulated depreciation of property, plant and equipment ¥9,827,604 million

5. Loan guarantees

The Group provides guarantees for the bank loans of its joint ventures and associates which would require the Group to repay the loan in the event of a default.

Guarantee for debts of joint ventures and associates ¥ 450,184 million

III. Notes to the consolidated statements of profit or loss

(Business profit)

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.

(Losses on reorganization)

Losses on reorganization were recorded owing to business reorganization and withdrawal, and the details are described below.

Losses on inactive facilities and others ¥ 135,277 million

Losses on inactive facilities and others were mainly incurred due to termination and demolition losses based on the decision to close one series of upstream facilities, the steel plate mill and the large shape mill in East Nippon Works Kashima Area and No.4 coke oven in Kansai Works Wakayama Area.

IV. Notes to the consolidated statements of changes in equity

1. Number and class of shares outstanding at the end of fiscal 2024

Number of shares outstanding at the end of the period (including treasury stock)

Ordinary shares 1,074,726,752 shares

Number of treasury stock at the end of the period

Ordinary shares 29,538,220 shares

2. Dividends

(1) Dividends paid

Date of resolution	Class of share	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Shareholders' meeting held on June 21, 2024	Ordinary shares	78,381	85	March 31, 2024	June 24, 2024
Board of Directors' meeting held on November 7, 2024	Ordinary shares	83,704	80	September 30, 2024	December 6, 2024

(2) Dividends that belong to the current consolidated reporting year but become effective in the subsequent consolidated reporting year (planned)

Date of resolution	Class of share	Source of dividends	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Shareholders' meeting held on June 24, 2025	Ordinary shares	Retained earnings	83,703	80	March 31, 2025	June 25, 2025

V. Notes to the financial instruments

1. Current status of financial instruments

(1) Capital management

Under the presumption that a certain level of financial stability is maintained, the Group has capital management policies which emphasize operational efficiency of invested capital, maximize corporate value by utilizing funds in investments (including investments in capital expenditure, research and development and M&A) which are expected to generate revenue which exceeds the cost of capital to enable sustainable growth and, at the same time, meet the demands of shareholders by providing returns to shareholders based on profits. The necessary funds to achieve this are primarily provided through cash flows from operating activities which are generated from maintaining and enhancing the Group's earnings power, and the Group raises funds through borrowings from banks and the issuance of corporate bonds, as necessary.

(2) Risk management

The Group is exposed to various financial risks (market risk, credit risk and liquidity risk) arising from its business activities and implements risk management processes to minimize these financial risks.

1) Market risk management

A. Foreign currency risk

Trade receivables denominated in foreign currencies arising from exports of products are exposed to foreign currency risk.

Trade payables, notes payable and other payables are, in principle, come due within one year. Certain trade payables are denominated in foreign currencies arising from imports of raw materials and exposed to foreign currency risk.

The Group enters into forward exchange contracts and currency swaps to hedge foreign exchange risk arising from sales and capital transactions and investing and financing activities of the Group.

Derivative transactions are executed in accordance with the internal derivative transaction policy. According to the internal derivative transaction policy, the policy for entering into a derivative transaction of financial instruments is discussed and approved by the Financial Management Committee and reported as necessary at the Board of Directors' meeting. Subsequently the Financial Controller approves the implementation of derivatives within the approved authority limits and reports that transaction amounts as well as gains or losses arising from derivative transactions to the Financial Management Committee on a regular basis.

B. Interest rate risk

Certain bonds and long-term borrowings are floating-rates debts. The interest expenses vary depending on interest rates.

The Group enters into interest rate swap contracts in order to mitigate the risk of interest rate fluctuations and to maintain the proportion of assets and liabilities bearing fixed and variable interest rates.

C. Market price fluctuation risk

Marketable equity instruments mainly represent the shares of trade counterparties for which are purchased to strengthen business alliances and are exposed to market price fluctuation risk. The Group monitors the market price on a regular basis and regularly evaluates the necessity to retain the respective investments.

2) Credit risk management

In accordance with the internal credit management policy, the Group shares customer credit records with related departments, and provides for credit protection measures as necessary. Trade receivables, including notes and accounts receivable, are exposed to the credit risk of customers. The Group limits transactions to customers who are also the principal suppliers of the Group such that the trade receivables due from the customers may be offset with the trade payables and borrowings, or to customers with high credit ratings where and the Group concludes that there are limited credit risks.

3) Liquidity risk management

The Group manages its liquidity risk on financing activities (the risk that debts cannot be paid by the due dates) by preparing and regularly updating a cash flow forecast based on the reports obtained from respective departments. Furthermore, the Group has a line of credit to cover for unforeseen circumstances.

2. Fair value of financial instruments

The carrying amount and fair value of financial instruments as of March 31, 2025 are as in the following table.
The Group does not disclose the financial instruments measured at fair value in the consolidated statements of financial position and the financial instruments with fair value being nearly equal to their carrying amount.

(Millions of Yen)

	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Bonds and borrowings	2,022,104	663,819	—	1,324,680

Notes:
Classification by levels in the fair value hierarchy
Level 1: Fair value measured with quoted prices in active markets for identical assets or liabilities;
Level 2: Fair value measured using inputs that are directly or indirectly observable for assets or liabilities other than those in Level 1;
Level 3: Fair value measured using inputs that are not based on observable market data for assets or liabilities.

Notes:
Valuation techniques used to measure the fair value of financial instruments
- The fair value of a bond is measured with reference to its market price.
- The fair value of a borrowing is measured at the present value of the total amounts of principal and interest discounted by the Group’s incremental borrowing rate with a similar term.

VI. Notes to the per share information

Total equity attributable to owners of the parent per share	¥5,150.56
Basic earnings per share	¥350.92

VII. Notes to the revenue recognition

1. Disaggregation of revenue

(Millions of Yen)

	Steelmaking and Steel Fabrication	Engineering and Construction	Chemicals and Materials	System Solutions	Consolidated
Revenue	7,819,748	371,309	250,873	253,594	8,695,526

(For reference 1)

● Consolidated Statements of Cash-Flows

Fiscal 2024 (April 1, 2024 - March 31, 2025)	(Millions of Yen)
Cash flows from operating activities	**978,593**
Cash flows from investing activities	**(462,428)**
Cash flows from financing activities	**(313,334)**
Other	**20,803**
Net increase in cash and cash equivalents	**223,634**
Cash and cash equivalents at beginning of the year	**448,892**
Cash and cash equivalents at end of the year	**672,526**

(For reference 2)

●Segment Information

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

(Millions of Yen)

	Reportable segment				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 <Business Profit>	621,005	14,628	18,938	38,888	693,461	(10,223)	683,237

● Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheet

(Millions of Yen)

ASSETS	March 31, 2025
Current assets :	
Cash and bank deposits	344,248
Accounts receivable	227,678
Finished products	206,990
Semi-finished products	420,812
Work in process	7,993
Raw materials	356,919
Supplies	196,432
Advance payments-other	43,599
Prepaid expenses	34,024
Accounts receivable-other	145,989
Other	19,640
Total current assets	**2,004,329**
Fixed assets :	
Tangible fixed assets :	
Buildings (net)	271,746
Structures (net)	212,330
Machinery and equipment (net)	953,660
Vehicles (net)	4,551
Tools, furniture and fixtures (net)	57,570
Land	466,404
Leased assets (net)	1,175
Construction in progress	313,902
	2,281,341
Intangible fixed assets :	
Patents and utility rights	1,842
Software	108,270
Leased assets	48
	110,162
Investments and others :	
Investments in securities	223,331
Shares of subsidiaries and affiliates	1,645,510
Investments in capital of subsidiaries and affiliates	27,260
Long-term loans receivable	2
Long-term loans receivable from subsidiaries and affiliates	289,793
Long-term prepaid expenses	80,268
Deferred tax assets	104,723
Other	11,532
Less: Allowance for doubtful accounts	(2,303)
	2,380,118
Total fixed assets	**4,771,622**
Total assets	**6,775,951**

LIABILITIES	March 31, 2025
Current liabilities :	
Accounts payable	322,546
Short-term loans payable	257,812
Bonds due within one year	70,000
Current portion of lease obligations	405
Accounts payable-other	642,692
Accrued expenses	57,838
Income tax payable	37,370
Advances received	1,927
Deposits received	506,515
Other	5,713
Total current liabilities	**1,902,822**
Long-term liabilities :	
Bonds and notes	612,500
Long-term loans payable	1,208,807
Lease obligations (excluding current portion)	844
Accrued pension and severance costs	70,532
Other	334,432
Total long-term liabilities	**2,227,118**
Total liabilities	**4,129,940**
NET ASSETS	
Shareholders' equity :	
Common stock	**569,519**
Capital surplus	
Legal capital surplus	261,527
Other capital surplus	269,911
Total Capital surplus	**531,438**
Retained earnings :	
Other retained earnings	
Reserve for advanced depreciation of fixed assets	25,891
Retained earnings carried forward	1,459,888
Total retained earnings	**1,485,779**
Less: Treasury stock, at cost	**(54,917)**
Total shareholders' equity	**2,531,820**
Valuation and translation adjustments :	
Unrealized gains on available-for-sale securities	101,923
Deferred hedge income (loss)	12,267
Total valuation and translation adjustments	**114,190**
Total net assets	**2,646,011**
Total liabilities and net assets	**6,775,951**

(2) Non-Consolidated Statements of Operations (April 1, 2024 - March 31, 2025)

(Millions of Yen)

	Fiscal 2024
Operating revenues :	
Net sales	4,712,292
Cost of sales	4,160,558
Gross profit	**551,734**
Selling, general and administrative expenses	298,355
Operating profit	**253,378**
Non-operating profit and loss :	
Non-operating profit :	
Interest and dividend income	104,353
Other	28,422
	132,776
Non-operating loss :	
Interest expense	27,219
Other	64,693
	91,912
Ordinary profit	**294,242**
Extraordinary profit and loss :	
Extraordinary profit :	
Gains on sales of investments in securities	79,287
Gain on sales of shares of subsidiaries and affiliates	11,604
	90,892
Extraordinary loss :	
Losses on inactive facilities	135,697
	135,697
Profit before income taxes	**249,437**
Income taxes - current	58,151
Income taxes - deferred	(14,077)
	44,073
Profit for the year	**205,364**

(3) Non-Consolidated Statements of Changes in Net Assets

Fiscal 2024 (April 1, 2024 - March 31, 2025) (Millions of Yen)

	Shareholders' equity								
		Capital surplus			Retained earnings				
					Other retained earnings				
	Common stock	Legal capital surplus	Other capital surplus	Total capital surplus	Reserve for advanced depreciation of fixed assets	Retained earnings carried forward	Total retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance as of March 31, 2024	419,799	111,807	269,909	381,717	26,233	1,416,267	1,442,500	(54,861)	2,189,156
Changes of the year									
Conversion of convertible bonds	149,720	149,720		149,720			—		299,440
Reversal of reserve for advanced depreciation of fixed assets				—	(341)	341	—		—
Cash dividends				—		(162,085)	(162,085)		(162,085)
Profit for the year				—		205,364	205,364		205,364
Purchases of treasury stock				—			—	(58)	(58)
Disposals of treasury stock			1	1			—	2	3
Net changes of items other than shareholders' equity									
Total change for fiscal 2024	149,720	149,720	1	149,721	(341)	43,620	43,278	(56)	342,664
Balance as of March 31, 2025	569,519	261,527	269,911	531,438	25,891	1,459,888	1,485,779	(54,917)	2,531,820

	Valuation and translation adjustments			
	Unrealized gains on available-for-sale securities	Deferred hedge income (loss)	Total valuation and translation adjustments	Total net assets
Balance as of March 31, 2024	188,560	3,263	191,824	2,380,980
Changes of the year				
Conversion of convertible bonds				299,440
Reversal of reserve for advanced depreciation of fixed assets				—
Cash dividends				(162,085)
Profit for the year				205,364
Purchases of treasury stock				(58)
Disposals of treasury stock				3
Net changes of items other than shareholders' equity	(86,637)	9,003	(77,633)	(77,633)
Total change for fiscal 2024	(86,637)	9,003	(77,633)	265,030
Balance as of March 31, 2025	**101,923**	**12,267**	**114,190**	**2,646,011**

Notes to the non-consolidated financial statements

I. Material accounting policies

1. Basis and method of valuation of assets

(1) Marketable securities

• Shares of subsidiaries and affiliates: Stated at cost determined by the moving-average method

• Available-for-sale securities:

Investments in securities other than equity securities without market prices: Stated at fair value (Net unrealized gains or losses are comprehensively included in net assets, and the cost of securities sold is determined by the moving-average method.)

Investments in equity securities without market prices: Stated at cost determined by the moving-average method

(2) Inventories

• Products, semi-finished products, work in process, and raw materials: Cost accounting method based on the periodic average method (Regarding balance sheet values, this method is designed to reduce book value when the contribution of inventories to profitability declines.)

• Supplies: Cost accounting method based on the first-in, first-out method (Regarding balance sheet values, this method is designed to reduce book value when the contribution of inventories to profitability declines)

2. Depreciation methods for fixed assets

(1) Tangible fixed assets (excluding leased assets)

Depreciation of tangible fixed assets is mainly calculated using the straight-line method.

Useful lives of tangible fixed assets are generally as follows:

Buildings:	Principally 31 years
Machinery and equipment:	Principally 14 years

(2) Intangible fixed assets (excluding leased assets)

Amortization of intangible fixed assets is calculated using the straight-line method.

Software products made by the Company are amortized over the projected usage periods that are of 5 years.

(3) Leased assets

• Assets concerning finance leases in which ownership is not transferred to the lessee

These assets are depreciated to a residual value of zero based on the straight-line method over a useful life period corresponding to the lease contract period.

3. Accounting basis for allowances

(1) Allowance for doubtful accounts

To provide for potential losses on doubtful accounts, the allowance for doubtful accounts is computed based on the historical experienced default ratio for non-specific receivables, as well as the estimated irrecoverable portion of specific doubtful receivables calculated on an individual basis.

(2) Accrued pension and severance costs

To provide for employee retirement benefits, an allowance is calculated based on projections of retirement benefit obligations and the pension fund asset balance at the end of the fiscal year. The employee retirement benefit obligation is computed based on the benefit formula basis using the projected retirement benefit obligation at the end of the fiscal year. Prior service cost is appropriated using the straight-line method over a specified period (10 years) within the employees' average remaining service period at the time when such costs accrues. Actuarial differences are principally charged to expenses proportionally using the straight-line method from the fiscal year following the year in which such differences accrue over a specified period (10 years) within the employees' average remaining service period at the time when such differences accrue.

4. Recognition criteria for revenue and expenses

Basic information for understanding revenue is omitted because the same information is disclosed in "Accounting principles" included in "Notes to the consolidated financial statements."

5. Other material accounting policies for financial statements

(1) Assets and liabilities denominated in foreign currencies and foreign currency translation

Monetary assets and liabilities of the Company denominated in foreign currencies are translated into yen at the spot rate prevailing on the closing date of accounts, and the resulting foreign exchange gains or losses are recognized as income or expenses.

(2) Method of hedge accounting

In principle, the Company applies the deferred hedging accounting method. For foreign exchange forward contracts and currency swaps whose amounts, currency, and period meet the conditions of hedged items, the “assigning” method is applied. In addition, for interest swaps whose amounts, index, and period meet the conditions for hedged items, the “exceptional” method is applied.

(3) Method and period for amortization of goodwill

Goodwill is amortized using the straight-line method over the period, where it is possible to estimate such a period, for which the excess cost is expected to have an effect on the balance sheets. Otherwise, the excess cost is amortized proportionately over 5 years.

(4) Retirement benefit accounting policy

The accounting methods for unrecognized actuarial differences associated with the retirement benefits and unrecognized past service liability used herein differ from the methods used in the consolidated financial statements.

(5) Application of the group tax sharing system

The Company applies the group tax sharing system.

(6) Application of Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System

The Company applies the group tax sharing system. The accounting treatment and disclosures of national and local corporate income taxes and tax effect accounting for these are in accordance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ Practical Solution No.42, August 12, 2021).

6. Changes in accounting policies

Application of Accounting Standard for Current Income Taxes

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (“ASBJ”) Standard No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) from the beginning of fiscal 2024. The classification of tax expense related to transactions or events recognized in shareholders‘ equity has been changed from profit or loss to shareholders’ equity.

The application of the revisions to categories for recording Corporate Taxes, etc. is subject to the transitional treatment stipulated in the proviso of Paragraph 20-3 of the Revised Accounting Standard of 2022. The Company recognizes the cumulative effect of retrospective application, assuming the new accounting policy had been applied to the periods prior to the beginning of fiscal 2024, as an adjustment to the opening balance of retained earnings, and thus the new accounting policy was applied from the adjusted opening balance.

This application has no impact on the non-consolidated financial statements of fiscal 2024.

7. Accounting estimates

Items of accounting estimates recorded in the financial statements for the current fiscal year that may have a material impact on the financial statements for the following fiscal year, are as follows.

(1) Impairment of fixed assets

• The carrying amounts in the financial statements as of fiscal 2024

Tangible fixed assets	¥2,281,341 million
Intangible fixed assets	110,162 million

• Other information that contributes to understanding of the details of accounting estimates

This information is omitted because the same information is described in "Material accounting estimates and judgments" included in “Notes to the consolidated financial statements.”

(2) The recoverability of deferred tax assets

• The carrying amounts in the financial statements as of fiscal 2024

Deferred tax assets (after offsetting deferred tax liabilities)	¥104,723 million

• Other information that contributes to understanding of the details of accounting estimates

This information is omitted because the same information is described in "Material accounting estimates and judgments" included in “Notes to the consolidated financial statements.”

II. Notes to the non-consolidated balance sheet

1. Accumulated depreciation of tangible fixed assets ¥6,763,662 million

2. Contingent liabilities

The Company guarantees loans from financial institutions and other sources held by other companies.

	(Outstanding amounts as of March 31, 2025)		(Substantial amounts)	
AMNS Luxembourg Holding S.A.	¥402,338	million	¥402,338	million
AM/NS Calvert LLC	93,630		46,998	
Other	868		868	
Total	¥496,836		¥450,205	

3. Accounts receivable and payable to subsidiaries and affiliates

Short-term accounts receivable	¥243,940 million
Long-term accounts receivable	289,793 million
Short-term accounts payable	936,258 million
Long-term accounts payable	10,902 million

III. Notes to the non-consolidated statements of operations

Transactions with subsidiaries and affiliates

Operating transactions	
Net sales	¥1,939,783 million
Purchases	1,281,796 million
Non-operating transactions	
Proceeds from the transfer of assets, etc.	¥442,757 million
Expenditures from the transfer of assets, etc.	173,566 million

IV. Notes to the statements of changes in net assets

Number and class of treasury stocks outstanding at the end of the fiscal year

Ordinary shares 28,431,942 shares

V. Notes to the tax-effect accounting

Deferred tax assets primarily arise from the exclusion from expenses of accrued bonus, impairment losses and losses on inactive facilities. Deferred tax liabilities primarily arise from unrealized gains on available-for-sale securities.

VI. Notes to the related party information

Subsidiaries and affiliates

Category	Name	Equity ownership percentage	Relation with related party	Description of transaction	Amount of transaction (Millions of Yen)	Account	Resulting account balances (Millions of Yen)
Affiliate	AMNS Luxembourg Holding S.A.	Holding 40% directly	Loan guarantee	Loan guarantee (*1)	402,338	—	—

Terms and conditions applied to related party transactions:

(*1) The Company provided a guarantee for 40% of the loan which AMNS Luxembourg Holding S.A. procured from banks.

VII. Notes to the per share information

Net assets per share	¥2,528.93
Earnings per share	¥205.54

VIII. Notes to the material subsequent events

(Absorption-Type Merger (Simplified Merger) with Nippon Steel Stainless Steel Corporation)

Effective April 1, 2025, the Company conducted an absorption-type merger, with the Company as the surviving company and its wholly-owned subsidiary, Nippon Steel Stainless Co., Ltd. (the "NSSC"), as the dissolving company.

1. Purpose of the Merger

NSSC, as a wholly-owned subsidiary of the Company, has leveraged its business scale specializing in the stainless steel sheet business and strengthened its sales, quality, cost, commodity development, etc. under a speedy and efficient organizational and operational structure. NSSC has also worked to address issues specific to the stainless steel sheet business environment, such as building a streamlined and robust production facility system, and has established a stable revenue base.

However, the environment surrounding the stainless steel sheet business is changing, with factors such as the decline in domestic demand due to factors such as the future decline in population and the electrification of automobiles, and the continuing problem of overcapacity in the Asian market. In order to accurately respond to increasingly sophisticated and diverse management issues, the Company has decided to conduct an absorption-type merger with NSSC.

2. Method of the Merger

The Merger was an absorption-type merger, with the Company as the surviving company and NSSC as the dissolving company, and NSSC has been dissolved upon the Merger.Since the Merger was a merger with a wholly-owned subsidiary of the Company, and no shares or other money, etc. has been delivered.

3. Succeeding assets and liabilities from the merger (March 31, 2025)

Total assets	¥343,366 million
Total liabilities	¥104,378 million
Total net assets	¥238,988 million

4. Accounting treatment implemented

Based on the Accounting Standard for Business Combinations and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures, the merger was treated as transactions under common control.

5. Other

The Company succeeded to all of the rights and obligations of NSSC in the merger.

Report of Accounting Auditor on Consolidated Financial Statements (Copy)

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

Independent Auditor's Report

May 12, 2025

Mr. Tadashi Imai
Representative Director and President
Nippon Steel Corporation

KPMG AZSA LLC
Tokyo Office
Yutaka Terasawa
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Makoto Yamada
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Takahiro Toyama
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the notes to the consolidated financial statements of Nippon Steel Corporation (the "Company") for the fiscal year from April 1, 2024 through March 31, 2025.

In our opinion, the above consolidated financial statements present fairly, in all material respects, the financial position and results of operations of the corporate group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in accordance with the accounting principles prescribed in the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, which omits certain disclosure items required under the designated International Financial Reporting Standards.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit & Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting principles prescribed in the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, which omits certain disclosure items required under the designated International Financial Reporting Standards. This includes designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with the accounting principles prescribed in the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, which omits certain disclosure items required under the designated International Financial Reporting Standards.

The Audit & Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with the accounting principles prescribed in the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, which omits certain disclosure items required under the designated International Financial Reporting Standards, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Plan and perform an audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries that forms the basis for expressing an opinion on the consolidated financial statements.

  The auditor is responsible for the direction, supervision and review of the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit & Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor provides the Audit & Supervisory Committee with a statement that the auditor has complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Report of Accounting Auditor on Non-Consolidated Financial Statements (Copy)

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

Independent Auditor's Report

May 12, 2025

Mr. Tadashi Imai
Representative Director and President
Nippon Steel Corporation

KPMG AZSA LLC
Tokyo Office
Yutaka Terasawa
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Makoto Yamada
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Takahiro Toyama
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules of Nippon Steel Corporation (the "Company") for the 100th fiscal year from April 1, 2024 through March 31, 2025.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit & Supervisory Committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the

preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.
The Audit & Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules
Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.
We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to the Audit & Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.
The auditor provides the Audit & Supervisory Committee with a statement that the auditor has complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest
Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Report of Audit & Supervisory Committee on Business Report and other issues, Consolidated Financial Statements and Non-Consolidated Financial Statements (Copy)

[English Translation of the Audit & Supervisory Committee Members' Report Originally Issued in the Japanese Language]

Audit Report

The Audit & Supervisory Committee has audited the performance of duties by Directors of Nippon Steel Corporation ("NIPPON STEEL") for the 100th fiscal year from April 1, 2024 to March 31, 2025. The Audit & Supervisory Committee hereby reports the method and result of its audit as follows:

1. Auditing Method and Details Thereof

The Audit & Supervisory Committee received explanations from the Directors and other relevant personnel on the details of the resolutions of the Board of Directors concerning matters listed in Article 399-13, Paragraph 1, Item 1 (b) and (c) of the Companies Act and the status of establishment and operation of the frameworks established based on such resolutions (hereinafter referred to as the "Internal Control System"), and scrutinized the explanations and expressed opinion thereon, and conducted an audit in the following manner. With respect to the internal control on financial reporting, each Audit & Supervisory Committee Member received a report on the assessment of such internal control and auditing thereof also from KPMG AZSA LLC and sought explanations as necessary.

(1) In compliance with the standards for the Audit & Supervisory Committee's audits, which was established by the Audit & Supervisory Committee, and in accordance with auditing policy, the audit plan, and the assignment of duties, etc., the Audit & Supervisory Committee Members defined the status of establishment and operation of the Internal Control System and the status of promotion of various measures for the Management Plan as priority audit items, cooperated closely with the department in charge of internal audits, attended meetings of the Board of Directors, management meetings and other meetings, received reports from Directors, employees and other relevant personnel regarding the status of execution of their duties, sought explanations as necessary, inspected important documents, and examined the operations and financial position of NIPPON STEEL at the Head Office and Works of NIPPON STEEL. As for the subsidiaries of NIPPON STEEL, each Director and Audit & Supervisory Committee Member endeavored to keep communication and shared information with the Audit & Supervisory Board Members and other related personnel of the subsidiaries, and received reports from the subsidiaries regarding their businesses and sought explanations as necessary.

(2) As for the Basic Policy on the Composition of Persons to Control Decision-Making over the Financial and Business Policies of NIPPON STEEL as described in the Business Report, each Audit & Supervisory Committee Member examined its contents based on discussions at the Meetings of Board of Directors and other relevant meetings.

(3) The Audit & Supervisory Committee Members confirmed whether the Accounting Auditor maintained its independence and implemented appropriate audits, as well as received reports from the Accounting Auditor regarding the performance of its duties and sought explanations as necessary. The Audit & Supervisory Committee Members also received notification from the Accounting Auditor that system for ensuring appropriate execution of the duties of the Accounting Auditor has been prepared and sought explanations as necessary.

Based on the foregoing method, the Audit & Supervisory Committee Members reviewed the Business Report for this fiscal year and the supplementary schedules thereof, the non-consolidated financial statements for this fiscal year (non-consolidated balance sheet, non-consolidated statement of operations, non-consolidated statement of changes in net assets and the related notes) and supplementary schedules as well as the consolidated financial statements for this fiscal year (consolidated statements of financial position, consolidated statements of profit or loss, consolidated statements of changes in equity and the related notes).

2. Audit Results

(1) Audit Results on the Business Report, etc.

   1) In our opinion, the Business Report and the supplementary schedules fairly represent NIPPON STEEL's condition in conformity with the applicable laws and regulations of Japan as well as the Articles of Incorporation of NIPPON STEEL.

2) We have found no evidence of misconduct or material facts in violation of the applicable laws and regulations, nor of any violation with respect to the Articles of Incorporation of NIPPON STEEL, related to performance of duties by the Directors.
3) In our opinion, the content of the resolutions of the Board of Directors regarding the Internal Control System is appropriate, and we have found no matters to remark in regard to the implementation thereof, including internal control on financial reporting. In addition, we have found no matters to remark in regard to the description in the Business Report relating to the internal control system.
4) We have found no matters to remark in regard to the Basic Policy on the Composition of Persons to Control Decision-Making over the Financial and Business Policies of NIPPON STEEL as described in the Business Report.

(2) Results of Audit of the Non-Consolidated Financial Statements and Supplementary Schedules

In our opinion, the method and the results of the audit used and conducted by KPMG AZSA LLC, the Accounting Auditor, are appropriate.

(3) Results of Audit of the Consolidated Financial Statements

In our opinion, the method and the results of the audit used and conducted by KPMG AZSA LLC, the Accounting Auditor, are appropriate.

May 12, 2025

The Audit & Supervisory Committee of Nippon Steel Corporation

Senior Audit & Supervisory Committee Member (full-time)	Kazumasa Shinkai (Seal)
Senior Audit & Supervisory Committee Member (full-time)	Eiji Sogoh (Seal)
Audit & Supervisory Committee Member	Kenji Hiramatsu (Seal)
Audit & Supervisory Committee Member	Aiko Sekine (Seal)
Audit & Supervisory Committee Member	Sumiko Takeuchi (Seal)

(Note) Audit & Supervisory Committee Members, Kenji Hiramatsu, Aiko Sekine and Sumiko Takeuchi are Outside Directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.

NIPPON STEEL CORPORATION GROUP Corporate Philosophy

Our Values

Nippon Steel Corporation Group will pursue world-leading technologies and manufacturing capabilities, and contribute to society by providing excellent products and services.

Management Principles

1. We continue to emphasize the importance of integrity and reliability in our actions.
2. We provide products and services that benefit society, and grow in partnership with our customers.
3. We pursue world-leading technologies and manufacturing capabilities.
4. We continually anticipate and address future changes, innovative from within, and pursue unending progress.
5. We develop and bring out the best in our people to make our Group rich with energy and enthusiasm.

Shareholder Reference Information

Fiscal year end	March 31 each year
General Meeting of Shareholders	Latter part of June each year
Record date for the General Meeting of Shareholders	Shareholders entitled to exercise the right at the General Meeting of Shareholders shall be those who are electronically recorded as having the voting rights in the latest Register of Shareholders of March 31 each year.
Record date for dividends	NIPPON STEEL may distribute its surplus to the shareholders or pledgees of shares registered in the latest Register of Shareholders as of March 31, September 30 and such other date as determined by the Board of Directors.
Website for electronic public notices	https://www.nipponsteel.com/index.html
Articles of Incorporation and Regulations Relating to Shares	Articles of Incorporation and Regulations Relating to Shares are posted on NIPPON STEEL's website under "Investor Relations."
Registration agent	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan
Place of business of registration agent (Mailing address and telephone enquiries)	Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Business Planning Department 8-4, Izumi 2-chome, Suginami-ku, Tokyo, 168-0063, Japan Telephone number designated for NIPPON STEEL's shareholders: 0120-785-401 (toll free within Japan) Main number of transfer agent: 0120-782-031 (toll free within Japan)

Change of address, and request for sale and purchase of shares less than one unit
Please contact and consult with the securities firm in where you have an account.
Shareholders for whom special accounts have been opened due to their lack of an account in a securities firm should contact Sumitomo Mitsui Trust Bank, Limited, our administrator of the special accounts.
Payment of accrued dividends
Please contact Sumitomo Mitsui Trust Bank, Limited, our registration agent.
Fees concerning sale and purchase of less than one unit of shares
Charged at the amount specified separately (please refer to "Investor Relations" on NIPPON STEEL's website).

Nippon Steel Corporation
6-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8071
https://www.nipponsteel.com/en/index.html