



January 31, 2025

To Whom It May Concern:

Company name: Nippon Steel Corporation
Representative: Tadashi Imai
Representative Director, President and COO
(Code number: 5401, TSE Prime, NSE, FSE, and SSE)
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**Notice Regarding Tender Offer by a Subsidiary for its Own Shares,
and Tender by Nippon Steel Corporation**

Osaka Steel Co., Ltd. (“Osaka Steel”), a consolidated subsidiary of Nippon Steel Corporation (the “Company”), passed a resolution at its board of directors meeting held today to implement a tender offer for its own shares with a planned purchase quantity of 9,000,000 shares of its common stock, as set forth in the exhibit (the “Tender Offer”).

At Osaka Steel’s request for a tender in the Tender Offer, the Company plans to tender in the Tender Offer all the shares of Osaka Steel’s common stock that the Company holds after the terms and conditions of the Tender Offer are finalized on February 14, 2025, unless there are sudden and drastic stock market fluctuations or other extraordinary circumstances prior to the date when the tender offer price is determined.

If we sell 9,000,000 shares of Osaka Steel’s common stock that we hold, the Company’s consolidated voting rights percentage is expected to be 56.1% (after Osaka Steel cancels its treasury shares).

1. Purpose of Tendering in the Tender Offer

The Company has decided to tender in the Tender Offer at Osaka Steel’s request, in order to cooperate in the implementation of the “Osaka Steel Group Medium-Term Management Plan” recently released by the company.

The Company is confident that its tendering in the Tender Offer will help Osaka Steel advance initiatives to boost its enterprise value, through which the Company will in turn be able to enhance the enterprise value of the Nippon Steel group as a whole. At the same time, the Company believes that its tendering leads to raising the percentage of tradable shares required for Osaka Steel to remain listed.

2. Effects of the Tender Offer on the Company’s Profit/Loss

The effects of the Company’s tendering in the Tender Offer on its consolidated performance will be minimal.

3. Overview of Osaka Steel

Name	Osaka Steel Co., Ltd.
Location	3-6-1 Dosho-machi, Chuo-ku, Osaka
Name and Title of Representative	Junichi Tani Representative Director and President
Description of Business Activities	Manufacturing and selling steel materials such as shaped steel and steel bars, billets, and processed steel products
Capital	8,769 million yen

End

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

The Tender Offer is not directly or indirectly conducted in or into the United States, does not make use of the U.S. mails or other means or instrumentality of interstate or international commerce (including, but not limited to, telephone, telex, facsimile, email and internet communication), and is not conducted through any facility of a national securities exchange within the United States. Furthermore, the press releases for the Tender Offer or other related documents are not, and shall not be, sent or distributed in, into or from the United States using mails or other means.

Overview of Tender Offer for Own Shares by Osaka Steel Co., Ltd.

1. Overview of the Tender Offer

Tender Offeror	Osaka Steel Co., Ltd. (Securities Code: 5449) (“ Osaka Steel ”)
Tender Offer Period	From February 17, 2025 (Monday) to March 17, 2025 (Monday) (20 business days).
Purchase Price	<p>(1) As a general rule, the tender offer price shall be equivalent to the amount representing a 10% discount from the closing price of Osaka Steel shares on the Standard Market of Tokyo Stock Exchange, Inc. (“TSE”) on January 30, 2025 (with any fraction less than one yen discarded).</p> <p>(2) If the amount representing a 10% discount from the closing price on February 13, 2025 (with any fraction less than one yen discarded) falls below (1), then the amount of the closing price reflecting the discount shall be the tender offer price.</p>
Planned Purchase Quantity	Planned purchase quantity: 9,000,000 shares Maximum planned purchase quantity: 9,000,100 shares (the planned purchase quantity plus the number of shares corresponding to one unit of shares (100 shares), as the number of tendered shares may exceed the planned purchase quantity and the actual number of shares purchased may exceed the planned purchase quantity as a result of unit adjustment on a pro rata basis).
Total Amount of Purchase Price	22,050,245,000 yen (maximum)
Other	At its board of directors’ meeting held today, Osaka Steel adopted resolutions (1) to acquire its own shares and implement the Tender Offer as a specific method of such acquisition, subject to the condition that the intention of Nippon Steel Corporation (the “ Company ”) to tender in the Tender Offer remains unchanged as of February 14, 2025, and (2) if Osaka Steel has acquired the number of shares equivalent to the planned purchase quantity in the Tender Offer, to cancel 12,360,699 treasury shares, including the shares acquired through the Tender Offer, on the cancellation date scheduled for April 15, 2025.

2. Purpose of the Tender Offer and Cancellation of Treasury Shares

Osaka Steel, a consolidated subsidiary of the Company, regards shareholder return as one of the key issues and is working to build an unwavering financial structure for the long-term stability of its management base. In terms of dividends, Osaka Steel has a policy to return profits to its shareholders

appropriately commensurate with its business performance in order to pursue a stable increase of its enterprise value while striving to improve its corporate asset efficiency.

On January 30, 2024, Osaka Steel announced “Initiatives to Implement Management that is Conscious of Cost of Capital and Stock Price” in order to implement the following initiatives to improve its ROE and achieve a higher PER: (i) raise profitability to strengthen the corporate structure; (ii) put growth strategies into practice; (iii) implement a shareholder return policy with an emphasis on return of profits; (iv) enhance information disclosure and dialogue with shareholders; (v) implement sustainability initiatives; and (vi) secure a management foundation enabling sustainable growth.

In this context, Osaka Steel has been considering specific measures based on the above initiatives. As a result, it has concluded that improving its ROE will require increasing its capital efficiency by maintaining its financial soundness and stability while at the same time reducing its equity capital, which is the denominator of ROE, to a certain extent.

In addition, Osaka Steel has its shares listed on the Standard Market of TSE, of which Securities Listing Regulations provide, as one of the continued listing criteria on the TSE Standard Market, that the percentage of tradable shares of a listed company must be at least 25% (Rule 501, paragraph 1, item (1), b.(c) of the Securities Listing Regulations). The percentage of Osaka Steel’s tradable shares as of the end of March 2024 was 28.40% (rounded to the second decimal place), whereas the Osaka Steel shares owned by INTERTRUST TRUSTEES (CAYMAN) LIMITED SOLELY IN ITS CAPACITY AS TRUSTEE OF JAPAN-UP, a fund operated by Strategic Capital, Inc., has reached 10% of Osaka Steel’s issued shares, as confirmed by Osaka Steel in its shareholder register and requesting information on the book-entry transfer account register from Japan Securities Depository Center, Incorporated. Whether those shares constitute tradable shares is unclear, but if they do not, the percentage of Osaka Steel’s tradable shares will be below 25% and may not satisfy the continued listing criteria on the TSE Standard Market. For this reason, Osaka Steel has concluded that it must increase the percentage of its tradable shares in order for its shares to remain listed on the TSE Standard Market.

Given the foregoing, as a measure to raise its capital efficiency and the percentage of tradable shares, Osaka Steel considered acquiring its shares from the Company, its parent company owning 25,629,030 Osaka Steel shares, and cancelling those shares and has approached the Company with a proposal.

3. Overview of Osaka Steel

For an overview of Osaka Steel, please see [Osaka Steel’s website](#).

Contact:

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