

Summary of Proceedings and Q&A, 100th General Meeting of Shareholders

The following is a summary of proceedings and Q&A of the 100th General Meeting of Shareholders held on June 21, 2024.

1. The 100th Ordinary General Meeting of Shareholders: Where and When

Date	June 21, 2024
Venue	Banquet Room Tsuru, Hotel New Otani 4-1 Kioi-cho, Chiyoda-ku, Tokyo, Japan
Opened time	10:00 a.m.
Closed time	11:37 a.m.
Shareholder attendance	690 (483 in 2023)


2. Proceedings

(1) Mr. Eiji Hashimoto, Representative Director, Chairman and CEO of Nippon Steel Corporation, was appointed as the Chairman of the meeting. He declared the meeting open, reported that the quorum for passing resolutions had been met. After that, Mr Shozo Furumoto (Senior Audit & Supervisory Committee Member), who was nominated by Chairman, informed those present of the results of the audit.

(2) After that, the chairman announced that the matters reported were as stated in the Notice of the 100th General Meeting of Shareholders (document delivered) and as disclosed on the Company's website, and Representative Director, President and COO Tadashi Imai, made a presentation on the Company's business challenges and measures to be taken. (See details referenced above in the document and the video "Presentation: Nippon Steel's Business Challenges and Measures to Be Taken" at the 100th General Meeting of Shareholders".)

(3) The chairman then introduced Items of the Company Proposals (Items 1 through 5) and of the Shareholder Proposals (Items 6 through 8), and explained each proposal. Subsequently, the shareholder who submitted Items 6 and 7 of the Shareholder Proposals and the shareholder who submitted Item 8 of the Shareholder Proposals requested supplementary explanations, and the Company provided them an opportunity to do so. The chairman then explained that the Board of Directors of the Company disagreed with all of the Shareholder Proposals.

(4) Following the explanations, one of the Executive Officers explained the matter of the so-called South Korean draftee issue as a matter that would contribute to the shareholders'



deliberation and judgment, among the matters stated in the questionnaire response sent by a shareholder in advance of this meeting. He stated the following: 1) that the Supreme Court of the Republic of Korea ruled against the Company on October 30, 2018, 2) that the Supreme Court of the Republic of Korea sentenced in two cases to dismiss the Company's final appeal on December 21, 2023, and January 11, 2024; that it is extremely regrettable, 3) that the decision of the Supreme Court of the Republic of Korea in 2018 and the subsequent series of Korean judicial decisions violate the Japan-South Korea Claims Agreement and the Supreme Court judgment in Japan, 4) that currently, a portion of the shares in a South Korean company owned by the Company has been under seizure and has been ordered to be liquidated for cash, and 5) that on March 6, 2023, the Korean government announced a solution in the form of "a Korean foundation which will make a third-party compensation to the plaintiffs for whom a final and binding judgment was made" and the Company understands that some plaintiffs of the lawsuit concerning the judgement made by the Supreme Court of the Republic of Korea have received third-party compensation from the foundation and are in process of withdrawing their application to seize the Company's assets and liquidate them for cash. The Executive Officer further explained 6) that the Company recognizes that the so-called South Korean draftee issue has already been resolved under the 1965 Japan-South Korea Claims Agreement; that the Company has no plans to make any special arrangements, such as issuing an apology, funding to the Korea Foundation, entering into a settlement, or meeting with plaintiffs or representatives, and 7) that the Company will continue to take appropriate measures to ensure that the interests of the Company and its shareholders are not impaired.

(5) Next on the agenda were questions, motions, and opinions concerning the reported matters and all the proposals. The chairman and officers in charge responded to the questions (see details stated below). In addition, one shareholder submitted an amended motion to Item 4 of the Company Proposal.


(6) Following the above, each proposal item was voted on. All of the Company Proposals were approved (the amended motion to Item 4 of the Company Proposal was rejected) and all of the Shareholder Proposals were rejected.

(7) Finally, the chairman declared the meeting to be adjourned and the General Meeting of Shareholders was over. Subsequently, new directors who were approved in Items 2 and 3 of the Company Proposals were introduced.

3. Summary of Q&A with shareholders and the amended motion

(1) Use of nuclear power

[Reply]



The electricity used in the converted electric arc furnaces for achieving carbon neutrality must be green, so renewable energy and nuclear power will be used. Concerning the issue of the anticipated increase in electricity demand in Japan, the Company has submitted various proposals to the government, including the restart and construction of new nuclear power plants. When the government formulates the 7th Strategic Energy Plan, it is necessary to ensure a stable supply of electricity and verify the cost competitiveness of industries that are competing internationally and the Company is informing the government of its specific electricity needs.

(2) How to pronounce the Company name

[Reply]

In April 2019, when the Company changed its name to the current one, it considered whether to make it “Nihon” Steel or “Nippon” Steel, and decided to use “Nippon.”

(3) Outlook for the business of United States Steel Corporation (“U. S. Steel”) after the acquisition of it


[Reply]

Upon our confirmation, it became clear that the facilities of U. S. Steel are well-maintained and the morale of its production site workers is high. After the acquisition, through our technology and investments, we will strengthen U. S. Steel and the American steel industry, thereby enhancing the entire supply chain in the U.S. We hope to achieve these results expeditiously, although we cannot specify the timing at this stage. For Nippon Steel to move forward as the “Best Steelmaker with World-Leading Capabilities,” it is essential to expand its business into the U.S., the largest market among developed countries, which continues to grow, and is in particular need of high-grade steel. We expect U. S. Steel, whose profitability is comparable to that of Nippon Steel's steelmaking business in Japan, to make a significant contribution to our consolidated earnings.

(4) Continuity of transactions through trading companies

[Reply]

Nippon Steel Trading Corporation became a subsidiary of the Company in the context of making distribution a part of its business. However, it is not reasonable to move the entire distribution and logistics business into the Company's own business as the Company has many small-scale transactions besides large-scale ones. Therefore, the Company believes that it would be better to use trading companies for the basic functions of taking orders, selling, and collecting payments, and to make its own sales division specialize in functions of conducting future-oriented studies. In the meantime, the Company will consider increasing direct sales while incorporating the progress of



the business environment through digital transformation.

(5) Relocation of the head office

[Reply]

The Company does not currently have any plan to relocate its head office.

(6) Risks of green power and CCUs

[Reply]

One of the main reasons why the Company is working on technological development with a multi-track approach of hydrogen injection in a blast furnace and conversion to electric arc furnace conversion in mind is the uncertain prospect for the establishment of external conditions. Nevertheless, decarbonization measures are a critical issue that must be advanced even in the face of such uncertainties. The Company aims to reduce CO₂ emissions by 30% by 2030 and will consider the future beyond that. In addition, international competition in the new industrial society of green transformation has already begun. If the Company falls behind in the technological development and expansion of the supply of steel as a basic material, the Company believes that it will be a severe blow to the Japanese industry. Therefore, the Company will resolve the uncertain factors one by one to improve predictability and is determined to win in international competition.

(7) Continuation of Nippon Steel Trading Corporation's textile and foodstuffs businesses


[Reply]

Currently, the textiles and foodstuffs businesses are making solid profits. Although no specific decisions have been made yet, the Company will consider the future business development of these businesses by taking a comprehensive look at matters from various aspects. These include whether these businesses are likely to continue to be profitable, whether appropriate management decisions and actions can be taken if the businesses are not performing well, and whether the employees involved in these businesses will be able to work hard with pride.

(8) Carbon footprint

[Reply]

Carbon footprint refers to a method of measuring the intensity of CO₂ emissions. The Company discloses carbon footprint values for the majority of its steel products using a third-party certification system called "SuMPO EPD" (formerly "EcoLeaf"). Recognizing that the current evaluation method does not sufficiently incorporate the recycling effect of steel, and that there is room for improvement, the Company has been encouraging international certification authorities to review it. Please note that the



target of 30% reduction target by 2030 declared in the Nippon Steel Carbon Neutral Vision 2050 refers to total CO₂ emissions and differs from the concept of carbon footprint, which refers to emission intensity.

(9) Disclosure of decarbonization strategy as being related to the expansion of overseas business

[Reply]

Total CO₂ emissions disclosed by the Company include the emissions of the Company's major consolidated companies in Japan and overseas, which mainly consist of steelmaking companies. Although U. S. Steel and AM/NS India are not included in the disclosed figures, they have decarbonization plans along the targets of their respective countries. Concerning disclosures in the future, the Company will actively consider ways as appropriate, by considering factors such as the industrial environmental policies related to decarbonization in the country where the target company or the company with controlling interests by the Company is located.

(10) Measures concerning the Company's Price-to-Book Ratio (PBR) being at less than one time

[Reply]

Concerning PBR, one of the indicators related to stock price, the Company finds that its stock price is trading at a slightly lower level than the actual value indicated. The Company believes that the reasons for this include the lack of confidence in stable earnings of the steel industry and the uncertainty regarding the large investments required to achieve carbon neutrality. However, the Company anticipates that its stock price will rise as it strengthens its IR response on issues including its growth strategy and medium- to long-term management plan. The Company will therefore continue to make such efforts. At the same time, the Company is committed to making capital investments based on the results of R&D in Japan and striving to improve the industrial base of this country.

(11) Amendment motion to Item 4 of the Company Proposal

[Context of the amended motion]

One shareholder submitted an amended motion to Item 4 of the Company Proposal: that the amount of remuneration to Directors (excluding Directors who are Audit & Supervisory Committee Members) should be reduced to within 100,000 yen per month and the difference from the original amount should be used for compensation to former South Korean draftees, their memorial services, or contributions to the related fund. This amended motion was rejected as stated above.

End