

NIPPON STEEL CORPORATION

Notice of the 102nd General Meeting of Shareholders

Nippon Steel Corporation

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

June 5, 2026

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 102nd General Meeting of Shareholders

We are pleased to inform you of the 102nd General Meeting of Shareholders which will be held at **10 a.m., Tuesday, June 23, 2026**, 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 22, 2026 (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 22, 2026 (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 101st term (from April 1, 2025 to March 31, 2026), consolidated financial statements and non-consolidated financial statements for the 101st term, and reports of accounting auditors and the Audit & Supervisory Committee on consolidated financial statements for the 101st term.

Matters for approval by the shareholders:

< Company Proposals (Items 1 through 3) >

Item 1: Appropriation of Surplus for the 101st Term (from April 1, 2025 to March 31, 2026)

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

Item 3: Election of Five (5) Directors who are Audit & Supervisory Committee Members

<Shareholder Proposals (Item 4)>

Item 4: Amendment to the Articles of Incorporation Regarding the Establishment of the Strategic Review Committee for Listed Subsidiaries

The Company's Board of Directors opposes the shareholders proposal (Item 4).

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.

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 101st Term (from April 1, 2025 to March 31, 2026)

The Board of Directors proposes that the term-end dividend for the 101st term will be paid according to the “Surplus Distribution Policy” described on page 57 as follows:

- (1) Kind of Dividend
Cash
- (2) Dividend Payment and Total Payment
12 yen per share Total payment: 62,814,763,296 yen
- (3) Effective Date of Dividend
Wednesday, June 24, 2026

(Reference)

For more information on dividends per share and dividend payout ratio on a consolidated basis for the 101st term as well as those trends, see page 49.

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 102nd 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. Jun Sawada and Ms. Miharu Koezuka 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 | 292,846 |
| | | April 2009: | Director (under the Executive Management System), Director, Plate Division and Director, Structural 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 | | |
| | | Outside Director, Mitsui O.S.K. Lines, Ltd. | | |

| 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 | 134,486 |
| | | 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 | | |
| (Material concurrent position) | | Vice 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 | 128,154 |
| | | 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 | |
| | | April 2024: | 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 | |
| | | 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, Thai Project, Global Business Development Sector; Project Leader, USS Project of the Company in April 2026 | | |
| | | (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, Thai Project, Global Business Development Sector; Project Leader, USS Project Overseas Offices (including locally incorporated companies) | | |
| | | (Material concurrent position) Chairman of the Board, United States Steel Corporation | | |

| 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 | 72,432 |
| | 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 | |
| | April 2024: | 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 | |
| | Assumed current position as Representative Director and Executive Vice President, Deputy Project Leader, India Project, Global Business Development Sector; Deputy Project Leader, Thai Project, Global Business Development Sector; Deputy Project Leader, USS Project of the Company in April 2026 | | |
| | (Responsibilities) Technology; Plant Engineering and Facility Management; Plant/Machinery Engineering & Construction Management Deputy Project Leader, India Project, Global Business Development Sector; Deputy Project Leader, Thai 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 | | |
| (Material concurrent position) Member of the Board, United States Steel Corporation | | | |

| 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 | 10,952 | |
| | | 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 | | |
| | | April 2024: | Representative Director and Executive Vice President and Deputy Project Leader, Next-Generation Hot Strip Mill Project of the Company | | |
| | | Assumed current position as Representative Director and Executive Vice President, Deputy Project Leader, USS Project, and Deputy Project Leader, Next-Generation Hot Strip Mill Project of the Company in June 2025 | | | |
| | | (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 Offices Deputy Project Leader, USS Project; 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 | 26,679 |
| | | 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 | |
| | | June 2023: | Representative Director and Executive Vice President of the Company | |
| | | Assumed current position as Representative Director and Executive Vice President, and Deputy Project Leader, USS Project of the Company in June 2025 | | |
| | | (Responsibilities) Corporate Planning; Group Companies Planning; General Administration; Business Transformation Project; Legal; Internal Control & Audit; Human Resources; Environmental Planning; Policy issues concerning Green Transformation Development Deputy Project Leader, USS Project Rendering assistance to President and COO on Corporate Communication | | |
| | | (Material concurrent position) Representative Director, Nippon Steel Arts Foundation | | |


| Name (date of birth) | Brief personal history (with material concurrent positions) | | Number of shares of the Company owned | |
|---|---|--|---|--------|
| 7 | Hiroyuki Minato (February 23, 1965) | April 1989: | Joined NSC | 44,399 |
| | | April 2021: | Managing Executive Officer and Head of Muroran Works of the Company | |
| | | April 2022: | Managing Executive Officer of the Company | |
| | | April 2023: | Managing Executive Officer and Deputy Project Leader, Thai Steel Project, Global Business Development Sector of the Company | |
| | | April 2024: | Executive Vice President, Project Leader, Next-Generation Hot Strip Mill Project, and Project Leader, Electric Furnace Project of the Company | |
| | | June 2024: | Representative Director and Executive Vice President, Project Leader, Next-Generation Hot Strip Mill Project, and Project Leader, Electric Furnace Project of the Company | |
| | | Assumed current position as Representative Director and Executive Vice President, Deputy Project Leader, USS Project, Project Leader, Electric Furnace Project, and Project Leader, Next-Generation Hot Strip Mill Project of the Company in June 2025 | | |
| (Responsibilities) Digital Innovation; Information & Communication Technology; 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 Deputy Project Leader, USS Project; 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 | | | | |

| Name (date of birth) | | Brief personal history (with material concurrent positions) | | Number of shares of the Company owned |
|----------------------|--|---|--|---------------------------------------|
| 8 | Nobuhiro Fujita (September 20, 1964)  | April 1989: | Joined NSC | 12,904 |
| | | April 2021: | Managing Executive Officer and Head of Steel Research Laboratories, Research and Development of the Company | |
| | | April 2024: | Senior Managing Executive Officer and Head of Steel Research Laboratories, Research and Development of the Company | |
| | | April 2025: | Executive Vice President and Head of Research and Development of the Company | |
| | | Assumed current position as Representative Director and Executive Vice President, Head of Research and Development, and Deputy Project Leader, USS Project of the Company in June 2025 | | |
| | | (Responsibilities) Head of Research and Development Deputy Project Leader, USS Project Cooperating with Executive Vice President H. Minato on Green Transformation Development | | |
| | | (Material concurrent position) Chairman, The Japan Research and Development Center For Metals | | |

| Name (date of birth) | Brief personal history (with material concurrent positions) | | Number of shares of the Company owned |
|--|---|---|---------------------------------------|
| 9 [New Candidate] [Outside Director] [Independent Director] Jun Sawada (July 30, 1955)  | April 1978: | Joined Nippon Telegraph and Telephone Public Corporation | 0 |
| | April 1985: | Joined Nippon Telegraph and Telephone Corporation (currently NTT, Inc.) | |
| | June 2008: | Senior Vice President Executive Manager of Corporate Strategy Planning Department Member of the Board of NTT Communications Corporation (currently NTT DOCOMO BUSINESS, Inc.) | |
| | June 2011: | Executive Vice President Executive Manager of Corporate Strategy Planning Department Member of the Board of NTT Communications Corporation | |
| | June 2012: | Senior Executive Vice President Executive Manager of Corporate Strategy Planning Department Representative Member of the Board of NTT Communications Corporation | |
| | June 2013: | Senior Executive Vice President Representative Member of the Board of NTT Communications Corporation | |
| | June 2014: | Senior Executive Vice President Representative Member of the Board of Nippon Telegraph and Telephone Corporation | |
| | June 2018: | President and Chief Executive Officer Representative Member of the Board of Nippon Telegraph and Telephone Corporation | |
| | June 2020: | President and Chief Executive Officer Representative Member of the Board of Nippon Telegraph and Telephone Corporation | |
| | June 2022: | Chairman and Representative Member of the Board of Nippon Telegraph and Telephone Corporation | |
| | Assumed current position as Chairman and Member of the Board of Nippon Telegraph and Telephone Corporation in June 2024 (Material concurrent position) Outside Director, Sumitomo Mitsui Financial Group, Inc. Vice Chair, KEIDANREN (Japan Business Federation) | | |

| | | | |
|--|--|--|--|
| | | <p>- Reasons for the election as Outside Director Candidate and outline of expected roles</p> <p>The Board of Directors has proposed the election of Mr. Jun Sawada 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.</p> <p>Mr. Jun Sawada 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.</p> | |
|--|--|--|--|

(Note) The Company has already filed Mr. Jun Sawada as a candidate for an “independent director” with each financial exchange in Japan where it is listed.

| Name (date of birth) | | Brief personal history (with material concurrent positions) | | Number of shares of the Company owned | |
|----------------------|---------------------------------------|---|--|---------------------------------------|---------------------------------|
| 10 | [New Candidate] | April 1979: | Joined Takashimaya Company, Limited | 0 | |
| | [Outside Director] | May 2013: | Director | | |
| | | September 2013: | Senior Managing Director (Representative Director) General Manager of Planning Headquarters (General Manager of Reform Promotion Headquarters) | | |
| | [Independent Director] | March 2014: | Senior Managing Director (Representative Director) General Manager of Sales Headquarters | | |
| | Miharu Koezuka (September 2, 1955) |  | March 2016: | | Director |
| | | | May 2016: | | Consultant |
| | | | March 2020: | | Advisor (retired in March 2021) |
| | | | (Material concurrent position) Outside Director, NANKAI Co., Ltd. Outside Director, SEKISUI CHEMICAL CO., LTD. | | |
| | | | - Reasons for the election as Outside Director Candidate and outline of expected roles The Board of Directors has proposed the election of Ms. Miharu Koezuka 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. Ms. Miharu Koezuka 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) The Company has already filed Ms. Miharu Koezuka as an “independent director” with each financial exchange in Japan where it is listed.
 - 2) Ms. Miharu Koezuka had previously been an executive officer of Takashimaya Company, Limited, from which the Company purchases goods and other items. 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 selling, general and administrative expenses of the Company, the said company is not a specified associated service provider of the Company.
 - 3) JAPAN POST HOLDINGS Co., Ltd., where Ms. Miharu Koezuka served as an Outside Director until June 2025, discovered during her tenure that its subsidiary, JAPAN POST Co., Ltd., had inappropriately used non-public financial information, and that another subsidiary, JAPAN POST INSURANCE Co., Ltd., had engaged in solicitation activities regarding insurance products prior to receiving approval under the Insurance Business Act. In response to these issues, in March 2025, JAPAN POST HOLDINGS Co., Ltd. received an order for the submission of reports from the Financial Services Agency pursuant to the Insurance Business Act and the Banking Act, and an order for the submission of reports from the Ministry of Internal Affairs and Communications pursuant to the Act on Japan Post Holdings Co., Ltd. Furthermore, regarding incidents of inadequate roll call operations

at post offices that occurred during her tenure as an Outside Director of JAPAN POST HOLDINGS Co., Ltd., the Ministry of Land, Infrastructure, Transport and Tourism revoked JAPAN POST Co., Ltd.'s general motor truck transportation business permit in June 2025, and ordered the suspension of its use of motor vehicles under the Motor Truck Transportation Business Act in October 2025. As an Outside Director of the Board of JAPAN POST HOLDINGS Co., Ltd., Ms. Koezuka had been consistently making recommendations concerning the importance of group governance and internal control, and recommendations from the perspective of legal compliance at its Board of Directors meetings. Moreover, after the aforementioned facts came to light, Ms. Koezuka had fulfilled her duties by directing measures to prevent recurrence.

(Liability Limitation Agreements)

Upon approval of Item 2 as proposed herein, the Company intends to conclude an agreement with Mr. Jun Sawada and Ms. Miharu Koezuka limiting their liability under Article 423, Paragraph 1 of the Companies Act to ¥20 million 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.

(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, and Mr. Nobuhiro Fujita 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 each of Mr. Jun Sawada and Ms. Miharu Koezuka.

(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.

Item 3 Election of Five (5) Directors who are Audit & Supervisory Committee Members

The term of office of all five (5) Directors who are Audit & Supervisory Committee Members ends at the conclusion of the 102nd General Meeting of Shareholders. The Board of Directors proposes that five (5) Directors who are Audit & Supervisory Committee Members be elected. The candidates are set forth below.


The submission of this proposal has been consented by the Audit & Supervisory Committee. Mr. Kenji Hiramatsu, Ms. Aiko Sekine, and Ms. Sumiko Takeuchi are candidates for Outside Directors.

| Name (date of birth) | | Brief personal history (with material concurrent positions) | | Number of shares of the Company owned |
|---|---|---|---|---------------------------------------|
| 1 | Kazumasa Shinkai (October 4, 1962)  | April 1987: | Joined NSC | 30,853 |
| | | April 2021: | Managing Executive Officer and Head of Division, General Administration Division of the Company | |
| | | April 2023: | Managing Executive Officer of the Company | |
| | | April 2024: | Executive Officer and Advisor to the President of the Company | |
| | | Assumed current position as Director, Senior Audit & Supervisory Committee Member (full-time) of the Company in June 2024 | | |
| 2 | [New Candidate] Takeshi Yamane (June 22, 1970)  | April 1993: | Joined NSC | 3,082 |
| | | April 2020: | Head of Division, General Administration Division of the Setouchi Works, the Company | |
| | | April 2022: | Acting Head of Division, General Administration Division of the Company | |
| | | April 2023: | Head of Division, General Administration Division of the Company | |
| | | April 2024: | Executive Officer and Head of Division, General Administration Division of the Company | |
| Assumed current position as Executive Officer and Advisor to the President of the Company in April 2026 | | | | |

| Name (date of birth) | Brief personal history (with material concurrent positions) | | Number of shares of the Company owned | |
|--|---|---|---------------------------------------|--|
| <p>3</p> <p>[Outside Director]</p> <p>[Independent Director]</p> <p>Kenji Hiramatsu (December 22, 1956)</p>  <p>Status of attendance at the Board of Directors (Fiscal Year 2025): 100% (15 out of 15 meetings)</p> <p>Status of attendance at the Audit & Supervisory Committee meetings (Fiscal Year 2025): 100% (17 out of 17)</p> | April 1979: | Joined Ministry of Foreign Affairs of Japan | 86 | |
| | July 2008: | Director-General for Latin American and Caribbean Affairs Bureau and Economic Affairs Bureau of Ministry of Foreign Affairs of Japan | | |
| | January 2011: | Director-General for Global Issues of Ministry of Foreign Affairs of Japan | | |
| | September 2012: | Director-General, Foreign Policy Bureau of Ministry of Foreign Affairs of Japan | | |
| | November 2015: | Ambassador of Japan to the Republic of India | | |
| | January 2016: | Ambassador of Japan to the Republic of India and Ambassador of Japan to the Kingdom of Bhutan | | |
| | September 2019: | Ambassador of Japan to the Kingdom of Spain (Retired from Ministry of Foreign Affairs of Japan in November 2022) | | |
| | December 2022: | Chairman of the Institute, Institute for International Strategy, Japan Research Institute | | |
| | | Assumed current position as Director who is an Audit & Supervisory Committee Member (Outside Director) of the Company in June 2024 | | |
| | | <p>- Reasons for the election as Outside Director who is an Audit & Supervisory Committee Member Candidate and outline of expected roles</p> <p>The Board of Directors has continuously proposed the election of Mr. Kenji Hiramatsu as an Outside Director who is an Audit & Supervisory Committee Member because, notwithstanding the fact that he does not have experience participating in corporate management other than serving as an outside director/auditor, it believes that he is well-qualified for the position by reason of the deep insight regarding international affairs, economy, culture, etc., cultivated in the Ministry of Foreign Affairs as well as ample experience earned as Ambassador Extraordinary and Plenipotentiary and other important positions. In addition, he has appropriately performed his duties and provided his opinions as an Outside Director who is an Audit & Supervisory Committee Member at the Company since his election as a Director who is an Audit & Supervisory Committee Member at the 100th Ordinary General Meeting of Shareholders held on June 21, 2024.</p> <p>Mr. Kenji Hiramatsu is expected to contribute to, among others, surveys related to operation and status of assets, in addition to decision-makings from various perspectives, enhancement of audit and supervisory functions over management and securement of management transparency, of the Board of Directors, by actions such as expressing his</p> | | |


| Name (date of birth) | Brief personal history (with material concurrent positions) | Number of shares of the Company owned |
|----------------------|---|---------------------------------------|
| | opinions and exercising his voting rights from an independent standpoint in such opportunities as meetings of the Board of Directors and the Audit & Supervisory Committee, based on his deep insight and ample experience. | |

- (Notes)
- 1) Mr. Kenji Hiramatsu will have served as Outside Director who is an Audit & Supervisory Committee Member for two years at the conclusion of this Ordinary General Meeting of Shareholders.
 - 2) The Company has registered Mr. Kenji Hiramatsu as an Independent Director with each financial exchange in Japan where it is listed.

| Name (date of birth) | Brief personal history (with material concurrent positions) | | Number of shares of the Company owned | |
|--|--|---|---------------------------------------|--|
| <p>4</p> <p>[Outside Director]</p> <p>[Independent Director]</p> <p>Aiko Sekine (May 13, 1958)</p>  <p>Status of attendance at the Board of Directors (Fiscal Year 2025): 100% (15 out of 15 meetings)</p> <p>Status of attendance at the Audit & Supervisory Committee meetings (Fiscal Year 2025): 100% (17 out of 17)</p> | April 1981: | Joined Citibank, N.A., Tokyo Branch | 5,000 | |
| | October 1985: | Joined Aoyama Audit Corporation | | |
| | March 1989: | Certified as Public Accountant, Japan | | |
| | July 2001: | Partner of Chuo Aoyama Audit Corporation | | |
| | September 2006: | Partner of Arata Audit Corporation (currently PricewaterhouseCoopers Japan LLC) | | |
| | July 2016: | Chairman and President of Japanese Institute of Certified Public Accountants | | |
| | July 2019 | Advisor of Japanese Institute of Certified Public Accountants | | |
| | September 2020 | Professor, Faculty of Commerce, Waseda University | | |
| | Assumed current position as Director who is an Audit & Supervisory Committee Member (Outside Director) of the Company in June 2024 | | | |
| | (Material concurrent position) Audit & Supervisory Board Member (Outside), IHI Corporation | | | |
| <p>- Reasons for the election as Outside Director who is an Audit & Supervisory Committee Member Candidate and outline of expected roles</p> <p>The Board of Directors has continuously proposed the election of Ms. Aiko Sekine as an Outside Director who is an Audit & Supervisory Committee Member because, notwithstanding the fact that she does not have experience participating in corporate management other than serving as an outside director/auditor, it believes that she is well-qualified for the position by reason of her deep insight as a certified public accountant possessing deep familiarity with corporate accounting, and her ample experience as a Partner of an audit corporation and Chairman and President of Japanese Institute of Certified Public Accountants and other important positions. In addition, she has appropriately performed her duties and provided her opinions as an Outside Director who is an Audit & Supervisory Committee Member at the Company since her election as a Director who is an Audit & Supervisory Committee Member at the 100th Ordinary General Meeting of Shareholders held on June 21, 2024.</p> <p>Ms. Aiko Sekine is expected to contribute to, among others, surveys related to operation and status of assets, in addition to decision-makings from various perspectives, enhancement of audit and supervisory functions over management and securement of 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 and the Audit & Supervisory</p> | | | | |

| Name (date of birth) | Brief personal history (with material concurrent positions) | Number of shares of the Company owned |
|----------------------|---|---------------------------------------|
| | Committee, based on her deep insight and ample experience. | |

- (Notes)
- 1) Ms. Aiko Sekine will have served as Outside Director who is an Audit & Supervisory Committee Member for two years at the conclusion of this Ordinary General Meeting of Shareholders.
 - 2) The Company has registered Ms. Aiko Sekine as an Independent Director with each financial exchange in Japan where it is listed.
 - 3) IHI Corporation, where Ms. Aiko Sekine serves as an Audit & Supervisory Board Member (Outside), discovered during her tenure that improper alterations had been made to the test operation records during the manufacturing process of marine engines and land-use engines produced by its subsidiary, IHI Power Systems Co., Ltd. Additionally, it was found that another subsidiary, Niigata Transys Co., Ltd., had engaged in misconduct in relation to snow removal performance tests of its rotary snowplows. IHI Corporation announced these findings in April 2024 and July 2024, respectively. Further, in March 2025, IHI Corporation disclosed the fact that the Japan Fair Trade Commission determined that, during her tenure as an Audit & Supervisory Board Member (Outside) of IHI Corporation, IHI Transport Machinery Co., Ltd., a subsidiary of IHI Corporation had violated the Antimonopoly Act in its mechanical parking system business. IHI Transport Machinery Co., Ltd. applied to the Commission under the leniency program and has not received either a cease and desist order or a surcharge payment order. As an Audit & Supervisory Board Member (Outside) of IHI Corporation, Ms. Sekine has been consistently providing timely recommendations concerning the importance of legal compliance and internal controls at its Audit & Supervisory Board and Board of Directors meetings. Furthermore, after the aforementioned facts came to light, Ms. Sekine has fulfilled her duties by directing a thorough investigation and analysis to determine the cause, making appropriate recommendations concerning the formulation and implementation of measures to prevent recurrence, and monitoring the progress of these efforts.
 - 4) Ms. Aiko Sekine's name in the family register is Aiko Sano.

| Name (date of birth) | | Brief personal history (with material concurrent positions) | | Number of shares of the Company owned |
|----------------------|--|---|---|---------------------------------------|
| 5 | [Outside Director] | April 1994: | Joined Tokyo Electric Power Company, Incorporated (Retired in December 2011) | 0 |
| | [Independent Director] | January 2012: | Director and Senior Fellow of International Environment and Economy Institute | |
| | Sumiko Takeuchi (June 21, 1971) | April 2016: | Visiting Professor of University of Tsukuba (Resigned in March 2018) | |
| |  | April 2018: | Visiting Professor of Kansai University (Resigned in March 2020) | |
| | | October 2018 | Co-representative of U3Innovations LLC | |
| | | April 2020 | Specially Appointed Professor of Tohoku University | |
| | | Assumed current position as Director who is an Audit & Supervisory Committee Member (Outside Director) of the Company in June 2024 | | |
| | Status of attendance at the Board of Directors (Fiscal Year 2025): 100% (15 out of 15 meetings) | (Material concurrent position) Outside Director of the Board of Japan Pulp & Paper Co., Ltd. Outside Director of GRID co. | | |
| | Status of attendance at the Audit & Supervisory Committee meetings (Fiscal Year 2025): 100% (17 out of 17) | - Reasons for the election as Outside Director who is an Audit & Supervisory Committee Member Candidate and outline of expected roles The Board of Directors has continuously proposed the election of Ms. Sumiko Takeuchi as an Outside Director who is an Audit & Supervisory Committee Member because it believes that she is well-qualified for the position by reason of the deep insight she has cultivated as a researcher in the fields of environment and energy at an NPO and universities, as well as her ample experience in corporate management. In addition, she has appropriately performed her duties and provided her opinions as an Outside Director who is an Audit & Supervisory Committee Member at the Company since her election as a Director who is an Audit & Supervisory Committee Member at the 100th Ordinary General Meeting of Shareholders held on June 21, 2024. Ms. Sumiko Takeuchi is expected to contribute to, among others, surveys related to operation and status of assets, in addition to decision-makings from various perspectives, enhancement of audit and supervisory functions over management and securement of 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 and the Audit & Supervisory Committee, based on her deep insight and ample experience. | | |

(Notes) 1) Ms. Sumiko Takeuchi will have served as Outside Director who is an Audit & Supervisory Committee Member for two years at the conclusion of this Ordinary General Meeting of Shareholders.

- 2) The Company has registered Ms. Sumiko Takeuchi as an Independent Director with each financial exchange in Japan where it is listed.
- 3) In March 2024, Japan Pulp & Paper Co., Ltd. (“Japan Pulp & Paper”), for which Ms. Takeuchi serves as Outside Director of the Board, was found by the Japan Fair Trade Commission to have been engaged in acts violating Article 3 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (prohibition of unreasonable restraint on trade), since June 2017 at the latest, in connection with general competitive biddings for recycled paper rolls ordered by the National Printing Bureau. Japan Pulp & Paper has applied to the commission for leniency, and has not received any cease and desist orders or surcharge payment orders. As Outside Director of the Board of Japan Pulp & Paper, Ms. Takeuchi has been proactively making recommendations concerning the importance of compliance and risk management at its Board of Directors meetings from an objective and neutral standpoint. Moreover, after the aforementioned facts came to light, Ms. Takeuchi has fulfilled her duties by continuously expressing her opinions to prevent recurrence and regularly monitoring initiatives related to overall compliance activities.
- 4) Ms. Sumiko Takeuchi’s name in the family register is Sumiko Kobayashi.

(Liability Limitation Agreements)

Upon approval of Item 2 as proposed herein, the Company intends to conclude an agreement with Mr. Kazumasa Shinkai, Mr. Kenji Hiramatsu, Ms. Aiko Sekine and Ms. Sumiko Takeuchi limiting their liability under Article 423, Paragraph 1 of the Companies Act to ¥20 million 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 3 as proposed herein, the agreements will continue to be in effect.

Upon approval of Item 3 as proposed herein, the Company intends to conclude an agreement with the same terms and conditions as those of the above with Mr. Takeshi Yamane.

(Indemnity Agreements)

The Company has concluded an agreement with each of Mr. Kazumasa Shinkai, Mr. Kenji Hiramatsu, Ms. Aiko Sekine and Ms. Sumiko Takeuchi 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 3 as proposed herein, the agreements will continue to be in effect with each individual.

Upon approval of Item 3 as proposed herein, the Company intends to conclude an agreement with the same terms and conditions as those of the above with Mr. Takeshi Yamane.

(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 3 as proposed herein and assumption of office as Directors who are Audit & Supervisory Committee Members of the Company, 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.

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

If Items 2 and 3 are 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 | Representative Director and Executive Vice President | | | | ✓ | ✓ | | | | ✓ | |
| | Jun Sawada | New Outside Independent Director | Director | ✓ | | | ✓ | ✓ | | | ✓ | |
| Miharu Koezuka | New Outside Independent Director | Director | ✓ | | | ✓ | | | ✓ | | ✓ | |
| Directors who are Audit & Supervisory Committee Members | Kazumasa Shinkai | Senior Audit & Supervisory Committee Member (full-time) | | | ✓ | ✓ | | | ✓ | | ✓ | |
| | Takeshi Yamane | New 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.

<Shareholder Proposals (Item 4)>

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.

Item 4 is jointly proposed by two shareholders (with an aggregate voting rights ratio of less than 0.01%).

The Company's Board of Directors opposes this Item proposed by the shareholders as shown in the following statement.

The following title of Item 4, details of the proposal, and reasons for the proposal are translated from relevant portions of the proposal document submitted in Japanese by the proposing shareholders, for reference purposes only.

If there is any discrepancy between this translation and the original proposal document, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damage arising from the translation.

Item 4 Amendment to the Articles of Incorporation with Regard to the Establishment of the Strategic Review Committee for Listed Subsidiaries

Details of the Proposal

With regard to the proposal in 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 Company's General Meeting of Shareholders, 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 Proposal below, please refer to <https://stracap.jp/NIPPON-OSAKASTEEL/> 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/>). All corporate figures contained in the Shareholder Proposal are based on the Company's consolidated financial statements, unless identified as “non-consolidated.”

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

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

CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS

Article 29

The Board of Directors shall establish, under the Board of Directors, a Strategic Review Committee for Listed Subsidiaries (the “**Committee**” as referred to in this article) to support decision-making by the Board of Directors.

2. The Committee shall comprise five (5) or more directors of the Company selected by resolution of the Board of Directors, a majority of whom shall be Outside Directors.
3. The Committee may request that the representative directors of listed subsidiaries of which the Company is the parent company, as well as any other persons whom the Committee deems necessary, attend meetings of the Committee and provide explanations.
4. From the perspectives of maximizing shareholder value of the Company and its listed subsidiaries and protecting the interests of minority shareholders of the listed subsidiaries, the Committee shall deliberate on the matters listed below and report its findings to the Board of Directors:
 - (1) policy on holding listed subsidiaries (including but not limited to making them wholly owned subsidiaries of the Company, divesting all of the Company's holdings of shares of listed subsidiaries, or maintaining the listing of a listed subsidiary);
 - (2) where the listing of a listed subsidiary is to be maintained, the rationale and the specific contributions

of maintaining the subsidiary's listing to enhancing shareholder value of both the Company and the listed subsidiary;

(3) whether listed subsidiaries have established a certain governance, which will ensure appropriate discipline regarding their management and protect the interests of minority shareholders of listed subsidiaries; and

(4) where a listed subsidiary's PBR as of the last stock trading day of the previous fiscal year is below 1x, or its return on equity as of the end of the previous fiscal year is below 8%, the appropriateness of the management plans, capital policy and measures to enhance shareholder value of such listed subsidiary.

(For the purpose hereof, "PBR" means the value calculated by dividing the price per share of common stock by the per-share amount of consolidated net assets (meaning the value calculated in accordance with the methods, including deducting the number of treasury shares from the number of issued shares when computing the divisor, specified in Guidance No.4 of the Accounting Standards Board of Japan (ASBJ) titled "Guidance on Accounting Standard for Earnings Per Share".)

5. The Committee shall be held at least once every quarter and may be convened by any member of the Committee. Resolutions of the Committee shall be adopted by a majority of the votes of the members present at a meeting where a majority of the members entitled to participate in the vote are present. In addition, the detailed procedures for convening and holding meetings of the Committee, the terms of office of members, and other related matters shall be set forth in the Rules of the Strategic Review Committee for Listed Subsidiaries prescribed by the Committee.

6. Expenses required for operation of the Committee shall be borne by the Company.

Reason for the proposal

Since 2025, the Company has made two listed subsidiaries wholly owned, while at the same time partially selling its stake in Osaka Steel Co., Ltd. and keeping it listed. The response lacks consistency and increases the subsidiaries' cost of capital.

Despite this, it appears that the Company's Board of Directors has not discussed a policy regarding holding these listed subsidiaries.

However, the Company now requires enormous funds due to the acquisition of U.S. Steel and recently even issued zero-coupon convertible bonds with stock acquisition rights. It should therefore also consider selling shares in non-essential listed subsidiaries to raise the necessary funds.

More fundamentally, the Tokyo Stock Exchange has highlighted issues with parent-subsidiary dual listings such as lack of protection for minority shareholders; furthermore, the fact that no discussion at all has taken place at the board level regarding this distorted ownership structure is problematic.

Accordingly, such a committee should be established in order to create a framework for examining the policy on holding listed subsidiaries from the perspectives of the Company's group strategy, capital policy, and the protection of minority shareholders of listed subsidiaries.

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

The Company's Board of Directors opposes the Shareholder Proposal.

(Reasons for the Opposition)

The Company considers that this Shareholder Proposal is not appropriate as (i) the company is taking measures to manage the Group, including its listed subsidiaries, through timely and appropriate consideration, with deliberations taking place as necessary at its Board of Directors, and (ii) it is inappropriate to prescribe in the Articles of Incorporation in a uniform and rigid manner individual and specific matters such as the establishment of a committee to deliberate on matters concerning listed subsidiaries.

Measures Implemented by the Company

The Company is taking measures to manage the Group, including its listed subsidiaries, as follows:

(i) The Company's Management of the Group including its listed subsidiaries

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”). In addition, the Company has basic guiding principles for the management of the Group and is engaged in, among others, examination of the capital policies of group companies, PDCA management such as formulation of consolidated management plans and management of consolidated financial results, and the establishment and maintenance of an internal control system suitable for the Group’s businesses.

The Company determines a basic policy on capital policies for its group companies with due regard to their missions within the Group, their importance in the Group’s business strategies, and the characteristics of their businesses and, with respect to each Group company, take into account, among other factors, the business environment, financial condition, historical background, and, in the case of listed subsidiaries, impact on minority shareholders in considering and determining its optimal structure.

Based on this approach, the Company considers the capital policies of individual group companies at the Corporate Policy Committee and other forums, drawing from a wide range of options in a flexible and timely manner in response to changes in the business environment and the Group’s strategy. In light of such considerations, deliberations are also conducted, as necessary, by the Board of Directors, in which independent outside directors constitute one-third of the members.

With respect to the capital policies of listed subsidiaries, the Company also conducts continuous reviews as necessary, taking into account the need to avoid disadvantaging minority shareholders. As a result of such reviews, for example, the Company made its listed subsidiary Nisshin Steel Co., Ltd. a wholly-owned subsidiary in 2019, and its equity method listed affiliate Nippon Steel Trading Corporation a consolidated and unlisted subsidiary in 2023. The Company also made its listed subsidiary Sanyo Special Steel Co., Ltd. a wholly-owned subsidiary in 2025, and another listed subsidiary Krosaki Harima Corporation a wholly-owned subsidiary on April 1, 2026. The Company has taken these actions following individual consideration at meetings of the Corporate Policy Committee and other forums from a comprehensive perspective, including measures to enhance its corporate value based on business strategies, and upon deliberation and resolution by the Board of Directors.

In addition, based on the aforementioned basic approach toward management of the Group, the Company evaluates the business and financial conditions of all group companies, including listed subsidiaries, in a timely and appropriate manner, conducts an assessment of the management soundness of each company at least once a year based on financial data and reports the result to the Corporate Policy Committee and the Board of Directors in order to consider and implement measures to strengthen the foundations of each company as necessary.

(ii) Listed subsidiaries’ governance structure with consideration for 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.

Under a structure that secures such independence, 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. In addition, NS Solutions Corporation and Osaka Steel Co., Ltd., which are among the Company’s listed subsidiaries, have each established a system to set up a special committee comprised solely of independent outside directors if a significant parent-subsidiary transaction or action occurs.

As described above, the Company is taking measures to manage the Group, including the capital policy and other matters of its listed subsidiaries, through timely and appropriate consideration in response to changes in the business environment and the Group’s strategy, with deliberations taking place as necessary at the Company’s Board of Directors, one-third of whose members are independent outside directors. The Company is consistently committed to promoting sound and sustainable growth, and improving the medium- to long-term corporate value, of the Group. From the perspective of protecting minority shareholders, each listed subsidiary is also managed appropriately under a governance structure that secures its independence.

The Company also appropriately discloses the details of its measures above in the relevant disclosure documents. The Company intends to continue taking measures to manage the Group with a consistent approach while striving to enhance disclosure regarding such details. Accordingly, the

Company does not believe it is necessary to establish a committee to deliberate on matters concerning its listed subsidiaries.

Appropriateness of Amending the Articles of Incorporation

The Company considers this Shareholder Proposal to be inappropriate as it seeks to prescribe in a uniform and rigid manner in the Articles of Incorporation, which prescribe basic matters such as the organization of the Company, an individual and specific matter, namely the establishment of a committee to deliberate on matters concerning 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 the Shareholder Proposal.

Business Report

101st Term: From April 1, 2025 to March 31, 2026

1. Current Situations of the NIPPON STEEL Group

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

General Review

In fiscal 2025, except for certain sectors such as AI, electric power, and defense, base demand in the manufacturing and construction industries in Japan and overseas is sluggish, and the global steel business environment remains in a critical situation. In China, the widening gap between supply and demand due to the slowdown of the Chinese economy has led to continuous excess production. Accordingly, an increase in exports of low-priced steel products resulted in a downturn in the global market. Under these circumstances, the imposition of trade measures in various countries and regions increases the risk of an inflow of low-priced steel products into Japan. Therefore, the importance of strongly advancing the examination and implementation of trade countermeasures in Japan is increasing.

Having anticipated the unfolding of such a severe business environment, the Nippon Steel Group (“the Group”) formulated the Medium- to Long-term Management Plan (“the previous MLTMP”) in March 2021 with the following four pillars: “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.” At the same time, we have implemented various measures to respond to business environmental deteriorations that exceeded our initial expectations. In Japan, we lowered the break-even point fundamentally through both reducing fixed costs by structural measures for production facilities and raising marginal profit by revising prices in direct contract-based sales to customers, optimizing the burden of fluctuations in external procurement costs, and advancing our product mix, and we have steadily realized the effects of these measures. In addition, we have achieved a resilient business structure with breadth and depth by maximizing synergies through the reorganization of domestic steel group companies, deepening and expanding our overseas business through the acquisition of United States Steel Corporation (“US Steel”) and capacity expansion in India, transforming the raw material “business” from mere procurement, and integrating distribution business into our own business domain. Through these initiatives, while demand declined more than initially expected and we face intensifying competition in the market, by taking preemptive steps to address the deteriorating steel business environment, we have established competitive advantages by which we secured underlying consolidated business profit* of ¥600.0 billion or more. As a result, we believe that we have also maintained a relatively high level of profitability compared to our 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

The Steelmaking and Steel Fabrication segment has advanced the following initiatives during fiscal 2025.

In the domestic business, we have promoted further strengthening of our overwhelming competitiveness. We have worked to thoroughly pursue cost competitiveness, promote advanced product mix, and develop comprehensive solutions through a steady improvement of base operation performance and maximization of the effects of the production facility structural measures set out in the previous MLTMP and of newly-launched advanced equipment. At the same time, we have made continuous efforts to optimize the burden of the impact of external procurement cost fluctuations in the direct contract-based business. In addition, with the aim of the pursuit of synergies from reorganization of other domestic steel group companies for maximizing the Group’s comprehensive strengths, we have promoted strengthening the corporate structure by making strategic companies wholly owned subsidiaries, merging them by absorption, and integrating group companies. As part of these efforts, in April 2025, we implemented an absorption-type merger of Nippon Steel Stainless Steel Co., Ltd. and Nippon Steel Pipe Co., Ltd.; in April 2026, made Krosaki Harima Corporation a wholly-owned subsidiary; and, in May 2026, decided on the integration of Sanyo Special Steel Co., Ltd. and the Company through an absorption-type merger, with the aim of further expanding synergies in the bars, wire rods and specialty steel products business.

Domestic Steel Business : Build a Lean and Resilient Structure Capable of Withstanding Declining Domestic Demand and Export Difficulties

Facility structural measures

Total number of BFs
 2019 2026.3E
15 ⇒ **10** units -5 units

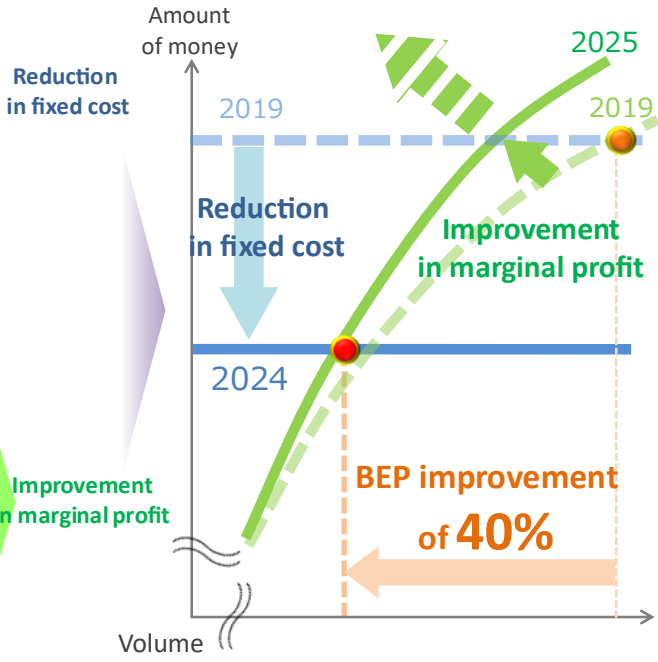
Crude steel production capacity
50 ⇒ **40** mn. t/Y -20%

Cost reduction : Approx. ¥150.0 bn./Y

Spread improvement in direct contract sales

- Reflection in steel prices of our high value-added product qualities and solutions &
- A fair allocation of cost burden for raw materials and commodities

Sophistication of order mix



**Domestic Steel Business:
Improving Profitability through Reorganization of Group Companies**

Strengthening the earnings base on a group basis: Annual synergies of ¥16.0 bn. (FY2025)

| | Category | Project | Timing | *Increase in profit contribution resulting from the increase in ownership interest (approximately ¥23.0 billion per year, after tax) is excluded from this amount. |
|--|---|--|---|--|
| Wholly Owned Subsidiary Conversion /Absorption Mergers of Strategic Companies | Trading Company | Nippon Steel Trading Subsidiarization and privatization | 2023.4 Subsidiarization 2023.6 privatization | Enhancing commercial strength and creating value via the entire supply chain |
| | Specialty Bar /Wire rod | Sanyo Special Steel Wholly Owned Subsidiarization | 2025.4 | Optimization of Production System Reinforcing integration across sales and logistics functions |
| | Stainless | NS Stainless Steel Absorption mergers | 2025.4 | Strengthening human resources and enhancing development, sales, and technical capabilities |
| | Refractory | Wholly Owned Subsidiarization of Krosaki Harima | 2026.4 | Enhancing collaboration in global expansion, improving cost competitiveness, and developing refractories for EAF |
| Enhancing Organizational Resilience through Group Company Integration | Domestic ERW | Business Integration and Reorganization of NS Pipe Pipes for Buildings⇒NS Metal Products Mechanical Pipes⇒Nippon Steel | 2025.4 | Strengthening the business foundation and efficiency while enhancing sales power and optimizing manufacturing structure |
| | Mechanical Pipe | NS Finetube NS Katakura Tube · Tsurumi Steel Tube · NS Pipe Finetube <96%> | 2026.1 | Optimization of production in the mechanical tube drawing sector |
| | Plate Shearing (Shipbuilding) | TAIYO-SAKAKO CORPORATION Taiyo Shirring/Sakako <77%> | 2022.4 | Strengthening the business base through resource sharing Diversifying the order mix |
| | Plate Shearing (Steel Structure/Bridge) | NIPPON STEEL KOBELCO SHEARING CORPORATION NS KOBELCO SHEARING/Fuji Steel Center <55%> | 2025.10 | Streamlining of management Improving operational efficiency |
| | bars, wire rods Secondary processing | NS PROCESSING Matsubishi Metal Industry/NS Wire Rods Processing/NS Wire <68%> | 2023.10 | Strengthening sales capabilities / Enhancing product competitiveness Strengthening supply chain resilience and BCP etc. |
| | Slag Cement | NS Blast Furnace Slag Cement NS Blast Furnace Slag Cement/NS Cement <90%> | 2026.4 | Strengthening the business foundation and efficiency Enhancing sales power, technical expertise, and product development capabilities |

<voting rights ownership (%)>

In the overseas business, we are expanding and enhancing integrated steel mills in “markets with promising growth in steel demand” and “markets where Nippon Steel’s technologies and products are highly appreciated.” By making such efforts, we strive to ensure the capturing of local demand and securing high integrated added value.

In June 2025, the acquisition of the US Steel was completed, whereupon we made a full-scale entry into the U.S. and Europe, where demand mainly for high-grade steel is expected to grow. Positioning the improvement of manufacturing capability as a key issue, we are proceeding with necessary capital investment and with enhancing cost competitiveness through the full transfer of our operational and quality control technologies. Over 100 personnel, mainly technical staff including short-term assignees, have already been dispatched to local operations, and we will continue to increase their numbers as needed to improve the profitability of US Steel.

Furthermore, in May 2026, in order to strengthen our management and operational structure in Europe, we decided to transition our European integrated steelmaking bases U. S. Steel Košice, s.r.o. and Ovako AB to direct ownership*. Through this, we aim to develop the European business, including the planning and execution of growth strategies in product segments from a long-term perspective.

(*) U. S. Steel Košice, s.r.o.: Transition from U.S. Steel’s subsidiary to Nippon Steel’s directly owned company and change of its name to NIPPON STEEL SLOVAKIA s.r.o.

Ovako AB: Transition to direct ownership by Nippon Steel due to Nippon Steel’s merger with Sanyo Special Steel Co., Ltd.

In India, where future market expansion and further development of domestic production are expected, we are currently undertaking capacity expansion and product sophistication at the Hazira steel mill, an existing base of ArcelorMittal Nippon Steel India Limited. In addition, we are advancing a plan to construct the integrated steelworks in Rajayapeta, southern India, where new land has been acquired. In March 2026, a groundbreaking ceremony was held and land reclamation work began. Through such initiatives, we aim to enhance our market presence.

Furthermore, in Thailand, which we recognize as our home market, we are focusing on restructuring G Steel Public Company Limited and G J Steel Public Company Limited, which are the only integrated electric furnace sheet steel manufacturers in Thailand, and are strengthening integrated operations with NS-Siam United Steel Co., Ltd. to build a robust supply chain capable of competing with imported materials.

As of the end of fiscal 2025, Nippon Steel's global crude steel production capacity came to 82 million tons (a simple sum of the production capacity of the parent company and companies in which we hold 30% or more). Going forward, we aim to move toward the realization of 100 million tons in global crude steel capacity by focusing on strengthening integrated production systems in the U.S., Europe, India, and Thailand to improve profitability.

In the raw material business, we are working to ensure a consolidated earnings structure that is less affected by market volatility through investments in raw material interests.

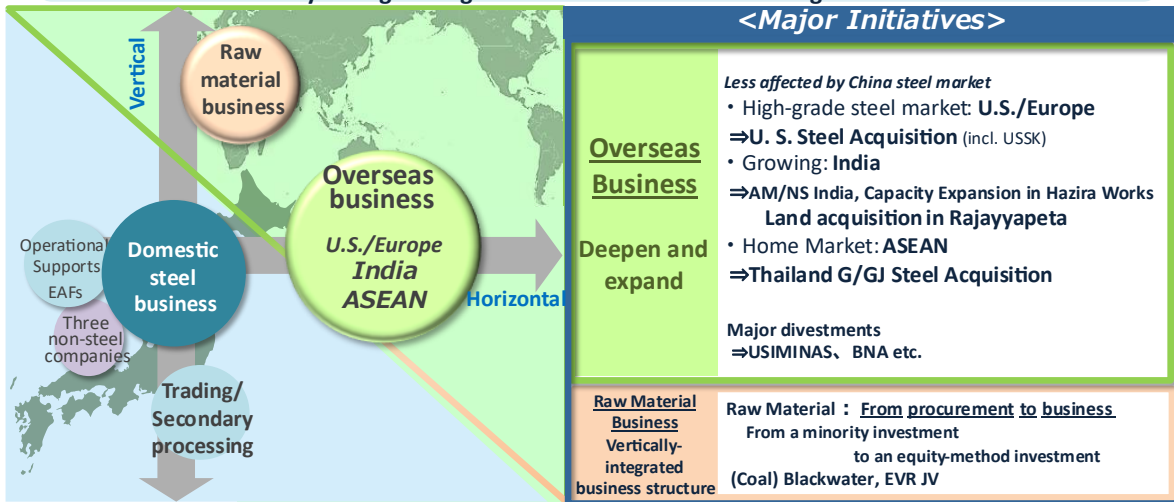
Overseas Business : Developing a Robust Business Structure with Vertical and Horizontal Expansion

Gradual decline in domestic steel demand
population decrease and challenges
in both direct and indirect exports

Expansion of trade measures worldwide
Long-term downturn in global steel spreads due to
supply-demand gap in China

<Overseas Business> Strengthened our presence in key growth regions as an insider, while divesting from non-core businesses lacking long-term economic rationale
<Raw Material Business > Building a raw materials business: ensuring stable access to high-quality raw materials and mitigating cost volatility

Steadily strengthening the foundation for sustainable growth



About our efforts to achieve carbon neutrality, we have implemented various measures to realize the Nippon Steel Carbon Neutral Vision 2050. In May 2025, we decided on capital investments to newly install, expand, or restart three electric arc furnaces at the Kyushu Works (Yawata Area), the Setouchi Works (Hirohata Area), and the Yamaguchi Works (Shunan) by fiscal year 2029. These investments were selected as a government-supported project under the GX Promotion Act. In addition, in the Super COURSE50 development testing of using a small-scale test blast furnace at the Kimitsu Area of the East Nippon Works, we achieved a world-leading CO₂ emissions reduction of 45%, renewing the world best level, between February and March 2026. Furthermore, at the Hasaki R&D Center, we constructed a test reduction furnace for producing reduced iron from low-grade iron ore using hydrogen, and began operations in March 2026. In this way, steady progress is being made in the development of three breakthrough technologies to achieve carbon neutrality: high-grade steel production in large-sized EAFs, 100% hydrogen use in the direct reduction process, and injection of hydrogen into blast furnaces. In addition, to help create the GX steel market, we are advancing the creation of demand and the establishment of international rules and standards that ensure the value of CO₂ reductions in the steel production process is appropriately reflected in steel prices.

In addition, we provide the two products of value to our customers through realizing carbon neutrality: NSCarbolexTM Neutral (a steel product that is certified to reduce CO₂ emissions in the steelmaking process) and NSCarbolexTM Solution (a high-performance product and solution technology that contributes to reducing CO₂ emissions in society). Through providing these values, we respond to our customers' decarbonization needs and support their international competitiveness. While the importance of the steel industry's role in decarbonization initiatives have been reaffirmed, we are working to accelerate and move forward development and practical implementation of breakthrough technologies for achieving carbon neutrality. It deserves mention here that the Company's climate change risk information based on its CO₂ emission reduction targets and the framework of the Task Force on Climate-related Financial Disclosures (TCFD) are disclosed in the Integrated Report 2025, per https://www.nipponsteel.com/en/ir/library/annual_report.html. Furthermore, we held a GX (green transformation) briefing session in March 2026 with the aim of providing a better understanding of our carbon neutrality initiatives and the creation of the GX steel market. The GX briefing was 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 part of DX strategy, we have promoted business and production process reforms that leverage data and digital technology. As an example of specific initiatives in fiscal 2025, in the ongoing development of the integrated data platform "NS-Lib," we have completed the aggregation of key process data that had previously been accumulated separately at each steelwork, in addition to data necessary for management. Through the utilization of this company-wide, centralized data, we are striving to achieve rapid and sophisticated decision-making and problem-solving. Additionally, within the steelworks, in addition to the ongoing automation of cranes and the introduction of automated guided vehicles (AGVs), we are actively promoting the automation and remote operation of large special-purpose vehicles and railways used to transport finished products and semi-finished products, starting with the Nagoya Works. Remote operation has already been implemented in some areas, and we are also aiming to achieve real-world deployment of unmanned operations from fiscal year 2026 onward, as part of ongoing efforts to improve the efficiency and advancement of in-plant logistics. Furthermore, to achieve sustainable growth, we have also launched business transformation and efficiency initiatives aimed at eliminating "barriers," "overlaps," and "waste" in operations that do not generate added value, in order to transform our processes into ones that enable us to focus on core issues. Moreover, together with our subsidiary NS Solutions Corporation, we became the first in the steel industry to serve as a platinum sponsor of the Annual Conference of the Japanese Society for Artificial Intelligence. We are also promoting the active utilization of AI, including encouraging its adoption at the individual level. Going forward, we will continue to pursue various digital transformation (DX) initiatives by leveraging internal and external data and AI, including the advancement, automation, improvement of productivity, and acceleration of operations.

The Steelmaking and Steel Fabrication segment recorded revenue of ¥9,221.7 billion and business profit of ¥439.9 billion.

• Engineering and Construction

At Nippon Steel Engineering Co., Ltd., although there were fluctuations due to factors such as the scale of projects and construction progress in each business, revenue remained broadly in line with the previous fiscal year. This was underpinned by the steady accumulation of the order backlog in prior years, the steady progress of large-scale projects including waste-to-energy power generation plant business in the EPC field, and an expansion in transaction scale in the Power business within the O&M and service fields. Business profit increased year-on-year, supported by steady progress in construction in the EPC field, as well as improved profitability in the O&M and service fields, including the Power business.

The Engineering and Construction segment recorded revenue of ¥394.4 billion and business profit of ¥23.1 billion.

• Chemicals and Materials

Nippon Steel Chemical & Material Co., Ltd. operated in a severe business environment marked by uncertainty regarding the global economic outlook due to U.S. tariff measures and soaring raw material prices. Despite these challenges, the company worked to reduce costs and improve sales prices, and by capturing demand related to AI, its overall business performance remained generally solid. In the Coal Tar Chemicals business, while demand for needle coke used in graphite electrodes, its main product, remained sluggish and inventory adjustments for pitch coke continued, sales volume of carbon black for tires remained at the same level year-on-year. In the Chemicals business, market conditions remained weak due to stagnant demand for benzene and styrene monomer and the ongoing new construction and expansion of production facilities in China. In the Functional Materials business, sales of functional resins, board materials, and semiconductor materials performed strongly, driven by expanding demand for AI servers and data centers.

The overall Chemicals and Materials segment recorded revenue of ¥257.9 billion and business profit of ¥21.9 billion.

• System Solutions

NS Solutions Corporation worked on the four fundamental transformations outlined in its “2025–2027 Medium-term Management Plan,” and the first year proceeded largely according to the plan. Regarding the “Transformation of business revenue models,” we are implementing various measures to expand the TAM-type* model, and the transformation of our business structure is underway. Regarding “Transformation of customer approach,” the company has launched “Corepeak,” an offering brand designed to support corporate digital transformation, and has begun engaging with customers. Regarding “Transformation of technology acquisition and application processes,” the company has adopted the integrated development and operations platform “Nestorium” as the company-wide standard IT service platform, and is working to improve development productivity. Regarding “Transformation of Internal Operations and Management,” the company is undertaking initiatives to integrate administrative departments, overhaul internal systems, improve operational productivity through measures such as promoting the adoption of generative AI, and advance management practices. NS Solutions Corporation is also actively pursuing external growth and global strategies, including the acquisition of INFOCOM CORPORATION and PT. WCS ABYAKTA NAWASENA in Indonesia as Group companies, as well as capital and business alliances aimed at strengthening functions, enhancing value propositions, and expanding business domains.

The System Solutions segment recorded revenue of ¥382.8 billion and business profit of ¥43.3 billion.

*TAM-type: A new business model consisting of the following three revenue models.

- SI Transformation (“T type” next generation SI model): Delivering high productivity using innovative technologies
- Asset Driven (“A type” asset utilization model): Delivering core strengths as assets
- Multi Company Platform (“M type” PF delivery model): Delivering shared-use platforms

Revenue and Profit

For fiscal 2025, the Company recorded consolidated revenue of ¥10,063.2 billion, underlying business profit of ¥650.4 billion, business profit of ¥514.1 billion, and profit attributable to owners of the parent of ¥17.1 billion.

An overview of the revenue and business profit of each business segment in fiscal year 2025 is as follows:

Revenue and Business Profit by Business Segment

| | Steelmaking and steel fabrication | Engineering and construction | Chemicals and materials | System solutions | Adjustments | Consolidated total |
|-----------------|-----------------------------------|------------------------------|-------------------------|------------------|-------------|--------------------|
| Revenue | 9,221.7 | 394.4 | 257.9 | 382.8 | (193.7) | 10,063.2 |
| Business profit | 439.9 | 23.1 | 21.9 | 43.3 | (14.2) | 514.1 |

(Billions of yen)

Non-consolidated financial results for fiscal year 2025 was net sales of ¥4,542.0 billion, operating profit of ¥168.1 billion, ordinary profit of ¥177.9 billion and profit of ¥340.9 billion.

Assets, Liabilities, and Equity

Consolidated total assets as of March 31, 2026 were ¥14,660.5 billion, an increase of ¥3,718.1 billion from ¥10,942.4 billion as of March 31, 2025, primarily due to factors including the merger of the Company's U.S. subsidiary with US Steel (the “Merger”), which resulted in an increase in trade and other receivables (¥337.7 billion) and an increase in inventories (¥576.9 billion), an increase in property, plant and equipment (¥2,263.9 billion), an increase in goodwill (¥188.1 billion), and an increase in intangible assets (¥569.5 billion), while a decrease in cash and cash equivalents (¥211.2 billion).

Consolidated total liabilities as of March 31, 2026 were ¥8,636.0 billion, an increase of ¥3,596.9 billion from ¥5,039.0 billion as of March 31, 2025. Interest-bearing debt was ¥5,174.2 billion, an increase of ¥2,666.8 billion from ¥2,507.4 billion as of March 31, 2025, primarily due to permanent financing arrangement for the acquisition consideration associated with the Merger, as well as an increase in trade and other payables (¥668.7 billion).

Consolidated total equity as of March 31, 2026 was ¥6,024.5 billion, an increase of ¥121.1 billion from ¥5,903.3 billion as of March 31, 2025. This was primarily contributed by an increase from profit attributable to owners of the parent of ¥17.1 billion, a decrease of ¥146.4 billion resulting from dividend payment, an increase of changes in fair value of financial assets measured at fair value through other comprehensive income (¥57.9 billion), and an increase in the foreign exchange differences on translation of foreign operations (¥175.3 billion). As a result, total equity attributable to owners of the parent as of March 31, 2026 amounted to ¥5,530.4 billion, and the ratio of interest-bearing debt to total equity attributable to owners of the parent (D/E ratio) was 0.94 times (0.71 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.

We paid a dividend of ¥60 per share (¥12 per share after taking into account the five-for-one stock split with an effective date of October 1, 2025) at the end of the first half. Regarding the fiscal year-end dividend, as disclosed at the third-quarter results announcement (February 5, 2026), the management has decided to pay a year-end dividend of ¥12 per share. As a result, the annual dividend for fiscal year 2025—the final year of the prior Medium- to Long-term Management Plan—will be ¥24 per share when converted based on the stock split. The cumulative dividend payout ratio for the five-year period from fiscal 2021 to fiscal 2025, excluding the one-time loss associated with the U.S. Steel transaction, is approximately 30%.

Tasks Ahead

• Implementation of the “2030 Medium- to Long-term Management Plan”

In December 2025, the Company formulated the “2030 Medium-to Long-term Management Plan,” aiming to become “the best steelmaker with world-leading capabilities,” which contributes to realizing a sustainable and prosperous society through the creation of customer value, and achieving continued growth. Under the 2030 Medium-to Long-term Management Plan, which begins in fiscal 2026, we anticipate an even more severe business environment. By further strengthening the earnings base of domestic operations and executing the global growth strategy for overseas operations, we will restore our position as the World’s Best Steelmaker.

While aiming to achieve the underlying business profit of ¥1 trillion or more, and with a view to reaching a global crude steel production capacity of 100 million tons or more in the future, we will implement various measures to enhance profitability through further strengthening of the earnings base domestically, and to drive significant profit growth through execution of the global growth strategy overseas.

To further strengthen the management foundation supporting these strategies, we will continue to invest in research resources to drive the development of world-leading technologies, while also promoting business transformation and efficiency initiatives, and working to enhance the competitiveness of human resources.

• Outlook for Operations in Fiscal Year 2026

Given these circumstances, in the domestic business, we will continue to accelerate strengthening of the Group’s overall business, and in the overseas business, we will speed up the enhancement of the management structure toward establishment of a new local production for local consumption system (U.S., Europe, India, ASEAN) by strengthening the profitability and further expanding the scale of existing businesses, including US Steel. To advance these initiatives concurrently, we will further review and reform its domestic organizational structure, human resources, and business processes, and expand the allocation of domestic personnel to overseas operations.

For the full-year earnings forecast for fiscal year 2026, based on the business environment prior to the outbreak of war in the Middle East, we aim to secure underlying business profits of ¥700.0 billion (¥300.0 billion in the first half and ¥400.0 billion in the second half) or more by leveraging the recovery in US Steel’s earnings, even amid a further deterioration in the business environment compared to the previous fiscal year. Specifically, for the second half of the fiscal year, we forecast underlying business profit of ¥800.0 billion or more on an annualized basis, laying a solid foundation for growth toward a ¥1 trillion scale, driven by factors such as the expansion of revenue from overseas businesses starting in fiscal year 2027 and beyond.

US Steel is expected to contribute ¥100.0 billion or more in underlying business profit, driven by the effects of earnings improvement measures centered on synergies.

The impact of the situation in the Middle East on economic activity is no longer limited to energy supply disruptions, such as those observed during past oil shocks. Under the current economic structure, which is built by globally integrated supply chains, the effects are spreading across the entire world. In addition, the Middle East’s economy has become an important export market for Asian countries, including Japan, as its economic scale has expanded significantly. Therefore, the Middle East situation has an extremely broad impact on demand across a wide range of industries. In particular, the steel industry is a core industry that underpins many other sectors, and among steelmakers, we offer a particularly broad product lineup and serve an exceptionally wide range of industries. Furthermore, due to the increasing global expansion of our operations, the impact of the Middle East situation on our business performance cannot be comprehensively and reasonably assessed at this time.

Regarding impacts that can be reasonably anticipated, we anticipate a negative impact of approximately ¥50.0 billion due to an increase in raw materials, fuels, and other costs, along with a decrease in direct exports of steel products to the Middle East in the first quarter. However, there is no prospect of an end to the situation, and even if the situation is resolved, the negative impact on steel demand and costs will not be resolved immediately. Accordingly, the impact of the Middle East situation on our business performance for fiscal 2026, including from the second quarter onward, cannot be reasonably quantified at this time and has not been reflected in the forecasts.

Although the impact of the Middle East situation on our business performance cannot be reasonably

assessed, based on the minimum dividend, which was introduced in the 2030 Medium- to Long-Term Management Plan, the dividends for fiscal 2026 are expected to be ¥24 per share at this time.

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) Overview of 2030 Medium- to Long-term Management Plan
(announced on December 12, 2025)**

The Company formulated the “2030 Medium-to Long-term Management Plan” to aim for becoming “the best steelmaker with world-leading capabilities,” which contributes to realizing a sustainable and prosperous society through the creation of customer value, and to achieve continued growth.

Through the achievement of the 2030 Medium- to Long-term Management Plan, the Company will restore our position as the World’s Best Steelmaker and contribute to the revitalization of the Japanese economy.

I. Medium- to Long-Term Growth Strategy

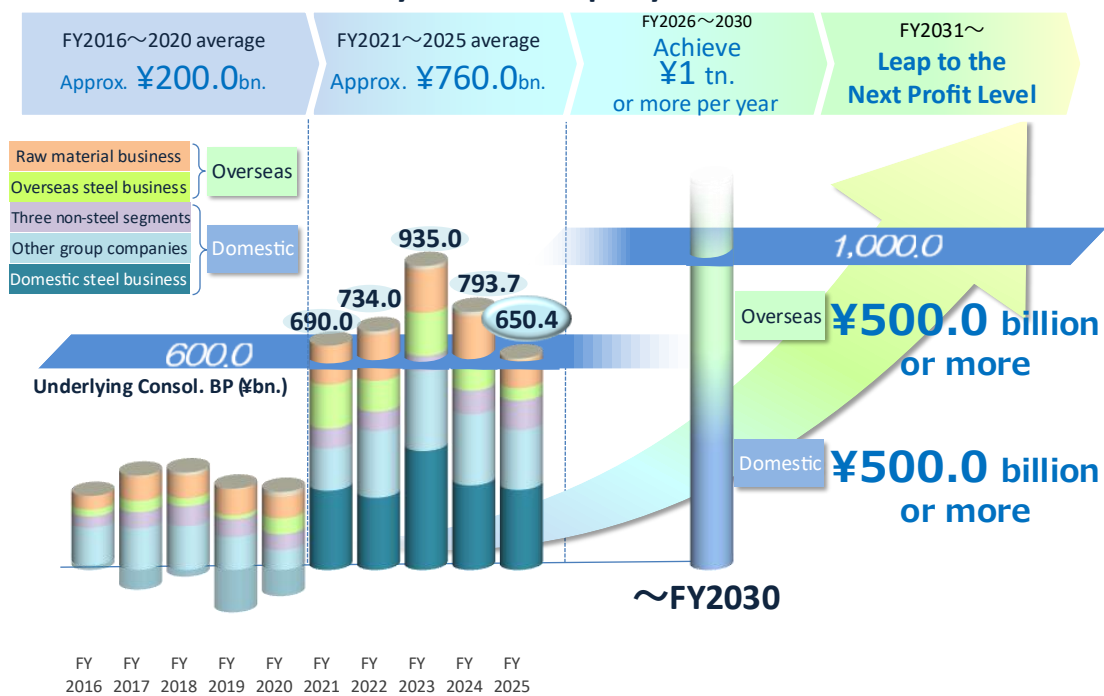
The Company aims to achieve the underlying business profit of ¥1 trillion or more, and will implement various measures to realize future global crude steel production of 100 million tons or more.



During the period of the previous Medium- to Long-term Management Plan (FY2021–2025), the Company advanced initiatives aimed at achieving its original plans while also implementing various measures to respond to changes in the business environment that exceeded initial expectations. In Japan, we improved our break-even point through measures such as facility structural measures, the sophistication of product types, and the optimization of direct contact prices and margins. In overseas, we expanded our business foundation through capacity expansion in India, the acquisition of US Steel, etc. In addition, through investments in the raw materials business and group reorganization, we built a business structure with breadth and depth, resulting in the underlying business profit of approximately ¥760.0 billion on average for FY2021–2025.

Going forward, we aim to achieve the underlying business profit of ¥500.0 billion each in Japan and overseas, totaling ¥1 trillion or more by fiscal 2030. Furthermore, starting in fiscal 2031, we will establish global crude steel production of 100 million tons or more, taking our growth to the next level.

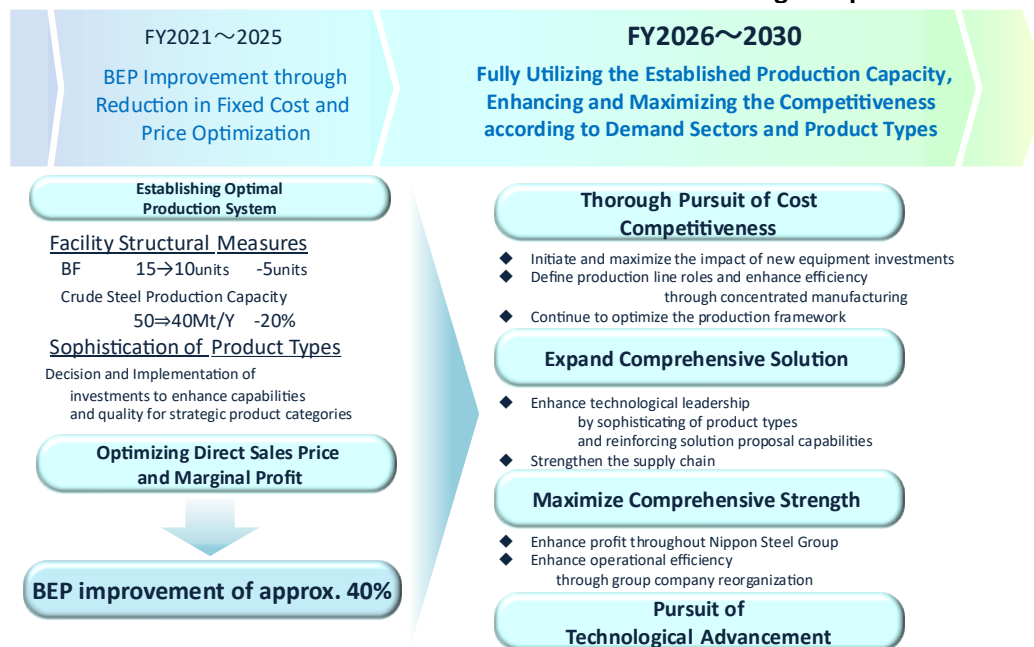
Achieve Underlying Business Profit of 1 trillion yen or more per year



1. Domestic: Enhancing profitability through further strengthening of the earnings base

In the domestic business, we will enhance our competitiveness in response to the needs of each demand area and product type, and strive to enhance profitability by thoroughly pursuing cost competitiveness, developing comprehensive solutions, and maximizing the Nippon Steel Group’s comprehensive strength. We will create customer value and capture domestic demand in areas such as automotive, infrastructure (construction and civil engineering), and energy and shipbuilding.

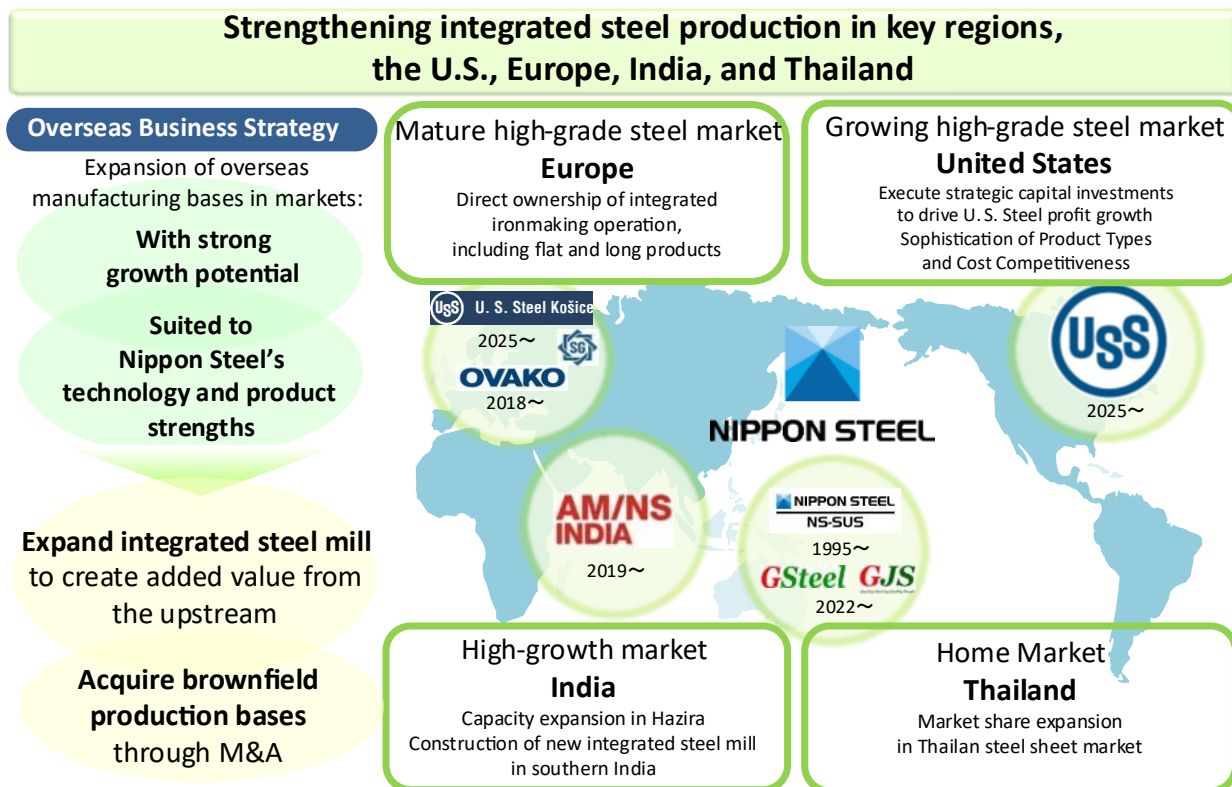
Enhance and Maximize the Overwhelming Competitiveness



2. Overseas: Driving significant profit growth through execution of the global growth strategy

In the overseas business, we will focus on the United States, Europe, India, and Thailand as key areas. In addition to implementing capital investments, we will maximize the transfer of the Company’s technology and expertise to strengthen integrated steel systems. Through these efforts, we aim to capture a wide range of demand from high-grade steel to general-purpose steel and drive significant profit growth.

Large-Scale Growth Investments and Concentration of Management Resources in Four Key Overseas Regions



II. Financial Targets and Shareholder Returns

1. Policy on Allocation of Management Resources and Investment Plan

With the aim of continuously enhancing corporate value, we will strategically allocate management resources while pursuing an appropriate balance among growth investments, shareholder returns, and financial soundness.

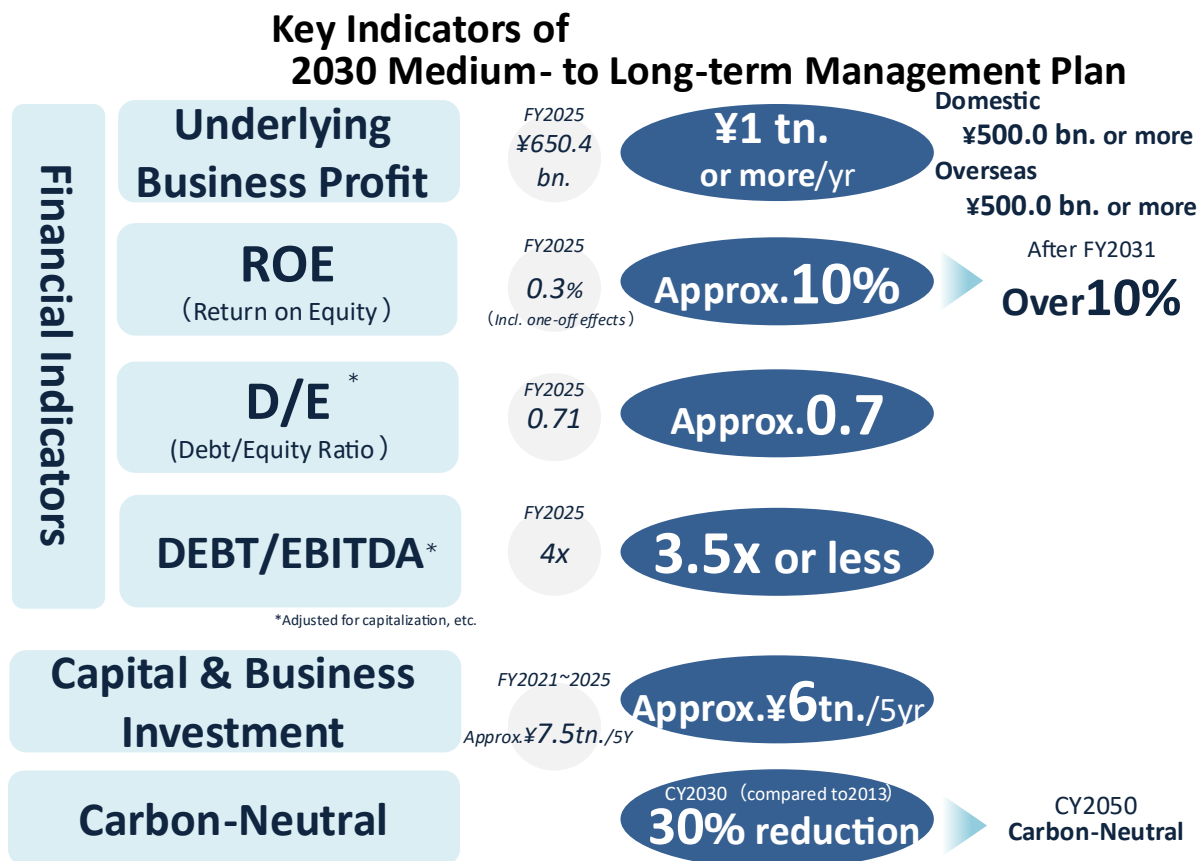
Specifically, to enhance profitability by further strengthening the revenue base domestically and to drive significant profit growth through the execution of the global growth strategy overseas, we will invest a total of ¥6 trillion in capital and business investments over the next five years.



2. Revenue and Financial Targets, Shareholder Returns Policy

(1) Revenue and financial targets

Through the implementation of the various measures outlined in the management plan, we will work to improve the medium- to long-term profitability and capital efficiency, as well as strengthen the financial foundation. With fiscal year 2030 as one milestone, we aim to achieve financial targets such as the underlying business profit of ¥1 trillion or more and a return on equity (ROE) of approximately 10% (exceeding 10% from fiscal 2031 onward).



(2) Shareholder returns policy (New establishment of a minimum dividend)

With a view to achieving an appropriate balance among investments for medium- to long-term growth, shareholder returns, and financial soundness, we will continue the current dividend policy, which targets a consolidated annual payout ratio of approximately 30%.

In addition, based on that we have built a stable earnings foundation, with a view to enhancing the predictability of dividends for shareholders and investors and increasing the attractiveness of the Company's shares, we have established a policy to set a minimum annual dividend per share of ¥24 for the five-year period of the 2030 Medium- to Long-term Management Plan (fiscal years ending March 2027 through March 2031).

Enhancing Attractiveness of Our Shares through Improved Shareholder Returns and Other Measures

Consolidated Annual Payout Ratio: Approx. 30%
(maintain)

Achieve an appropriate balance among investments for medium- to long-term growth, shareholder returns, and financial soundness

Stock Split: 5 Shares for every 1 Share
(Oct. 1, 2025~)

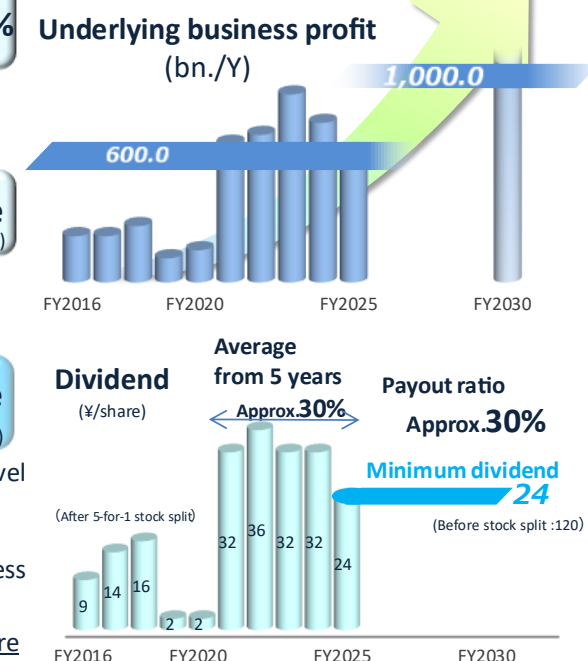
Establishing a more accessible investment environment, particularly for individual investors, and further expanding the investor base.

Minimum Annual Dividend: ¥24 per share
(¥120 per share before stock split)

Build a robust earnings structure to secure high-level profitability regardless of external environment
=>Set minimum dividend to increase predictability of shareholder returns and enhance attractiveness of Nippon Steel shares

FY2026~30 Minimum annual dividend: ¥24 per share

Higher Returns through Profit Growth



Aim to further increase profit levels in a new growth stage and achieve higher shareholder returns

(2) Capital Procurement

| Date of issue | Title | Total issued amount |
|----------------|--|---------------------|
| March 12, 2026 | Zero Coupon Convertible Bonds due 2029 | ¥300.0 billion |
| March 12, 2026 | Zero Coupon Convertible Bonds due 2031 | ¥300.0 billion |

(3) Plant and Equipment Investments

| Classification | Title |
|--|--|
| Major plant and equipment investment completed during fiscal year 2025 | Relining of No. 2 coke oven, including fixtures and fittings (Oita, Kyushu Works, NIPPON STEEL) |
| Major ongoing plant and equipment investment during fiscal year 2025 | 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) Establishment of electric furnace, including fixtures and fittings (Yawata, Kyushu Works, NIPPON STEEL) Expansion of electric furnace, including fixtures and fittings (Hirohata, Setouchi Works, NIPPON STEEL) Renovation of electric furnace, including fixtures and fittings (Yamaguchi Works, NIPPON STEEL) |

(4) Transfer of Business

On April 1, 2025, the Company completed an absorption-type merger in which the Company served as the surviving entity and NIPPON STEEL Stainless Steel Corporation as the dissolving entity.

On June 18, 2025, United States Steel Corporation merged with the U.S. subsidiary of the Company, and became a consolidated subsidiary of the Company.

(5) Changes in Assets and Profits/Losses

| Fiscal Term Classification | 98th Term | 99th Term | 100th Term | 101st Term (fiscal year 2025) |
|--|----------------------|----------------------|----------------------|-------------------------------------|
| Crude steel production (million tons) | 40.32 | 40.51 | 39.59 | 50.48 |
| Revenue (billions of yen) (Overseas revenue shown in brackets) | 7,975.5 [3,239.8] | 8,868.0 [3,581.2] | 8,695.5 [3,585.7] | 10,063.2 [5,203.0] |
| Business profit (billions of yen) | 916.4 | 869.6 | 683.2 | 514.1 |
| Profit for the year attributable to owners of the parent (billions of yen) | 694.0 | 549.3 | 350.2 | 17.1 |
| Total assets (billions of yen) | 9,567.0 | 10,714.6 | 10,942.4 | 14,660.5 |
| Total equity attributable to owners of the parent (billions of yen) | 4,181.1 | 4,777.7 | 5,383.3 | 5,530.4 |
| Basic earnings per share | 150.73 yen | 119.31 yen | 70.18 yen | 3.28 yen |
| Total equity attributable to owners of the parent per share | 908.11 yen | 1,037.46 yen | 1,030.11 yen | 1,058.19 yen |
| Dividends per share (Interim dividends shown in brackets) | 180 yen [90 yen] | 160 yen [75 yen] | 160 yen [80 yen] | — yen [60 yen] |
| Ratio of cash dividends to consolidated profit (%) | 23.9 | 26.8 | 45.6 | *731.0 |

(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 Company implemented a stock split at a ratio of five (5) shares for every one share with October 1, 2025, as the effective date. Accordingly, basic earnings per share and total equity attributable to owners of the parent per share are calculated as if the stock split had occurred at the beginning of the 98th Term.
- (5) The Company implemented a stock split at a ratio of five (5) shares for every one share with October 1, 2025, as the effective date. Accordingly, dividends per share for the 101st Term (fiscal year 2025) are not presented as a simple aggregation is not possible. If the proposal for a year-end dividend is approved as originally proposed at the 102nd General Meeting of Shareholders, the year-end dividends per share will be ¥12. Excluding the effect of the stock split, the dividends per share for the 101st fiscal year Term (fiscal year 2025) would be ¥120, while including the effect of the stock split, the dividends per share for the 101st Term (fiscal year 2025) would be ¥24.
- (6) 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 102nd General Meeting of Shareholders.

(6) Major Business Operations (as of March 31, 2026)

| Business Segment | Main Products | | |
|-----------------------------------|--|--|---|
| Steelmaking and Steel Fabrication | Steel Products | Bars and shapes | Billets, rails, sheet piles, H-beams, other shapes bars, bars, bars-in-coils, wire rods, special wire rods |
| | | Flat-rolled products | 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 |
| | | Pipe and tubes | Seamless, butt-welded, electric resistance-welded, electric-arc welded, cold-drawn, coated pipes and tubes, coated steel pipes |
| | | Railway/automotive/machinery parts | Parts for railway vehicles, die-forged products, forged aluminum wheels, retarders, ring-rolled products, forged steel products |
| | | Specialty steel | 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 |
| | | Secondary steel products | 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 |
| | Pig iron, steel ingots and others | Steelmaking pig iron, foundry pig iron, steel ingots, iron and steel slag products, cement, foundry coke | |
| | Businesses incidental to Steelmaking and Steel Fabrication | | 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 |
| | Others | | Rolled titanium products, food and textile products, power supply, real estate, services and others |
| Engineering and Construction | 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. | | |

| 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, 2026)

| | |
|--|---|
| Plants | North Nippon Works (Muroran, Kamaishi), East Nippon Works (Kashima / Kimitsu / Joetsu), Nagoya Works (Tokai), Kansai Works (Wakayama / Kainan / Sakai / Osaka / Amagasaki), Setouchi Works (Himeji / Sakai / Saijo / Amagasaki), Yamaguchi Works (Hikari / Shunan), Kyushu Works (Kitakyushu / Buzen / Oita) |
| Research Laboratories | Steel Research Laboratories, Advanced Technology Research Laboratories, Process Research Laboratory (Located in Futtsu, Amagasaki, Kamisu) |
| 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 Shanghai 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 BUSINESS CONSULTING (SHANGHAI) CO., LTD. (China), PT. NIPPON STEEL INDONESIA (Indonesia), NIPPON STEEL VIETNAM COMPANY LIMITED (Vietnam) NIPPON STEEL (THAILAND) CO., LTD. (Thailand), NIPPON STEEL 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, 2026, the following changes were made as a result of organizational restructuring:
 - Regarding Offices, each of Marketing Branches in Hokkaido, Tohoku, Niigata, Nagoya, Chugoku, and Kyushu is being renamed as an “Office.” Additionally, the Osaka Office is being renamed the “Kansai Office,” the Niigata Marketing Branch to the “Hokuriku Office,” and the Nagoya Marketing Branch to the “Chubu Office.”
 - Regarding overseas offices, NIPPON STEEL VIETNAM COMPANY LIMITED is no longer classified as an overseas office (local subsidiary). Accordingly, the company is scheduled to be liquidated.

(8) Employment Data (as of March 31, 2026)

1) NIPPON STEEL Group

| Business Segment | Number of employees |
|-----------------------------------|---------------------|
| Steelmaking and Steel Fabrication | 119,447 [11,246] |
| Engineering and Construction | 5,331 [861] |
| Chemicals and Materials | 3,277 [717] |
| System Solutions | 10,398 [101] |
| Total | 138,453 [12,925] |

(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 2025) are shown in brackets.

2) NIPPON STEEL

| Number of employees | Average age | Average number of years employed |
|--------------------------|----------------|----------------------------------|
| 32,102 [1,159] employees | 41.3 years old | 19.5 years |

(Note)

Temporary workers are not included. Number of temporary workers (average number of temporary workers employed during fiscal year 2025) is shown in brackets.

(9) Principal Subsidiaries and Affiliates (as of March 31, 2026)

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 | 100.0 | 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 | *39.7 | 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 | *83.8 | 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 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 | *43.7 | 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 | *64.9 | 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 |
| 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 |

| Company (Location of head office) | Paid-in capital | Sharehol ding Ratio | Business content |
|---|--|---------------------------|--|
| United States Steel Corporation (Pennsylvania, U.S.A.) | US\$5,787 million (Share Capital) | *100.0 | Makes and markets steel products |
| 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 | Sharehol ding Ratio | Business content |
|--|--------------------------|---------------------------|---|
| [Companies accounted for using the equity method] | Million | % | |
| 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 | Sharehol ding Ratio | Business content |
|---|--------------------------|---------------------------|--|
| [Subsidiaries] NIPPON STEEL ENGINEERING CO., LTD. (Shinagawa-ku, Tokyo) | Million yen 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 | Sharehol ding Ratio | Business content |
|--|-------------------------|---------------------------|--|
| [Subsidiaries] NIPPON STEEL Chemical & Material Co., Ltd. (Chuo-ku, Tokyo) | Million yen 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 | Sharehol ding Ratio | Business content |
|---|--------------------------|---------------------------|---|
| [Subsidiaries] NS Solutions Corporation (Minato-ku, Tokyo) | Million yen 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 Osaka Steel Co., Ltd., 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 CEMENT CO., LTD. was dissolved on April 1, 2026, through an absorption-type merger in which NIPPON STEEL BLAST FURNACE SLAG CEMENT CO.,LTD. was the surviving company and NIPPON STEEL CEMENT CO., LTD. as the absorbed company.

(10) Major Lenders (as of March 31, 2026)

| Lender | Funds borrowed (Billions of yen) |
|--|-------------------------------------|
| MUFG Bank, Ltd. | 662.6 |
| Japan Bank for International Cooperation | 593.7 |
| Sumitomo Mitsui Banking Corporation | 472.5 |
| Mizuho Bank, Ltd. | 419.3 |
| Sumitomo Mitsui Trust Bank, Limited | 198.4 |

(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.

For the five-year period covered by the 2030 Medium- to Long-term Management Plan (fiscal years ending March 2027 through March 2031), we have established a policy setting the minimum annual dividend per share at 24 yen.

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 December 11, 2025, 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 including their surviving family members 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 15 plaintiffs in the three lawsuits a total of 1.2 billion Won (approximately ¥130 million) 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) are currently under seizure. The procedures to convert such assets to cash are pending.

With respect to the lawsuit in which the Supreme Court of Korea on January 11, 2024 dismissed the appeal by NIPPON STEEL (NIPPON STEEL lost the appeal and ordered NIPPON STEEL to pay a total of 0.1 billion Won (approximately ¥10 million), together with accrued interest to 3 plaintiffs and, all seizures and procedures for conversion of the assets of NIPPON STEEL were withdrawn by the plaintiffs and concluded by August 13, 2025.

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.

At a meeting of the Board of Directors held on May 13, 2026, the Company resolved to conduct an absorption-type merger, effective April 1, 2027, in which the Company will be as the surviving entity and Sanyo Special Steel Co., Ltd. will be the dissolving entity.

2. Shares and Stock Acquisition Rights

(1) Overview of Shares (as of March 31, 2026)

- 1) Total number of shares authorized to be issued 10,000,000,000 shares
 2) Total number of shares issued 5,373,633,760 shares
 (including 139,070,152 treasury stocks)
 3) Number of shareholders 980,174
 4) Top 10 shareholders

| Name of shareholder | Shares held (Thousand shares) | Percentage of ownership (%) |
|---|----------------------------------|-----------------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 729,415 | 13.9 |
| Custody Bank of Japan, Ltd. (Trust Account) | 208,824 | 4.0 |
| THE CHASE MANHATTAN BANK, N.A. LONDONSECS LENDING OMNIBUS ACCOUNT | 96,933 | 1.9 |
| Nippon Life Insurance Company | 95,895 | 1.8 |
| JP MORGAN CHASE BANK 385642 | 94,009 | 1.8 |
| JP MORGAN CHASE BANK 385781 | 72,665 | 1.4 |
| STATE STREET BANK AND TRUST COMPANY 505001 | 72,641 | 1.4 |
| Nippon Steel Group Employees Shareholding Association | 70,301 | 1.3 |
| Meiji Yasuda Life Insurance Company | 68,563 | 1.3 |
| Mizuho Bank, Ltd. | 55,233 | 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.

- 6) Other important matters regarding shares

(a) Stock split

The Company implemented a stock split at a ratio of five (5) shares for every one share effective October 1, 2025 and changed the total number of shares authorized to be issued from 2.0 billion to 10.0 billion. As a result of this stock split, the Company's total number of shares issued increased by 4,298,907,008 shares to 5,373,633,760 shares.

(b) Disposal of treasury stock

The Company has introduced a performance-linked stock compensation system (the "System") for the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) and Executive Officers. On March 11, 2026, the Company disposed of 3,130,300 shares of treasury stock to Sumitomo Mitsui Trust Bank, Limited (Trust Account), the trustee of the trust established for the implementation of the System (Sub-trustee: Custody Bank of Japan, Ltd. (Trust Account)).

(2) Stock Acquisition Rights (as of March 31, 2026)

The Company has issued Zero Coupon Convertible Bonds due 2029 and Zero Coupon Convertible Bonds due 2031 on March 12, 2026.

[Outline of Stock Acquisition Rights under Zero Coupon Convertible Bonds due 2029]

| | |
|--|--|
| Class, contents, and number of shares to be issued upon exercise of stock acquisition rights | The class and contents of shares to be delivered upon exercise of the stock acquisition rights shall be shares of common stock of the Company (100 shares constituting one unit). The number of shares of common stock of the Company to be delivered by the Company upon exercise of such rights shall be determined by dividing the total face value of the bonds subject to the exercise request by the applicable conversion price as detailed below. Fractions of less than one share shall be discarded and no cash adjustment will be made in respect thereof. If shares not constituting a unit of shares are delivered upon exercise of stock acquisition rights, such non-unit shares shall be delivered to the bondholders with stock acquisition rights in the same manner as the shares constituting a whole unit of shares, and no cash amounts shall be paid by the Company in respect of such non-unit shares. |
| Number of stock acquisition rights | 30,000 units |
| Conversion price | 730.3 yen |
| Period during which stock acquisition rights may be exercised | From March 26, 2026 to January 31, 2029 (local time at the place where the bonds are deposited to exercise stock acquisition rights). However, the Terms and Conditions of Zero Coupon Convertible Bonds due 2029 provide an additional period during which stock acquisition rights may be exercised in the event of certain events. |
| Contents of assets to be contributed for the exercise of stock acquisition rights and the amount thereof | Upon the exercise of each stock acquisition right, the bonds pertaining to such stock acquisition right shall be contributed, and the value of such bonds shall be equal to the face value thereof. |
| Balance of the bonds with stock acquisition rights | ¥300.0 billion |

[Outline of Stock Acquisition Rights under Zero Coupon Convertible Bonds due 2031]

| | |
|---|---|
| <p>Class, contents, and number of shares to be issued upon exercise of stock acquisition rights</p> | <p>The class and contents of shares to be delivered upon exercise of the stock acquisition rights shall be shares of common stock of the Company (100 shares constituting one unit). The number of shares of common stock of the Company to be delivered by the Company upon exercise of such rights shall be determined by dividing the total face value of the bonds subject to the exercise request by the applicable conversion price as detailed below. Fractions of less than one share shall be discarded and no cash adjustment will be made in respect thereof. If shares not constituting a unit of shares are delivered upon exercise of stock acquisition rights, such non-unit shares shall be delivered to the bondholders with stock acquisition rights in the same manner as the shares constituting a whole unit of shares, and no cash amounts shall be paid by the Company in respect of such non-unit shares.</p> |
| <p>Number of stock acquisition rights</p> | <p>30,000 units</p> |
| <p>Conversion price</p> | <p>737.0 yen</p> |
| <p>Period during which stock acquisition rights may be exercised</p> | <p>From March 26, 2026 to January 31, 2031 (local time at the place where the bonds are deposited to exercise stock acquisition rights). However, the Terms and Conditions of Zero Coupon Convertible Bonds due 2031 provide an additional period during which stock acquisition rights may be exercised in the event of certain events.</p> |
| <p>Contents of assets to be contributed for the exercise of stock acquisition rights and the amount thereof</p> | <p>Upon the exercise of each stock acquisition right, the bonds pertaining to such stock acquisition right shall be contributed, and the value of such bonds shall be equal to the face value thereof.</p> |
| <p>Balance of the bonds with stock acquisition rights</p> | <p>¥300.0 billion</p> |

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 Items 2 and 3 are approved as proposed herein at the 102nd 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, 2026

| Title and name | Responsibilities/positions and material concurrent positions |
|---|---|
| <p><i>Representative Director, Chairman and CEO</i> Eiji Hashimoto</p> | <p><u>Material concurrent positions</u> Outside Director, Mitsui O.S.K. Lines, Ltd.</p> |
| <p><i>Representative Director, President and COO</i> Tadashi Imai</p> | <p><u>Material concurrent positions</u> Chairman, The Japan Iron and Steel Federation</p> |
| <p><i>Representative Director, Vice Chairman and Executive Vice President</i> Takahiro Mori</p> | <p>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 Overseas Offices (including locally incorporated companies) <u>Material concurrent positions</u> [Chairman of the Board, United States Steel Corporation]</p> |
| <p><i>Representative Directors and Executive Vice Presidents</i> Naoki Sato</p> | <p>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 <u>Material concurrent positions</u> [Member of the Board, United States Steel Corporation]</p> |
| <p>Takashi Hirose</p> | <p>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) <u>Material concurrent positions</u> Chairman, The Japan Ferrous Raw Materials Association</p> |
| <p>Hirofumi Funakoshi</p> | <p>Corporate Planning; Group Companies Planning; General Administration; Corporate Communication; Legal; Internal Control & Audit; Human Resources; Environmental Planning; Policy issues concerning Green Transformation Development; Business Transformation Project Deputy Project Leader, USS Project <u>Material concurrent positions</u> Representative Director, Nippon Steel Arts Foundation</p> |

| Title and name | Responsibilities/positions and material concurrent 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 Deputy Project Leader, USS Project; 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 |
| Nobuhiro Fujita | Head of Research and Development Deputy Project Leader, USS Project 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 |
| <i>Directors, Member of the Board (Outside Directors)</i> 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 |
| <i>Senior Audit & Supervisory Committee Members (full-time)</i> | |
| Kazumasa Shinkai | |
| Eiji Sogo | |
| <i>Audit & Supervisory Committee Members (Outside Director)</i> | |
| 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 Corporation |
| 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 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, Chairman and CEO Eiji Hashimoto served as Vice Chair, KEIDANREN (Japan Business Federation) until May 29, 2025.
- (5) Director Kuniko Urano served as Outside Director, MORINAGA & CO., LTD. until June 27, 2025.
- (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, 2026

| Title and name | Responsibilities/positions |
|---|--|
| <p><i>Representative Director, Chairman and CEO</i></p> <p>Eiji Hashimoto</p> <p><i>Representative Director, President and COO</i></p> <p>Tadashi Imai</p> <p><i>Representative Director, Vice Chairman and Executive Vice President</i></p> <p>Takahiro Mori</p> | <p>Rendering assistance to Chairman and CEO, and cooperating with President and COO on large-scale overseas projects</p> <p>Head of Global Business Development; Project Leader, India Project, Global Business Development Sector; Project Leader, Thai Project, Global Business Development Sector; Project Leader, USS Project</p> <p>Overseas Offices (including locally incorporated companies)</p> |
| <p><i>Representative Directors and Executive Vice Presidents</i></p> <p>Naoki Sato</p> | <p>Plant Engineering and Facility Management; Plant/Machinery Engineering & Construction Management</p> <p>Deputy Project Leader, India Project, Global Business Development Sector; Deputy Project Leader, Thai Steel Project, Global Business Development Sector; Deputy Project Leader, USS Project</p> <p>Cooperating with Executive Vice President T. Mori on Technology and Facilities concerning Global Business Development</p> |
| <p>Takashi Hirose</p> | <p>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</p> <p>Deputy Project Leader, USS Project; Deputy Project Leader, Next-Generation Hot Strip Mill Project</p> <p>Cooperating with Executive Vice President T. Mori on Overseas Offices (including locally incorporated companies)</p> |
| <p>Hirofumi Funakoshi</p> | <p>Corporate Planning; Group Companies Planning; General Administration; Business Transformation Project; Legal; Internal Control & Audit; Human Resources; Environmental Planning; Policy issues concerning Green Transformation Development</p> <p>Deputy Project Leader, USS Project</p> <p>Rendering assistance to President and COO on Corporate Communication</p> |

| Title and name | Responsibilities/positions |
|---|---|
| Hiroyuki Minato | Digital Innovation; Information & Communication Technology; 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 Deputy Project Leader, USS Project; 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 |
| Nobuhiro Fujita | Head of Research and Development Deputy Project Leader, USS Project Cooperating with Executive Vice President H. Minato on Green Transformation Development |
| <i>Directors, Member of the Board (Outside Directors)</i> | |
| Tetsuro Tomita | Advisor, East Japan Railway Company |
| Kuniko Urano <i>Senior Audit & Supervisory Committee Members (full-time)</i> | |
| Kazumasa Shinkai Eiji Sogo <i>Audit & Supervisory Committee Members (Outside Directors)</i> | |
| 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 2025 to June 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 | 571,320,000 | 238,710,000 | 332,610,000 | - |
| Outside Directors | 2 | 9,960,000 | 9,960,000 | - | - |
| Directors who are Audit & Supervisory Committee Members | 5 | 52,410,000 | 52,410,000 | - | - |
| Outside Directors | 3 | 14,940,000 | 14,940,000 | - | - |
| Total | 15 | 623,730,000 | 291,120,000 | 332,610,000 | - |

(Notes)

- (1) The above number of recipients includes one Director (excluding Directors who are Audit & Supervisory Committee Members) who retired at the conclusion of the 101st General Meeting of Shareholders held on June 24, 2025.
- (2) Matters regarding performance-linked compensation with an asterisk (*) 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 the consolidated underlying annual profit/loss (which is consolidated business profit/loss excluding inventory valuation impact and other items, and recognized as an 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. Performance-linked compensation for each Director (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) is determined within the limits approved by the General Meeting of Shareholders by adjusting the base amount of performance-linked compensation (i.e., the amount of compensation when the Company's consolidated performance reaches a certain level) established for each position within a specified range based on the above indicators.
The consolidated underlying annual profit/loss for fiscal year 2023, used to determine the performance-linked compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) for the period from April 2025 to June 2025, was ¥935.0 billion.
- (3) The specific amounts of fixed compensation and performance-linked compensation for each Director (excluding Directors who are Audit & Supervisory Committee Members) are, 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 fixed 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 100th General Meeting of Shareholders held on June 21, 2024 to be within ¥290 million per month (including compensation for Outside Directors of within ¥14 million 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.
- (5) 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 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.

(Compensation, etc. from July 2025 to March 2026)

| Position | Number of recipients | Total amount (yen) | Total amount by type (yen) | | |
|---|----------------------|--------------------|-----------------------------|--|---|
| | | | Fixed monetary compensation | Performance-linked compensation*1 | |
| | | | | Performance-linked monetary compensation | Performance-linked stock compensation*2 |
| Directors (excluding Directors who are Audit & Supervisory Committee Members) | 10 | 1,803,333,222 | 738,630,000 | 826,830,000 | 237,873,222 |
| 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 | 1,960,563,222 | 895,860,000 | 826,830,000 | 237,873,222 |

(Notes)

- (1) Matters regarding performance-linked compensation with an asterisk (*1) are as follows.
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 the consolidated underlying annual profit/loss (which is consolidated business 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.
Performance-linked monetary compensation for each Director (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors), is determined within the limits approved by the General Meeting of Shareholders by adjusting the base amount of performance-linked compensation (i.e., the amount of compensation when the Company's consolidated performance reaches a certain level) established for each position within a certain range based on the above indicators. Regarding performance-linked stock compensation for each Director (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors), the Company will award points to each Director according to their positions and the above indicators, and deliver to the Directors, upon their retirement as a general rule, the number of Company shares (acquired by the trust established through the Company's monetary contributions) equivalent to the number of points so awarded through the trust. The consolidated underlying annual profit/loss in fiscal year 2024, which were used to determine the performance-linked monetary compensation and performance-linked stock compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) from July 2025 to March 2026, was ¥793.7 billion.
- (2) The details regarding the performance-linked stock compensation with an asterisk (*2) are as follows:
The performance-linked stock compensation, which is a form of non-monetary compensation, is provided under a trust-based stock compensation system based on the resolution of the 101st General Meeting of Shareholders held on June 24, 2025. Pursuant to the share delivery regulations established by the Board of Directors, the Company will award points to each Director (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) according to their positions and the Company's consolidated performance, and deliver to the Directors, upon their retirement as a general rule, the number of Company shares (acquired by the trust established through the Company's monetary contributions) equivalent to the number of points so awarded through the trust. The total amount of performance-linked stock compensation represents the amount of expenses recorded for the points awarded during the relevant fiscal year.
- (3) 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, as detailed in (4) 1) (B) (i) d. below, determined by

the Board of Directors after discussion in the “Nomination and Compensation Advisory Committee,” which is composed of a majority of Outside Directors. 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.

- (4) The limit on the amount of monetary compensation (fixed monetary compensation and performance-linked monetary 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 per month (of which the amount of compensation for Outside Directors is ¥14 million 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. In addition, with respect to performance-linked stock compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors), it was approved at the 101st General Meeting of Shareholders held on June 24, 2025 that an upper limit of 295,000 points would be granted per fiscal year to such Directors, and that an upper limit on monetary contributions to acquire the Company’s shares to be delivered to such Directors would be ¥1,650 million for the initial trust period of three years (when the trust period is extended, an amount obtained by multiplying ¥550 million by the number of years of the extension). The number of Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) as of the conclusion of the General Meeting of Shareholders was eight.
- (5) 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 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, 2025 to June 24, 2025

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) 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 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 24, 2025

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, 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 monthly fixed monetary compensation for each 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.

b. 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.

c. 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 ¥600.0 billion 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.

d. 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.

(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 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.

2) Methods of determining the policies

(A) From April 1, 2025 to June 24, 2025

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 24, 2025

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 63 to 65.

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: 100% (15 out of 15 meetings) Nomination and Compensation Advisory Committee meeting attendance rate: 100% (2 out of 2 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% (15 out of 15 meetings) Nomination and Compensation Advisory Committee meeting attendance rate: 100% (2 out of 2 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: 100% (15 out of 15 meetings) Audit & Supervisory Committee meetings attendance rate: 100% (17 out of 17 meetings) Nomination and Compensation Advisory Committee meeting attendance rate: 100% (2 out of 2 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% (15 out of 15 meetings) Audit & Supervisory Committee meetings attendance rate: 100% (17 out of 17 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% (15 out of 15 meetings) Audit & Supervisory Committee meetings attendance rate: 100% (17 out of 17 meetings) |

3) Total amount of compensation, etc.

Total amount of compensation, etc. paid to outside directors is as shown on page 68 to 70.

5. Certain Matters concerning Accounting Auditor

(1) Name

KPMG AZSA LLC

(Note) United States Steel Corporation 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 | 188,650,000 yen |
| 2) The amount of compensations payable by NIPPON STEEL and its subsidiaries to accounting auditor for its audit certification services | 1,182,715,379 yen |
| 3) Total amount of cash and other financial benefit payable by NIPPON STEEL and its subsidiaries to accounting auditor | 1,196,095,379 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 preparation of correspondence to the lead underwriter in connection with the issuance of corporate bonds, 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 (24 full-time and 27 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 2025, there were 490 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 is truncated.

● Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

| | | (Millions of Yen) | |
|---|-------------------|--|-------------------|
| ASSETS | March 31, 2026 | LIABILITIES | March 31, 2026 |
| Current assets : | | Current liabilities : | |
| Cash and cash equivalents | 461,262 | Trade and other payables | 2,340,108 |
| Trade and other receivables | 1,768,226 | Bonds, borrowings and lease liabilities | 506,004 |
| Inventories | 2,776,012 | Other financial liabilities | 5,493 |
| Other financial assets | 54,705 | Income taxes payable | 39,285 |
| Other current assets | 229,363 | Other current liabilities | 81,792 |
| Total current assets | 5,289,570 | Total current liabilities | 2,972,686 |
| Non-current assets : | | Non-current liabilities : | |
| Property, plant and equipment | 5,899,583 | Bonds, borrowings and lease liabilities | 4,668,249 |
| Right-of-use assets | 139,478 | Other financial liabilities | 884 |
| Goodwill | 259,746 | Defined benefit liabilities | 160,207 |
| Intangible assets | 832,800 | Deferred tax liabilities | 335,144 |
| Investments accounted for using the equity method | 1,465,536 | Other non-current liabilities | 498,851 |
| Other financial assets | 536,875 | Total non-current liabilities | 5,663,337 |
| Defined benefit assets | 162,276 | Total liabilities | 8,636,023 |
| Deferred tax assets | 42,280 | EQUITY | |
| Other non-current assets | 32,436 | Common stock | 569,519 |
| Total non-current assets | 9,371,013 | Capital surplus | 588,011 |
| | | Retained earnings | 3,752,153 |
| | | Treasury stock | (59,023) |
| | | Other components of equity | 679,786 |
| | | Total equity attributable to owners of the parent | 5,530,448 |
| | | Non-controlling interests | 494,111 |
| | | Total equity | 6,024,560 |
| Total assets | 14,660,583 | Total liabilities and equity | 14,660,583 |

(2) Consolidated Statements of Profit or Loss (April 1, 2025 - March 31, 2026)

(Millions of Yen)

| | Fiscal 2025 |
|--|--------------------|
| Revenue | 10,063,216 |
| Cost of sales | (8,618,408) |
| Gross profit | 1,444,808 |
| Selling, general and administrative expenses | (993,968) |
| Share of profit in investments accounted for using the equity method | 85,412 |
| Other operating income | 108,782 |
| Other operating expenses | (130,906) |
| Business profit | 514,128 |
| Losses on reorganization | (271,225) |
| Operating profit | 242,903 |
| Finance income | 31,132 |
| Finance costs | (101,222) |
| Profit before income taxes | 172,814 |
| Income tax expense | (128,059) |
| Profit for the year | 44,754 |
| Profit for the year attributable to : | |
| Owners of the parent | 17,158 |
| Non-controlling interests | 27,596 |

(3) Consolidated Statements of Changes in Equity

Fiscal 2025 (April 1, 2025 - March 31, 2026)

(Millions of Yen)

| | Equity attributable to owners of the parent | | | | | |
|---|---|-----------------|-------------------|-----------------|---|---|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Other components of equity | |
| | | | | | 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, 2025 | 569,519 | 578,457 | 3,819,934 | (58,236) | 164,118 | — |
| Changes of the year | | | | | | |
| Comprehensive income | | | | | | |
| Profit for the year | | | 17,158 | | | |
| Other comprehensive income | | | | | 74,940 | 44,580 |
| Total comprehensive income | — | — | 17,158 | — | 74,940 | 44,580 |
| Transactions with owners and others | | | | | | |
| Issuance of convertible bonds | | 19,971 | | | | |
| Cash dividends | | | (146,480) | | | |
| Share-based payment transactions | | 318 | | | | |
| Purchases of treasury stock | | | | (39) | | |
| Disposals of treasury stock | | 901 | | 4 | | |
| Changes in ownership interests in subsidiaries | | (11,637) | | | | |
| Transfer from other components of equity to retained earnings | | | 61,541 | | (16,961) | (44,580) |
| Transfer to non-financial assets | | | | | | |
| Changes in scope of consolidation | | | | (750) | | |
| Subtotal transactions with owners and others | — | 9,553 | (84,939) | (786) | (16,961) | (44,580) |
| Balance as of March 31, 2026 | 569,519 | 588,011 | 3,752,153 | (59,023) | 222,097 | — |

| | Equity attributable to owners of the parent | | | | Non-controlling interests | Total equity |
|---|---|---|----------------|---|---------------------------|------------------|
| | Other components of equity | | | Total equity attributable to owners of the parent | | |
| | Changes in fair value of cash flow hedges | Foreign exchange differences on translation of foreign operations | Total | | | |
| Balance as of March 31, 2025 | 51,808 | 257,708 | 473,635 | 5,383,311 | 520,069 | 5,903,380 |
| Changes of the year | | | | | | |
| Comprehensive income | | | | | | |
| Profit for the year | | | — | 17,158 | 27,596 | 44,754 |
| Other comprehensive income | 7,925 | 175,347 | 302,794 | 302,794 | 11,046 | 313,841 |
| Total comprehensive income | 7,925 | 175,347 | 302,794 | 319,952 | 38,643 | 358,595 |
| Transactions with owners and others | | | | | | |
| Issuance of convertible bonds | | | — | 19,971 | | 19,971 |
| Cash dividends | | | — | (146,480) | (14,110) | (160,591) |
| Share-based payment transactions | | | — | 318 | | 318 |
| Purchases of treasury stock | | | — | (39) | | (39) |
| Disposals of treasury stock | | | — | 905 | | 905 |
| Changes in ownership interests in subsidiaries | | | — | (11,637) | (65,894) | (77,532) |
| Transfer from other components of equity to retained earnings | | | (61,541) | — | | — |
| Transfer to non-financial assets | (35,102) | | (35,102) | (35,102) | | (35,102) |
| Changes in scope of consolidation | | | — | (750) | 15,404 | 14,653 |
| Subtotal transactions with owners and others | (35,102) | — | (96,643) | (172,815) | (64,601) | (237,416) |
| Balance as of March 31, 2026 | 24,632 | 433,056 | 679,786 | 5,530,448 | 494,111 | 6,024,560 |

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: 493 companies

Principal consolidated subsidiaries are presented in “1. Current Situations of the Nippon Steel Group, (6) Principal Subsidiaries and Affiliates.”

In fiscal 2025, the scope of consolidation expanded by 109 companies, including 98 newly acquired companies and 10 newly established companies, etc. 35 companies, including 21 merged companies and 8 liquidations, etc., were eliminated from the scope of consolidation in fiscal 2025.

As part of the above, 87 companies were newly included in the scope of consolidation as a result of the merger between our United States subsidiary and United States Steel Corporation on June 18, 2025.

3. Application of equity-method and proportionate consolidation

Number of equity-method and proportionate-consolidation affiliates (associates, joint operations and joint ventures): 112 companies

Principal equity-method and proportionate-consolidation affiliates are presented in “1. Current Situations of Nippon Steel Group, (6) Principal Subsidiaries and Affiliates.”

During fiscal 2025, 9 companies were added to the scope of equity-method affiliates including 7 newly acquired companies and 1 newly established company, etc. 7 companies were removed from the scope of equity-method affiliates by sales.

As part of the above, 7 companies were added to the scope of equity-method affiliates as a result of the merger between our United States subsidiary and United States Steel Corporation on June 18, 2025.

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, at fair value through other comprehensive income or at fair value through profit or loss.

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. Financial assets measured at fair value through profit or loss are initially recognized at their fair value, with transaction costs directly attributable to the acquisition recognized in profit or loss at the date of occurrence. 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 relationships 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 equity instruments are derecognized or significant deterioration of fair value occurs, the cumulative gain or loss recognized in other comprehensive income is reclassified to retained earnings. Dividends from these equity instruments are recognized in profit or loss when the Group’s right to receive dividends is established.

Debt instruments are classified into financial assets measured at fair value through other comprehensive income when these assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt instruments are initially measured at their fair value, and subsequent changes in fair value are recognized in other comprehensive income except for impairment gain or loss and foreign exchange gain or loss. When the debt instruments are derecognized, the cumulative gain or loss recognized in other comprehensive income is reclassified from equity to profit or loss.

(iii) Financial assets measured at fair value through profit or loss

Financial assets measured at fair value other than financial assets measured at fair value through other comprehensive income are classified into financial assets measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are initially measured at their fair value, and subsequent changes in fair value are recognized in profit or loss.

2) Derecognition

Financial assets are derecognized when the contractual rights to the cash flow 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 and interest rate swaps, to hedge foreign currency risk and interest rate risk and others. 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 and hedges of net investments in foreign operations 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 derivatives as hedging instruments 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 derivatives as hedging instruments 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) Hedges of net investments in foreign operations

The Group designates foreign exchange forward contracts and foreign currency borrowings as hedging instruments to hedge the risk of change in exchange rate concerning net investments in foreign operations. The effective portion of changes in fair value of derivative and foreign currency borrowings as a hedging instrument is recognized in other comprehensive income. Any ineffective portion of changes in fair value of derivative and foreign currency borrowings as the hedging instrument is recognized in profit or loss. The amount accumulated in other comprehensive income is reclassified to profit or loss at the time of disposition of a foreign operation.

(3) Inventories

Inventories are measured at the lower 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, removal 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 - 35 years
- Machinery: Principally 14 - 15 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 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 18 - 35 years
- Customer-related intangible assets : Principally 16 - 18 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 applies an exemption of IFRS 16 and elects 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 exists.

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 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 and lump-sum retirement payment plans, defined contribution plans, and multiemployer defined benefit pension 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.

(iii) Multiemployer defined benefit pension plans

Certain North American consolidated subsidiaries participate in multiemployer defined benefit pension plans. Since the amount of plan assets corresponding to the contribution by the companies cannot be reasonably calculated, the plan is accounted for as a defined contribution plan.

(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.

Regarding the impact of the Middle East situation on the recoverable amounts used in the impairment of the Group's non-financial assets and on the recoverability of deferred tax assets, as there is no prospect of an end to the situation, the impact cannot be comprehensively and reasonably assessed at this time. Accordingly, these estimates have been made by reflecting only those impacts that can be reasonably assumed. However, these assumptions involve a high degree of uncertainty, and revisions to such assumptions in future periods may result in significant impacts on the estimated amounts and the Group's financial statements.

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, 2026

| | |
|---|--------------------|
| Property, plant and equipment | ¥5,899,583 million |
| Right-of-use assets | 139,478 |
| Goodwill | 259,746 |
| Intangible assets | 832,800 |
| Investments accounted for using the equity-method | 1,465,536 |

-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, 2026

| | |
|---------------------|-----------------|
| Deferred tax assets | ¥42,280 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) |
|------------------------------|-----------------------------|
| Inventories | 466,475 |
| Land | 8,294 |
| Buildings and structures | 141,657 |
| Machinery and vehicles | 303,429 |
| Other | 207,206 |
| Total | 1,127,063 |

| Secured debts | Amount (Millions of Yen) |
|--|-----------------------------|
| Short-term borrowings | 960 |
| Bonds | 115,000 |
| Long-term borrowings (including current portion of long-term borrowings repayable within one year) | 85,500 |
| Total | 201,460 |

In addition to the pledged assets listed above, ¥611 million of shares of associates are pledged as collateral for affiliates' loans.

2. Inventories

| | |
|---|--------------------|
| Merchandise and finished goods (including semi-finished products) | ¥1,471,448 million |
| Work in progress | 113,694 |
| Raw materials and supplies | 1,190,868 |

3. Allowance for doubtful accounts directly deducted from assets

| | |
|-----------------------------|----------------|
| Trade and other receivables | ¥9,906 million |
| Other financial assets | 15,532 |

4. Accumulated depreciation of property, plant and equipment ¥12,396,618 million

5. Loan guarantees

The Group provides guarantees for the bank loans and other obligations of other companies.

Guarantees for debts of joint ventures and associates ¥476,236 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 business withdrawal and others ¥271,225 million

In the Steelmaking and Steel Fabrication segment, the Company mainly recorded losses from the transfer of all shares of NS Kote, Inc., which held 50% of interest in AM/NS Calvert LLC, a joint venture engaged in the manufacture and sale of steel sheet products in the United States, as well as losses from the transfer of the interest in Usinas Siderúrgicas de Minas Gerais S.A. (USIMINAS), which is engaged in the manufacture and sale of steel sheet products in Brazil.

IV. Notes to the consolidated statements of changes in equity

1. Number and class of shares outstanding at the end of fiscal 2025

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

Ordinary shares 5,373,633,760 shares

Number of treasury stock at the end of the period

Ordinary shares 147,339,771 shares

Note:

The Company has adopted a performance-linked stock compensation system utilizing a trust. Shares of the Company held by the trust are included in treasury stock at the end of the period. (3,130,300 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 24, 2025 | Ordinary shares | 83,703 | 80 | March 31, 2025 | June 25, 2025 |
| Board of Directors' meeting held on November 5, 2025 | Ordinary shares | 62,777 | 60 | September 30, 2025 | December 4, 2025 |

Note:

The Company implemented a stock split at a ratio of five (5) shares for every one share effective October 1, 2025.

The dividends per share are stated as the amount before the stock split.

Note2:

Upon calculation of basic earnings per share, the Company's ordinary shares held by a trust in connection with a performance-linked stock compensation system are included in the treasury stock which is deducted from the number of shares outstanding when the average number of shares during the period are calculated.

VII. Notes to the revenue recognition

Disaggregation of revenue

Segment revenue from contracts with customers is as follows.

| (Millions of Yen) | | | | | |
|-------------------|-----------------------------------|------------------------------|-------------------------|------------------|--------------|
| | Steelmaking and Steel Fabrication | Engineering and Construction | Chemicals and Materials | System Solutions | Consolidated |
| Revenue | 9,173,227 | 357,517 | 239,835 | 292,636 | 10,063,216 |

Note:

Revenue is presented at the amount less adjustment of inter-segment transactions.

VIII. Notes to the business Combinations

(Merger of United States Steel Corporation)

1. Overview

(1) Name of the acquiree and the description of its business

Name of the acquiree: United States Steel Corporation (U. S. Steel)

Description of Business: Manufacturing and distribution of steel sheets for automotive, home appliances and building materials etc. and tubular for energy industry

(2) Acquisition date: June 18, 2025

(3) Ratio of acquired voting equity interest

Ratio of voting rights held prior to the acquisition date: 0%

Ratio of voting rights acquired on the acquisition date: 100%

Ratio of voting rights after acquisition: 100%

(4) Primary reason for business combination

As the "Best Steelmaker with World-Leading Capabilities," the merger will enable Nippon Steel to move toward 100 million tonnes of global crude steel capacity through expanding its integrated production framework and create value starting from iron/steel-making process in "districts and areas where demand is promisingly expected to grow" and in "sectors in which Nippon Steel's technologies and products are appreciated." In doing so, Nippon Steel's basic strategy is to acquire integrated steel mills through acquisitions and capital participation (brownfield investment) and to expand the capacity of existing bases. Nippon Steel acquired Essar Steel (now AM/NS India) in India in December 2019 and G Steel and GJ Steel in Thailand in February 2022.

The U.S. steel industry is largely driven by domestic demand and U.S. steelmakers are not highly dependent on exports of products. In addition, it has been remarkable that there is a trend to bring operations back to the home U.S. market in downstream sectors such as energy and manufacturing, due to relatively low energy prices in the United States and structural changes in the world economy. Nippon Steel is confident that it can utilize its seasoned technologies and product lineup in the United States, since it expects high level of demand for high-grade steel in this largest market amongst developed countries as well as sustainable growth in domestic steel demand.

Nippon Steel believes that the merger is a worthwhile investing since the merger is not only consistent with Nippon Steel's overseas business strategy but also would enable Nippon Steel to diversify its global footprint by securing integrated steel manufacturing capabilities in the United States, a developed country, adding to existing operational bases in ASEAN and India, where market volume and growth potential are significant. Nippon Steel intends to further enhance its enterprise value by developing and expanding in these three globally important operational bases.

Upon completion of the merger, Nippon Steel group's global crude steel production capacity will increase to approximately 82 million tonnes per year, making it expand reach further. Nippon Steel and U. S. Steel will move forward together as the "Best Steelmaker with World-Leading Capabilities," providing across the globe products and services made by the technologies across both companies in high-grade steel including electrical steel and automotive steel to broadly contribute to customers and society.

Furthermore, Nippon Steel and U. S. Steel share a common goal of achieving carbon neutrality by 2050, and each company has made an effort in this field and developed technological edges. Nippon Steel aims to attain carbon

neutrality through the development of great innovative technologies: “hydrogen injection into blast furnaces,” “high-grade steel production in large size electric arc furnaces” and “hydrogen direct reduction of iron.”

By combining the advanced technologies of both companies, Nippon Steel and U. S. Steel will together take steps towards achieving carbon neutrality by 2050 and contribute to building a sustainable society.

(5) Form of control acquisition of the acquirees

By way of a merger between U. S. Steel and a wholly-owned subsidiary established by Nippon Steel for the merger (reverse triangular merger)

2. Consideration transferred

| | (Millions of Yen) |
|--|-------------------|
| Cash consideration transferred | 2,058,018 |
| Other payables | 4,494 |
| <u>Total consideration transferred</u> | <u>2,062,513</u> |

Note:

The acquisition-related costs of ¥21,984 million related to the business combination were recorded in the consolidated statements of profit or loss for the year ended March 31, 2025. The acquisition-related costs of ¥7,814 million were recorded as “Selling, general and administrative expenses” in the consolidated statements of profit or loss for the fiscal year ended March 31, 2026.

In addition, a closing bonus of ¥14,288 million for U. S. Steel employees was recorded as “Other operating expenses” in the consolidated statements of profit or loss for the fiscal year ended March 31, 2026.

3. Fair value of the assets acquired and liabilities assumed, non-controlling interests and goodwill

The fair value of the assets acquired and liabilities assumed, non-controlling interests and goodwill has been confirmed at the end of fiscal year ended March 31, 2026.

| | (Millions of Yen) |
|---|-------------------|
| Current assets | 1,003,644 |
| Non-current assets | 2,400,847 |
| <u>Total assets</u> | <u>3,404,492</u> |
| Current liabilities | 599,873 |
| Non-current liabilities | 904,060 |
| <u>Total liabilities</u> | <u>1,503,933</u> |
| Total identifiable net assets acquired | 1,900,558 |
| Non-controlling interests (Note 1) | 13,498 |
| Total equity attributable to owners of the parent | 1,887,059 |
| Total consideration transferred | 2,062,513 |
| Basis adjustments (Note 2) | (35,102) |
| <u>Goodwill (Note 3)</u> | <u>140,351</u> |

Note1:

Non-controlling interests are due to an Option Agreement granted by U. S. Steel to Stelco.

Note2:

The Company entered into foreign exchange forward contracts to hedge the foreign exchange risk associated with the acquisition consideration and applied hedge accounting. The basis adjustment is the fair value of the hedging instruments at the acquisition date and is included in the initially recognized goodwill adjustment.

Note3:

The goodwill is attributable mainly to an excess earning power expected to be achieved from the synergies between the Group and the acquirees. The goodwill is not tax-deductible.

4. Net cash used in the transaction

| | (Millions of Yen) |
|---|-------------------|
| Cash consideration transferred | 2,058,018 |
| Cash and cash equivalents held by the acquirees at the acquisition date | (62,048) |
| Basis adjustments | (35,102) |
| <u>Net cash used in the transaction</u> | <u>1,960,868</u> |

5. Revenue and profit or loss of the acquirees after the acquisition date

| | (Millions of Yen) |
|----------------|-------------------|
| Revenue | 1,933,070 |
| Profit or loss | 21,249 |

6. Revenue and profit or loss of the Group if the business combination had been completed at the beginning of the year

| | (Millions of Yen) |
|----------------|-------------------|
| Revenue | 10,677,338 |
| Profit or loss | 19,904 |

Note:

The note has not been audited by an audit firm.

(For reference 1)

● Consolidated Statements of Cash-Flows

| Fiscal 2025 (April 1, 2025 - March 31, 2026) | (Millions of Yen) |
|--|-------------------|
| Cash flows from operating activities | 716,939 |
| Cash flows from investing activities | (2,837,181) |
| Cash flows from financing activities | 1,886,301 |
| Other | 22,676 |
| Net increase in cash and cash equivalents | (211,264) |
| Cash and cash equivalents at beginning of the year | 672,526 |
| Cash and cash equivalents at end of the year | 461,262 |

(For reference 2)

●Segment Information

Fiscal 2025 (April 1, 2025 - March 31, 2026)

(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 | 9,173,227 | 357,517 | 239,835 | 292,636 | 10,063,216 | — | 10,063,216 |
| Inter-segment revenue or transfers | 48,477 | 36,936 | 18,125 | 90,257 | 193,797 | (193,797) | — |
| Total | 9,221,705 | 394,453 | 257,961 | 382,893 | 10,257,014 | (193,797) | 10,063,216 |
| Segment profit <Business Profit> | 439,961 | 23,105 | 21,951 | 43,315 | 528,334 | (14,205) | 514,128 |

● Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheet

| | | (Millions of Yen) | |
|---|------------------|--|------------------|
| ASSETS | March 31, 2026 | LIABILITIES | March 31, 2026 |
| Current assets : | | Current liabilities : | |
| Cash and bank deposits | 124,323 | Accounts payable | 355,267 |
| Accounts receivable | 194,287 | Short-term loans payable | 277,139 |
| Finished products | 200,517 | Commercial papers | 15,000 |
| Semi-finished products | 431,179 | Bonds due within one year | 40,000 |
| Work in process | 7,848 | Current portion of lease obligations | 462 |
| Raw materials | 349,050 | Accounts payable-other | 666,804 |
| Supplies | 220,473 | Accrued expenses | 60,901 |
| Advance payments-other | 38,138 | Advances received | 2,174 |
| Prepaid expenses | 37,745 | Deposits received | 476,505 |
| Accounts receivable-other | 120,031 | Other | 14,930 |
| Other | 8,673 | | |
| Total current assets | 1,732,269 | Total current liabilities | 1,909,187 |
| Fixed assets : | | Long-term liabilities : | |
| Tangible fixed assets : | | Bonds and notes | 1,153,087 |
| Buildings (net) | 352,369 | Long-term loans payable | 2,683,376 |
| Structures (net) | 236,290 | Lease obligations (excluding current portion) | 1,169 |
| Machinery and equipment (net) | 1,091,302 | Accrued pension and severance costs | 79,454 |
| Vehicles (net) | 4,687 | Other | 324,411 |
| Tools, furniture and fixtures (net) | 61,029 | | |
| Land | 486,576 | Total long-term liabilities | 4,241,498 |
| Leased assets (net) | 1,450 | | |
| Construction in progress | 455,708 | Total liabilities | 6,150,685 |
| | 2,689,415 | | |
| Intangible fixed assets : | | NET ASSETS | |
| Patents and utility rights | 3,717 | Shareholders' equity : | |
| Software | 128,206 | Common stock | 569,519 |
| Leased assets | 11 | Capital surplus | |
| | 131,936 | Legal capital surplus | 261,527 |
| Investments and others : | | Other capital surplus | 270,813 |
| Investments in securities | 300,494 | Total Capital surplus | 532,340 |
| Shares of subsidiaries and affiliates | 3,675,068 | Retained earnings : | |
| Investments in capital of subsidiaries and affiliates | 25,698 | Other retained earnings | |
| Long-term loans receivable | 1 | Reserve for advanced depreciation of fixed assets | 26,421 |
| Long-term loans receivable from subsidiaries and affiliates | 363,380 | Retained earnings carried forward | 1,653,873 |
| Long-term prepaid expenses | 95,313 | Total retained earnings | 1,680,295 |
| Deferred tax assets | 32,927 | Less: Treasury stock, at cost | (55,843) |
| Other | 20,345 | Total shareholders' equity | 2,726,312 |
| Less: Allowance for doubtful accounts | (10,355) | | |
| | 4,502,875 | Valuation and translation adjustments : | |
| Total fixed assets | 7,324,226 | Unrealized gains on available-for-sale securities | 154,812 |
| | | Deferred hedge income (loss) | 4,714 |
| | | Total valuation and translation adjustments | 159,526 |
| | | Share acquisition rights | 19,971 |
| | | Total net assets | 2,905,810 |
| Total assets | 9,056,495 | Total liabilities and net assets | 9,056,495 |

(2) Non-Consolidated Statements of Operations (April 1, 2025 - March 31, 2026)

(Millions of Yen)

| | Fiscal 2025 |
|--|--------------------|
| Operating revenues : | |
| Net sales | 4,542,013 |
| Cost of sales | 4,034,262 |
| Gross profit | 507,750 |
| Selling, general and administrative expenses | 339,642 |
| Operating profit | 168,108 |
| Non-operating profit and loss : | |
| Non-operating profit : | |
| Interest and dividend income | 145,066 |
| Other | 34,677 |
| | 179,743 |
| Non-operating loss : | |
| Interest expense | 55,533 |
| Other | 114,414 |
| | 169,948 |
| Ordinary profit | 177,904 |
| Extraordinary profit and loss : | |
| Extraordinary profit : | |
| Gain on extinguishment of tie-in shares | 169,737 |
| Gain on sales of shares of subsidiaries and affiliates | 89,698 |
| | 259,435 |
| Extraordinary loss : | |
| Losses on valuation of shares of subsidiaries and affiliates | 46,277 |
| | 46,277 |
| Profit before income taxes | 391,062 |
| Income taxes - current | (5,960) |
| Income taxes - deferred | 56,026 |
| | 50,065 |
| Profit for the year | 340,997 |

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

Fiscal 2025 (April 1, 2025 - March 31, 2026)

(Millions of Yen)

| | Shareholders' equity | | | | | | | | |
|--|----------------------|-----------------------|-----------------------|-----------------------|---|-----------------------------------|-------------------------|-------------------------|----------------------------|
| | Common stock | Capital surplus | | | Retained earnings | | | Treasury stock, at cost | Total shareholders' equity |
| | | Legal capital surplus | Other capital surplus | Total capital surplus | Other retained earnings | | Total retained earnings | | |
| | | | | | Reserve for advanced depreciation of fixed assets | Retained earnings carried forward | | | |
| 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 |
| Changes of the year | | | | | | | | | |
| Issuance of convertible bonds | | | | — | | | — | | — |
| Provision of reserve for tax purpose reduction entry of non-current assets | | | | — | 530 | (530) | — | | — |
| Cash dividends | | | | — | | (146,480) | (146,480) | | (146,480) |
| Profit for the year | | | | — | | 340,997 | 340,997 | | 340,997 |
| Purchases of treasury stock | | | | — | | | — | (2,138) | (2,138) |
| Disposals of treasury stock | | | 901 | 901 | | | — | 1,212 | 2,114 |
| Net changes of items other than shareholders' equity | | | | | | | | | |
| Total change for fiscal 2025 | — | — | 901 | 901 | 530 | 193,985 | 194,516 | (926) | 194,491 |
| Balance as of March 31, 2026 | 569,519 | 261,527 | 270,813 | 532,340 | 26,421 | 1,653,873 | 1,680,295 | (55,843) | 2,726,312 |

| | Valuation and translation adjustments | | | Share acquisition rights | Total net assets |
|--|---|------------------------------|---|--------------------------|------------------|
| | Unrealized gains on available-for-sale securities | Deferred hedge income (loss) | Total valuation and translation adjustments | | |
| Balance as of March 31, 2025 | 101,923 | 12,267 | 114,190 | — | 2,646,011 |
| Changes of the year | | | | | |
| Issuance of convertible bonds | | | | 19,971 | 19,971 |
| Provision of reserve for tax purpose reduction entry of non-current assets | | | | | — |
| Cash dividends | | | | | (146,480) |
| Profit for the year | | | | | 340,997 |
| Purchases of treasury stock | | | | | (2,138) |
| Disposals of treasury stock | | | | | 2,114 |
| Net changes of items other than shareholders' equity | 52,889 | (7,552) | 45,336 | — | 45,336 |
| Total change for fiscal 2025 | 52,889 | (7,552) | 45,336 | 19,971 | 259,799 |
| Balance as of March 31, 2026 | 154,812 | 4,714 | 159,526 | 19,971 | 2,905,810 |

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 mainly 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 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. 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 2025

| | |
|-------------------------|--------------------|
| Tangible fixed assets | ¥2,689,415 million |
| Intangible fixed assets | 131,936 |

- 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 2025

| | |
|---|-----------------|
| Deferred tax assets (after offsetting deferred tax liabilities) | ¥32,927 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."

Regarding the impact of the Middle East situation on the recoverable amounts used in the impairment assessment of the Company's fixed assets and on the recoverability of deferred tax assets, as there is no prospect of an end to the situation, the impact cannot be comprehensively and reasonably assessed at this time. Accordingly, estimates have been made by reflecting only those impacts that can be reasonably assumed. However, these assumptions involve a high degree of uncertainty, and revisions to such assumptions in future periods may result in significant impacts on the estimated amounts and the Company's financial statements.

II. Notes to the non-consolidated balance sheet

1. Accumulated depreciation of tangible fixed assets ¥7,473,993 million

2. Contingent liabilities

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

| | (Outstanding amounts as of March 31, 2026) | | (Substantial amounts) | |
|---------------------------------|--|---------|-----------------------|---------|
| AMNS Luxembourg Holding S.A. | ¥474,097 | million | ¥474,097 | million |
| United States Steel Corporation | 119,973 | | 119,973 | |
| G Steel Public Company Limited | 8,505 | | 8,505 | |
| Ovako Sweden AB | 6,033 | | 6,033 | |
| Ovako Bar AB | 2,155 | | 2,155 | |
| Other | 998 | | 998 | |
| Total | 611,764 | | 611,764 | |

3. Accounts receivable and payable to subsidiaries and affiliates

| | |
|--------------------------------|------------------|
| Short-term accounts receivable | ¥140,966 million |
| Long-term accounts receivable | 363,380 |
| Short-term accounts payable | 880,900 |
| Long-term accounts payable | 861 |

III. Notes to the non-consolidated statements of operations

Transactions with subsidiaries and affiliates

Operating transactions

| | |
|-----------|--------------------|
| Net sales | ¥1,803,900 million |
| Purchases | 1,276,134 |

Non-operating transactions

| | |
|--|------------------|
| Proceeds from the transfer of assets, etc. | ¥392,630 million |
| Expenditures from the transfer of assets, etc. | 199,530 |

IV. Notes to the non-consolidated statements of changes in net assets

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

| | |
|-----------------|--------------------|
| Ordinary shares | 142,200,452 shares |
|-----------------|--------------------|

Notes:

The Company has adopted a performance-linked stock compensation system utilizing a trust. Shares of the Company held by the trust are included in treasury stock at the end of the period. (3,130,300 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) |
|------------|----------------------------------|-----------------------------|-----------------------------|--|---|---------|--|
| Subsidiary | Nippon Steel North America, Inc. | Holding 100% directly | — | Subscription of a capital increase (Note1) | 2,138,660 | — | — |
| Affiliate | AMNS Luxembourg Holding S.A. | Holding 40% directly | Guarantee | Guarantee (Note2) | 474,097 | — | — |
| Subsidiary | United States Steel Corporation | Holding 100% indirectly | Guarantee | Guarantee (Note3) | 119,973 | — | — |

Terms and conditions applied to related party transactions

Note1:

The Company fully subscribed to the capital increase of its subsidiary.

Note2:

The Company provided a guarantee for 40% of the funds which AMNS Luxembourg Holding S.A. procured from banks.

Note3:

The Company provided a guarantee for the full amount of the funds which United States Steel Corporation procured from the State of Arkansas.

VII. Notes to the per share information

| | |
|----------------------|---------|
| Net assets per share | ¥551.63 |
| Earnings per share | ¥65.18 |

Note1:

The Company implemented a stock split at a ratio of five (5) shares for every one share effective October 1, 2025. Accordingly, net assets per share and earnings per share are calculated as if the stock split had occurred at the beginning of the fiscal year ended March 31, 2026.

Note2:

Upon calculation of earnings per share, the Company's ordinary shares held by a trust bank in connection with a performance-linked stock compensation system are included in the treasury stock which is deducted from the number of shares outstanding when the average number of shares during the period are calculated.

VIII. Notes to the material subsequent events

At the meeting of the Board of Directors held on May 13, 2026, the Company resolved to carry out an absorption-type merger (the “Merger”), with the Company as the surviving company and its wholly owned subsidiary, Sanyo Special Steel Co., Ltd. (“Sanyo Special Steel”), as the absorbed company, effective April 1, 2027.

1. Overview of the transaction

(1) Name of the company involved in the business combination and description of its business

Name of the company involved: Sanyo Special Steel Co., Ltd.

Description of business: Steel products, metal powders, formed and fabricated materials, and others

(2) Date of the business combination

April 1, 2027 (planned)

(3) Legal form of the business combination

An absorption-type merger with the Company as the surviving company and Sanyo Special Steel as the absorbed company

(4) Name of the company after the business combination

Nippon Steel Corporation

(5) Other matters related to the overview of the transaction

(i) Purpose of the Merger

With the aim of expanding profit opportunities and strengthening business strategies through the integration and optimization of the bars, wire rods and specialty steel products business, as well as pursuing further optimization of the Group’s production structure, the Company made Sanyo Special Steel a wholly owned subsidiary in April 2025. Since then, both companies have worked together to realize synergy effects. At this juncture, by recognizing that a more unified organizational and business operation will contribute to further maximizing synergies at an early stage, the Company has decided to implement the Merger.

(ii) Details of the Merger consideration

The Merger is between Nippon Steel and Sanyo Special Steel, a wholly-owned subsidiary of Nippon Steel, and no shares or other money, etc. will be delivered.

2. Outline of the accounting treatment to be applied

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 will be treated as transactions under common control.

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 14, 2026

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, 2025 through March 31, 2026.

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 (including those that are relevant to our audit of the consolidated financial statements of public interest entities) 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 14, 2026

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 101st fiscal year from April 1, 2025 through March 31, 2026.

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, 2026, 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 (including those that are relevant to our audit of the consolidated financial statements of public interest entities) 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 101st fiscal year from April 1, 2025 to March 31, 2026. 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 20, 2026

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 Sogo (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>