Sustainability

82 Materiality of Sustainability Issues
88 Environment
- 89 Environmental Management and Governance System
- 91 Environmental Risk Management
- 94 Response to Climate Change
- 103 Creation of a Circular Economy (Recycling-based Society)
- 107 Biodiversity Conservation and Nature Positive

114 Safety
116 Disaster Prevention
117 Quality Assurance and Quality Management
118 Production and Supply Chain Management
120 Human Capital
- 121 Securing Diverse Human Resources
- 121 Human Resources Development
- 123 Diversity, Equity, and Inclusion (DEI)
- 126 Respect for Human Rights

128 Coexistence with Communities

Key Takeaways from This Section

Nippon Steel recognizes that sustainability initiatives are one of the most important issues and form the base that supports the very existence and growth of the Company. Considering our shareholders' expectations and our Corporate Philosophy, Values, and growth strategies, we have identified the initiatives that should be focused on as materiality of sustainability issues (priority issues) to set targets and KPIs.

[Identified materiality (priority issues)]

1 Safety, environment, and disaster prevention
2 Quality
3 Research and development and intellectual property
4 Production
5 Human resources
6 Coexistence with Communities
7 Corporate value enhancement and profit distribution
Thorough implementation of compliance

Materiality of Sustainability Issues

Identification of materiality

In consideration of our stakeholders' expectations, we have defined the materiality based on the following principles.

We believe that tackling these materiality issues will contribute to the achievement of the United Nations' 2030 Agenda for Sustainable Development, featuring Sustainable Development Goals (SDGs).

[Process to identify materiality]



Nippon Steel's materiality

Materiality considering the corporate philosophy and manufacturing values

The Nippon Steel Group states in its Corporate Philosophy (Our Values), "We will pursue world-leading technologies and manufacturing capabilities, and contribute to society by providing excellent products and services."

As a responsible manufacturing company expected to deliver superior products and services, we recognize that our primary mission is to reliably supply quality products that satisfy our customers through stable production. Needless to say, achieving this mission is only possible through a thorough commitment to safety, the environment, disaster prevention, and compliance.

In addition, human resources support our world-leading technologies and manufacturing capabilities, and we regard securing and developing outstanding personnel as critical to improving our manufacturing competence by strengthening on-site capabilities and technological superiority. We also believe that hiring and developing human resources, diversity, equity, and inclusion (DEI), and respect for human rights are the foundation of vibrant workplaces.

In terms of our relationship with the local community and society, maintaining good relationships with them where we operate our steelworks is indispensable to continuing our business in the future.

We believe it is important not only to operate in an environmentally friendly manner but also to maintain good communication with the local community and society as a corporate citizen.

Materiality considering our value creation process and future business environment changes

Nippon Steel's value creation process is based on providing products and solutions created by leveraging our competitive advantages and using various forms of financial and non-financial capital. To sustain this process, we must maintain stable production and secure a steady revenue stream.

We also position environmental conservation as a priority issue that underlies our corporate management. To contribute to an environmentally friendly society with a low environmental burden, we have been reducing CO_2 emissions through three "Eco" initiatives and innovative technology development. We have also been creating a circular economy by recycling waste generated in society, such as plastic recycling.

On climate change, which affects humankind's survival, we aim to achieve carbon neutrality by 2050 by contributing to society-wide CO_2 reduction through high-performance steel products and solutions, as well as by decarbonizing the steelmaking process through innovative technology development.

Corporate value enhancement and profit distribution

We will continue to thrive as a company by achieving sustainable growth and increasing corporate value through business activities, including sustainability initiatives. We will not only contribute to society by providing excellent products and services but also share profits with employees, governments, shareholders, and other stakeholders.

Thorough implementation of compliance

As a responsible leading company, we thoroughly adhere to laws and regulations, which is fundamental to all of our activities. We will ensure thorough compliance by acting autonomously in accordance with our corporate philosophy, values, code of conduct, and other relevant guidelines.

Initiatives for Materiality and KPIs in FY2025

1 Safety, Environment, and Disaster Prevention

Materiality		Target and KPI	Main initiatives and achievements in FY2025	
1 **Safety and Health** P.114		• Lost time injury frequency rate: **0.10** or less • Number of fatal accidents: **0**	• Deepened education on compliance with rules and promoted human resource development to build a safety culture • Continued equipment measures based on risk assessment • Strengthened the mechanism to ensure the smooth operation of the basic safety activity cycle	• Lost time injury frequency rate: **0.08** • Number of fatal accidents: **2** (2025)
2 **Environment**	**1) Promotion of climate change measures**	[Carbon Neutral Vision 2050: Promotion of total CO_2 emission reductions] P.43-50 • Target for 2030 **30**% reduction in total CO_2 emissions (compared to 2013 levels) • Vision for 2050 **Carbon Neutrality**	• Selected for a support program under the GX Promotion Act • Started the construction for the conversion to EAFs at the Yawata Area (scheduled to start production in 2H 2029) Completed the infrastructure construction (May 2026) • Completed the construction of the reduction furnace and test furnace. Started the testing (achieved 72 hours of continuous operation) • Achieved a 45% reduction in CO_2 emissions at the Super COURSE50 test furnace • Construction of the auxiliary facilities is underway in preparation for commercial-scale demonstration at the Kimitsu #2 BF • Obtained a permit for exploratory drilling for the Metropolitan Area CCS (April 2026) (targeted for installation in the early 2030s) • NSCarbolex Neutral Incoming inquiries and adoptions increased across a wide range of fields, including private-sector projects such as construction and manufacturing in Japan and overseas, as well as public-sector projects such as civil engineering works	
		[Implementation of Eco Process] P.105 • Maintained effective use of energy at high levels	• Effective use of by-product gas (coke oven gas, blast furnace gas, etc.) and waste heat	• By-product gas usage rate: **100**% • Use of waste heat in steam generation: **72**% • Use rate of in-house generated energy in power generation: **68**%
		• Promoted the adoption of cutting-edge, energy-saving technologies	• Installed high-efficiency power generation equipment and an oxygen plant. The conversion of heating furnaces to regenerative burners	• Costs of climate change mitigation measures: ¥**9.5** bn
		[Enhancement of Eco Products™] P.50, P.168 • Contributed to the reduction of emissions during the use of end products through the supply of high-performance steel	• Expanded the supply of NSCarbolex Solution-related products and technologies • Calculated carbon footprint of products (CFPs) • Obtained the label certification of the SuMPO EPD (former Eco-Leaf)	• For over **80** labels that cover almost all products • Calculated the CFP for **76** products and published them on our website https://www.nipponsteel.com/product/cfp/certificate.html
		[Contributions through Eco-Solutions] P.98 • Contributed to global emission reductions through the transfer and dissemination of world-class energy-saving technologies	• Nippon Steel Engineering of our Group increased its cumulative CDQ deliveries	• Total of **152** units (FY2024 results) (contributing to a reduction of **32.53** mn t-CO_2)

Initiatives for Materiality and KPIs in FY2025

Safety, Environment, and Disaster Prevention

Materiality		Target and KPI	Main initiatives and achievements in FY2025	
2 Environment	2) Contribution to the creation of a circular economy	[Promotion internal zero emissions] P.103 • Reduced final disposal amount **263,000** tons (FY2025 target)	• Promoted recycling of by-products (slag, dust, sludge, etc.) in and out of the Company	• Final waste disposal: **205,000** tons
		[Promotion of recycling of waste generated in society] P.104 • Established a waste plastics recycling system to expand its collection volume	• Aggressively promoted recycling under the Chemical Recycling Act	• Amount of packaging/container plastic waste disposal: **80,000** tons
	3) Conservation of biodiversity and nature positive P.107	[Contribution to the conservation of biodiversity and nature positive]	• Continually considered obtaining certification for the nationally certified, sustainably managed natural sites • Promoted activities of the Creation of Hometown Forests at steelworks • Promoted activities of the Creation of Sea Forests	• Obtained certification in October 2025 (Kyushu Works Oita Area) • Greenery space: **887** ha • Creation of sea forests: **87** locations (+17 YoY)
	4) Promotion of environmental risk management P.91	[Strengthening environmental management capabilities across the group] • Number of serious violations of environmental laws and regulations and environmental accidents: **0**	• Responded to environmental risks related to the atmosphere, water, and other factors • Improved management-level responses through audits, interviews, and other activities • Enhanced environmental management capabilities; supported human resources development	• Number of serious violations of environmental laws and regulations and environmental accidents: **0**
		[Conservation of the atmospheric environment] • Maintaining low-level emissions of air pollutants (SOx and NOx)	• Installed SOx and NOx removal equipment; converted to low-sulfur fuels; adopted low-NOx regenerative burners	• SOx: **10** mn Nm³ • NOx: **21** mn Nm³
		• Maintained emissions well below the voluntary management targets for chemical substances • Volatile organic compounds (VOC): **1,106** tons/year (A reduction of 30% compared to FY2000 levels) • Benzene: **172** tons/year (A voluntary management target based on the government target)	• Continued efforts based on the voluntary reduction plan	• VOC: **490** tons/year • Benzene: **75** tons/year
		[Water environment conservation] • Maintained high, stable levels of reclaimed water recycling and reuse rates	• Purified and recycled the fresh water used company-wide	• Use of recycled water: around **90**%
3 Disaster Prevention P.116		[Thorough elimination of disaster risks. Early horizontal implementation of effective measures] • Number of serious disaster-related accidents: **0**	• Promoted activities to prevent recurrence and prevention of disaster-related accidents based on risk assessment • Promoted initial response drills aimed at minimizing damage when a risk materializes • Implemented various monitoring (audits) as a survey of disaster prevention activities. Evaluated disaster prevention activities through third-party monitoring, hearings from head office management, and self-monitoring by disaster prevention managers at steelworks.	• Serious disaster-related accidents: **1** (2025)

Initiatives for Materiality and KPIs in FY2025

2 Quality

Materiality	Target and KPI	Main initiatives and achievements in FY2025
1 **Quality management and assurance** P.117	• Promotion of systematization and automation to improve the reliability of tests and inspections	• Promoted intra-system automatic data import and pass/fail determination to avoid risks of human intervention in product release decisions • The development and introduction of AI recognition models are underway in automated metallographic image analysis and reading of product markings

3 Research and Development and Intellectual Property

Materiality	Target and KPI	Main initiatives and achievements in FY2025	
1 **Research and development; intellectual property investment and utilization** P.59	• Promotion of strategic research and development aimed at sustainable business growth	• Actively promoted research and development related to priority issues, such as product sophistication, process efficiency enhancement, and the development of carbon-neutral-oriented innovative processes	• R&D expenses: ¥**80.7** bn (consolidated)
	• Respect for Intellectual property; strengthening strategic protection and utilization	• Promoted strategic use of intellectual property by strengthening patent applications related to priority issues, response to infringement of patent rights, and technical tie-ups	• Number of patents held: Approx. **32,000** (Approx. 16,000 in Japan and approx. 16,000 overseas)
2 **Proposing solutions that lead to customer satisfaction** Data Book P.53	• Improved evaluations from users, governments, and organizations	• Received many awards including: the FY2025 (60th) Japan Society for Technology of Plasticity Award “Grand Prize;” the FY2025 Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology (Development Category); the 2025 Stainless Steel Industry Award Gold Prize in the Sustainability Category and Silver Prize in the Market Development Category (double awards)	• Number of awards from customers, governments, and institutions: **7**

4 Production

Materiality	Target and KPI	Main initiatives and achievements in FY2025
1 **Stable supply through stable production** P.118	• Promoting initiatives for more stable production and supply (hardware and software)	• Enhanced the stable supply system by promoting measures to expand the electrical steel sheet capacity and improve quality in Setouchi Works Hirohata Area and Kyushu Works Yawata Area • Promoted the standardization of veteran workers’ operational skills and the utilization of experts • Utilized IoT and AI for operational support, improved efficiency of facility inspection and operation monitoring, and reinforcement of predictive monitoring

Initiatives for Materiality and KPIs in FY2025

5 Human Resources

Materiality	Target and KPI	Main initiatives and achievements in FY2025	
1 **HR securing** P.121	• Hiring human resources to realize the management strategy	• Actively hired alumni and other experienced professionals, in addition to new graduates and postdocs • Implemented public relations initiatives to increase awareness of the Company • Made efforts to raise the retention rate	• Turnover rate: **1.5**%
2 **HR development** P.121	• Promoting measures to develop human resources that help enhance on-site capabilities and technological advancement	• Promoted various measures to maximize the potential of our employees and enhance their productivity and competence	• Hours of training and education: **970,000** hours/year (30 hours/person-year)
3 **DEI (diversity, equity, and inclusion)** P.123	• Aiming to increase the number of female employees in management positions to at least **four** times compared to 2020 levels (36 incumbent employees) by 2030, with a goal of **seven** times • Achieving a **100**% utilization rate of childcare leave and childcare-related leave combined for male employees • Increasing the paid leave utilization rate to **75**% or higher • Implementing health management aimed at maximizing performance through age 65; enhancing mental and physical health	• Continued to actively hire women, implement measures to improve their retention rate, support their career development and work-life balance, and provide education for managers • Expanded the system to realize how to work and take time off flexibly; continued various initiatives for improvement of environment • Continued various initiatives to promote mental and physical health	• Number of women in managerial positions: **111** (as of April 2026) • Paternity leave uptake rate: **88**% (Combined uptake rate for paternity and childcare leave: 100%) • Ratio of paid holidays taken: **81.5**%
4 **Respect for human rights** P.126	• Continuing human rights due diligence to identify, prevent, and mitigate adverse human rights impacts • Taking appropriate measures for corrections and remedies if it becomes clear that our business activities have caused or exacerbated a negative impact on human rights	• Conducted human rights due diligence (questionnaire and conversational surveys) with 25 suppliers in the mining sector • Held workshops with business partners • Operated remedy mechanisms through a compliance consulting desk and human rights inquiry form • Conduced business activities ethically while fully respecting human rights	

6 Coexistence with the Local Community and Society

Materiality	Target and KPI	Main initiatives and achievements in FY2025	
1 **Local environmental conservation and promotion of creative activities** P.108	• Contributing to the local environment through green space development	• Contributed to the creation and maintenance of green spaces	• Expenses for green space development and maintenance: ¥**1.4** bn
2 **Social contribution activities focused on support for education, sports, and culture** P.128	• Continuing to promote plant tours	• Proactively accepted plant tours by shareholders, investors, and junior high/elementary school students	• Number of plant tour participants accepted: Approx. **90,000**
	• Continuing music patronage activities through the Nippon Steel Arts Foundation	• Support for musical activities through initiatives, such as presenting the Nippon Steel Music Awards and operating the Nippon Steel Kioi Hall	

Initiatives for Materiality and KPIs in FY2025

7 Corporate Value Enhancement and Profit Distribution

Materiality	Target and KPI	Main initiatives and achievements in FY2025	
1 **Ensured profit distribution and corporate value enhancement**	• ROS of **10**% (FY2025 Medium- to Long-term Management Plan target) • ROE of **10**% (FY2025 Medium- to Long-term Management Plan target)		• ROS **5.1**% • ROE **0.3**%
2 **Profit distribution**	**1) Payment of wages to employees** • Amount of bonus payment • Revised amount of salary		• Base amount of bonus: ¥**1.94** mn (FY2025) • Revised amount of salary: **+**¥**10,000** (FY2025)
	2) Appropriate tax payment • Tax payment (consolidated)		• Tax payment (consolidated): ¥**223.3** bn
	3) Dividend payment to shareholders • Dividend per share * Target consolidated dividend payout ratio: around 30% (FY2025 Medium- to Long-term Management Plan target)		• Dividend per share: ¥**24** (FY2025)

Thorough Implementation of Compliance

Compliance with laws and regulations as the foundation of all our activities	

Environment

Nippon Steel has set the Basic Environmental Policy based on its belief that environmental management is an integral part of its corporate mission.
We aim to conduct our business in a manner that reduces environmental burdens at every stage, from the procurement of raw materials, supplies, and equipment through production and technology development to the transportation, use, and recycling of products.

Basic environmental policy

Under the principle of "Environmental Management," Nippon Steel is committed to contributing to the creation of a sustainable society through its operations. To this end, we will conduct our operations to actively contribute to creating sustainable communities through integrated solutions to the issues related to climate change measures, the creation of a circular economy, and biodiversity conservation and nature positive, including maintaining and improving a favorable living environment.

1 Reducing environmental burdens at every stage of operations (Eco Process)

At every stage of business activities including production processes and transportation of products, Nippon Steel will, besides complying with environmental laws and regulations, promote activities to reduce environmental burdens primarily through voluntary efforts, in cooperation with customers and other industries, with the aim of further improving environmental preservation and the efficiency of resources and energy, and of promoting reduction and recycling of waste inside and outside the company.

2 Offering environment-oriented products (Eco Product™)

With the aim of reducing environmental burdens at every stage of the life cycle of our products offered to domestic and overseas markets, Nippon Steel will make efforts, making good use of its innovative technologies, to develop and offer products that contribute to environmental preservation, resource conservation and energy conservation.

3 Proposing environmental preservation solutions from a global perspective (Eco Solution)

Nippon Steel will further improve its long-accumulated technologies and environmental management system that are related to environmental preservation, resource conservation, and energy conservation. We propose these technologies and systems in Japan and overseas to contribute to, in addition to the reduction of environmental burdens, the development of infrastructure for disaster prevention with due consideration given to nature and scenery as well as to solving environmental issues outside Japan through technology transfer.

4 Development of innovative technologies

Nippon Steel will address on a medium- and long-term basis the development of innovative technologies focused on the future issues of resources and the environment with the aim of providing society with technologies and products that contribute to environmental preservation, resource conservation and energy conservation.

5 Development of a rich natural environment

As a member of each community where we operate in Japan, Nippon Steel will contribute to biodiversity conservation and nature positive by promoting greening on land areas, environmental improvement in sea areas, and many other activities.
In addition, when conducting business activities overseas, we will ensure the preservation of the natural environment of partner countries.

6 Promotion of environmental relations activities

To gain social trust consistently, Nippon Steel will proactively promote relationship-building activities that contribute to environmental management, including environmental education for our employees, disclosure of environmental information on an adequate and timely basis, and engagement and dialogue with stakeholders.

Initiatives for priority areas

In line with its Basic Environmental Policy, Nippon Steel aims to realize a sustainable society by identifying five priority areas: three priority issues—"Climate Change Measures," "Creation of a Circular Economy," and "biodiversity conservation and Nature Positive"—along with two bases to promote these three issues—"Environmental Risk Management" and the "Environmental Management System." We are steadily advancing initiatives in each of these areas.



Environmental Management and Governance System

We have established a comprehensive management and governance system to appropriately address key environmental issues, including climate change, creation of a circular economy, and biodiversity conservation and nature positive, as well as group-wide environmental risk management and the promotion of carbon neutrality initiatives.

Development of environmental management and governance system

Nippon Steel has two committees to respond to environmental issues including climate change: the Environment & Plant Safety Committee and the Green Transformation Development Committee.

Climate change and environmental matters considered by the respective committees are reported to and deliberated by the Corporate Policy Committee and the Board of Directors as part of company-wide risk management. The Board of Directors oversees important management risks which were initially reported and discussed at the Corporate Policy Committee. Environmental issues, including climate issues, are addressed at least four times a year. In this way, environmental management including climate change is integrated into our overall governance.

Environment & Plant Safety Committee

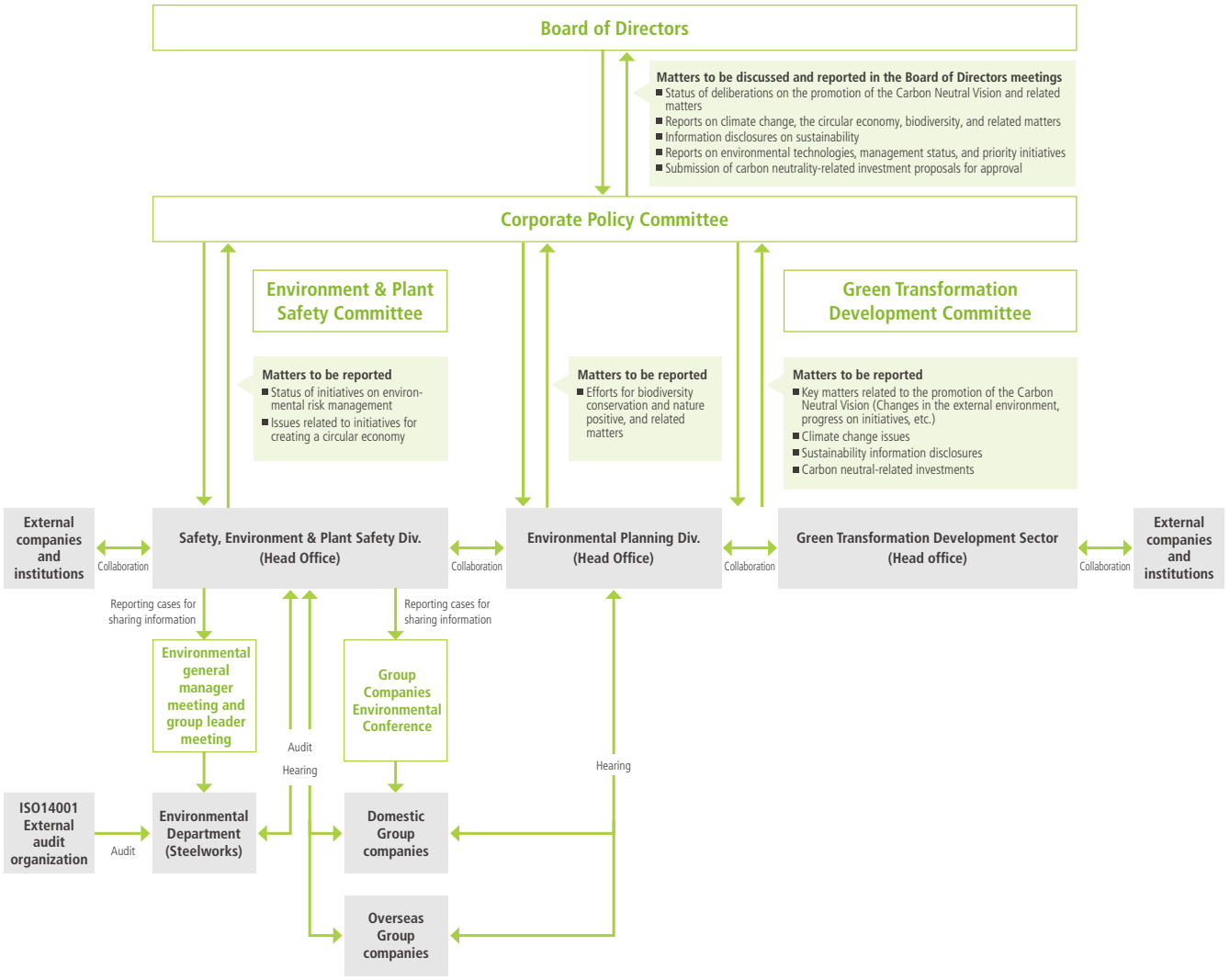
To manage environmental risks related to air, water, waste etc., as well as responses to the creation of a circular economy, the Environment & Plant Safety Committee is chaired by the Representative Director and Executive Vice President responsible for environment and plant safety, with other executive officers serving as members. The committee is held on a semiannual basis.

In addition to the Committee, risk reduction is further promoted through regular meetings by environmental directors and managers from all steelworks, as well as through specialized meetings led by experts in each field.

Green Transformation Development Committee

The Green Transformation Development Committee, co-chaired by the Representative Director and Executive Vice President responsible for GX (policy issues) and the Representative Director and Executive Vice President responsible for GX (technical issues), addresses efforts such as promoting our Carbon Neutral Vision, responding to external developments related to climate change issues, and advancing sustainability information disclosure. Other Representative Directors and Executive Vice Presidents, Directors, and Executive Officers serve as members, and the committee is convened as necessary.

[Management and governance system]



Work at maintaining and improving the level of environmental management

We have established environmental management systems at all domestic steelworks in accordance with ISO14001, headed by the manager responsible for each site, and undergo regular audits by an ISO certification agency.

Internal audits and management reviews by the General Manager are conducted annually. Furthermore, the Safety, Environment & Plant Safety Div. (Head Office) audits each steelworks and plant, including cross-checks conducted by environmental personnel from other steelworks.

For group companies, including overseas operations (68 companies subject to environmental oversight), the Safety, Environment & Plant Safety Div. (Head Office) engages in direct hearings to promote improvements in management practices.



Internal audit (hearings)



Internal audit (on-site patrol)

Group-wide environmental risk management

In addressing environmental risks, we have positioned the theme of our group-wide initiatives as "Promoting a back-to-basics approach to strengthen group-wide environmental management." Based on annual plans approved by the Corporate Policy Committee and the Board of Directors, we oversee the execution of initiatives addressing issues, including "environmental risks related to air and water," "enhancing management practices through audits and hearings," and "strengthening environmental management capabilities and fostering human resource development."

Among the Group companies in Japan, Nippon Steel has identified 52 companies (as of April 2026) as those with significant environmental burdens and holds environmental liaison meetings for them semiannually.

In addition, we utilize the internal portal site to share information on the latest trends in environmental regulations, case studies of environmental initiatives, and lessons learned from incidents with domestic and overseas group companies, thereby advancing the reduction of environmental risks.

Costs associated with environmental conservation (Environmental accounting)

We have adopted environmental accounting as a guideline for corporate activities to identify the costs associated with environmental conservation.

However, calculating the monetary value produced by environmental conservation effects is difficult because the calculation requires numerous assumptions. For this reason, we evaluate them in terms of environmental conservation performance and report the results in this document and on our website.

[Environmental conservation costs]

(billion yen)

Item		FY2025 performance	
		Capex	Total expenses
Pollution Prevention Costs	Air pollution control (including measures against dust), etc.	17.8	29.3
	Water pollution prevention	7.8	12.5
	Soil pollution prevention, and noise and vibration control,etc.	1.3	1.3
Global Warming Prevention Costs	Energy saving measures	2.5	7.0
Costs of Recycling Resources	Recycling of resources and generated materials	5.0	43.2
	Industrial waste treatment (including PCB, coal ash, etc.)	—	17.4
	Business-related general waste treatment, etc.	—	0.2
Environmental Management Activities Costs	Construction of EMS and acquisition of ISO14001 certification	—	0.05
	Monitoring and measurement of environmental burdens	—	1.1
	Personnel expenditures related to environmental measures, etc.	—	3.2
Research and Development Costs	Development of Eco Products	—	7.4
	Development of products which have low environmental burden during manufacture, etc.	—	12.1
Social Activity Costs	Beautification and greening of offices	—	1.4
	Supporting environmental organizations, etc.	—	0.1
Other Environmental Costs	Environmental fines, etc.	—	3.6
Total		34.3	139.6

Environmental Risk Management

Nippon Steel is promoting management of environmental risk with the aim of continually enhancing preservation of the environment in various regions, with due consideration of environmental risks specific to each steelworks and areas, and with due consideration to compliance with Japan's Air Pollution Control Act, Water Pollution Prevention Act and other regulations.

Protection of the air environment

Air pollution control

In order to reduce emissions of sulfur oxides (SOx) and nitrogen oxides (NOx), Nippon Steel is taking effective measures such as using low-sulfur fuel, adopting low NOx generating burners and installing equipment that reduces SOx and NOx emissions.

Emissions of SOx (sulfur oxides) in FY2025
10 (10^6 Nm^3/year)

Emissions of NOx (nitrogen oxides) in FY2025
21 (10^6 Nm^3/year)

Click here for historical data on SOx and NOx emissions
Data Book P.25

Prevention of scattering of raw materials and dust

To curb emissions of soot and dust generated from factories and raw material yards, we try to enhance their function by installing dust collectors and suppress scattering of particles by installing windscreens, windbreak trees and sprinklers, based on air pollution risk analysis through scientific simulation. We also conduct constant monitoring and regular patrols to ensure no change in the implementation status of the environmental measures.

Prevention of scattering of materials and dust and air pollution control measures in each works

Measures to prevent scattering of raw materials and dust

Sprinkler trucks



Road cleaning trucks



These trucks spray water on the road and empty lots or clean the road within works to restrict the secondary scattering of dust.

Spraying of water and chemical in coal yards



Water and chemical are sprayed on piles of iron ore and coal to restrain the scattering of raw materials.

Air pollution control measures (separation and removal)

Electric dust collectors



Dust collectors with bag filters



Dust generated in the burning process is collected by two types of dust collectors (electric or with bag filter), depending on the characteristics of the dust (i.e., particle size distribution, emission gas concentration).

Windbreak net at yards



A windbreak net is installed to reduce the strength of wind and restrain the scattering of raw materials.

Active coke dry-type desulfurization equipment



The dry desulfurization and denitrification methods, using active coke, enables SOx and NOx in emission gas to be eliminated.

Wet-type desulfurization equipment



The wet desulfurization method enables SOx in emission gas to be eliminated.

Air pollution control measures (source control)

Low NOx regenerative burners



Burners featuring reduced levels of NOx generation and outstanding fuel savings have been installed.

Click here for details https://www.nipponsteel.com/en/sustainability/env/env_risk/air.html

Water environment preservation

Control of water intake and reduction of water discharge in works

In addition to reducing water consumption in our business activities, we seek to make effective use of water resources and control wastewater by installing facilities such as water purification and cooling systems, while maintaining and improving their performance. As a result, approximately 90% of the industrial water used in all our steelworks is reused through recycling.

Although none of our domestic operational sites are classified as "high risk" under the WRI Aqueduct water stress assessment, some steelworks are equipped with dedicated reservoirs to prepare for potential water intake restrictions. When necessary, these reservoirs are also used to provide supplemental water for agricultural purposes, thereby helping to alleviate regional concerns about water.

Nippon Steel's industrial water usage
(excluding power generation facilities) in FY2025

Recycled water: **4.8** billion tons/year) /

Water intake (excluding seawater): **0.6** billion tons/year

Click here for historical data on water usage and intake by source
Data Book P.24

Addressing water quality risks

To comply with the Water Pollution Prevention Act and to preserve the quality of the marine and other receiving environments, we conduct monitoring and control of wastewater quality. In addition, to prevent abnormal wastewater from being released outside our works in the event of operational problems, we have installed automatic wastewater monitoring systems, containment dikes, shut-off gates, and emergency storage tanks. Furthermore, to address localized heavy rainfall, we have implemented a variety of flood control and leakage prevention measures, including large-scale storage tanks, embankments, and water barriers and impermeable sheets.

We also actively pursue countermeasures to maintain the effectiveness of these facilities, such as inspections and repairs, the development of standard operating procedures for handling abnormal wastewater, and training to verify functionality and reinforce operational procedures.

Measures for water purification and prevention of abnormal water discharge in each works

Measures for water purification

Water discharge coagulating sedimentation treatment equipment



Fine undissolved matter is coagulated into bigger masses by chemical treatment, permitted to settle, and is removed.

Pressurized flotation system



Floating oil is removed by tiny bubbles formed by released air.

Activated sludge treatment equipment



Organic matter is decomposed and eliminated by bacteria.

Filtration equipment (secondary treatment)



Undissolved residues in the treated water discharge are filtered by a sand layer and removed.

Rainwater effluent treatment facility



Undissolved residue from rainwater is coagulated and settled, and eliminated.

Measures for prevention of abnormal water discharge

Water discharge automatic monitoring equipment



The water quality of water discharge is automatically monitored.

Wastewater shutoff gate



Water discharge flow is shut in case of problems.

Repair of the damaged area of embankment



Damaged areas found by inspection are promptly repaired to maintain and manage the embankment in a sound condition.

Checking of embankments



The embankments are regularly inspected from the sea side to find potential issues.

Click here for details https://www.nipponsteel.com/en/sustainability/env/env_risk/water.html

Management of discharged chemical substances

Nippon Steel appropriately manages and tries to improve the production, handling, and discharge or disposal of chemical substances in accordance with PRTR Law*1, CSCL*2, and other laws concerning the management of chemical substances as well as the procedures employed. According to PRTR Law, we thoroughly manage the material balance of subject chemical substances, which includes the amount handled, the amount discharged into the environment, the amount disposed, and the amount used as products. In complying with CSCL, we identify and provide notification of the amounts of production and sales of the targeted chemical substances. Nippon Steel also takes the lead in promoting use of alternatives to using steelmaking materials and equipment that contain hazardous materials such as polychlorinated biphenyl (PCB) and mercury. According to safe handling standards, we systematically replace or dispose of possibly hazardous parts and materials, given the time limit for disposal or the expiration date, stipulated for each area.

Management of discharge based on PRTR Law

In 1999, two years before the enforcement of PRTR Law, Nippon Steel began surveying chemical substances according to the voluntary control manual developed by the Japan Iron and Steel Federation (JISF). At present, in accordance with PRTR Law, we monitor the 515 chemical substances, which have been revised by the law, and try to control their discharges and improve the way we manage it. We properly submitted reports in accordance with the revised PRTR Law that came into effect on April 1, 2023.

Reports in accordance with PRTR Law (FY2025)

Reported substances: **68**

Emissions/discharges: **338** t/year (air),
43 t/year (public water bodies)

Waste transferred off-site: total **14,034** t*/year

* The majority consists of metals such as manganese and chromium, as well as silicon carbide used in bricks and grinding wheels.

Click here for historical data on emissions/discharges by works
Data Book P.25

We also manage and reduce volatile organic compounds (VOCs*3), which are considered the cause of photochemical oxidants and airborne particles. We achieved our target of a 30% reduction compared to FY2000 levels in FY2009 and have since maintained emissions at a low level.

Emissions of VOC (volatile organic compound) in FY2025

490 t/year	Target	1,106 t/year or below

Click here for historical data on VOC emissions.
Data Book P.25

Voluntary emissions management

Dioxins

Some of our facilities, such as sintering facilities and incineration facilities, are a source of emissions of dioxins into the atmosphere. All these facilities have conformed to the emission concentration standard and have achieved levels of emissions far below the voluntary reduction target, based on the JISF guidelines, relative to fiscal 1997.

Benzene, tetrachloroethylene, dichloromethane

We developed a voluntary reduction plan of hazardous air pollutants specified in the environmental standard, which we handle. As a result of our systematic undertaking, we have already reached the targets for all three pollutants and have been maintaining the target levels.

Benzene emissions in FY2025

75 t/year	Target	172 t/year or below

Click here for historical data on benzene emissions
Data Book P.25

*1 PRTR Law: An abbreviation of the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (Law concerning Pollutant Release and Transfer Register)
*2 CSCL: An abbreviation of the Act on the Regulation of Manufacture and Evaluation of Chemical Substances (Chemical Substances Control Law)
*3 VOC: Volatile Organic Compounds (VOC). Under the 2004 amendment to the Air Pollution Control Act, VOCs became subject to voluntary controls as substances that contribute to the formation of airborne particles and photochemical oxidants.

Appropriate treatment of industrial waste

In order to appropriately handle industrial waste generated in our business activities, we carry out (1) management by sorting waste depending on the status of its occurrence, (2) appropriate selection and management of collectors, transporters, and disposal contractors, and (3) appropriate management of Manifests (industrial waste management documentation). Waste containing highly hazardous substances, such as PCBs and mercury, is also properly managed at every stage of storage, outsourcing, and disposal in accordance with applicable laws and regulations.

Furthermore, we have introduced an e-manifest system at all business sites to strengthen compliance in waste disposal.

We also evaluate outsourcing collectors, transporters, and disposal contractors based on our internal rules and conduct on-site inspections at predetermined frequency, so as to continuously and appropriately ensure proper management.

Soil risk management

We are undertaking appropriate soil management in compliance with the "Soil Contamination Countermeasures Act," "guidelines for investigations and measures based on the Soil Contamination Countermeasures Act" issued by the Ministry of the Environment, and the regulations set forth by local government ordinances, and so on. We report to the local government when performing land-form modification work such as excavation which is required to be reported. We conduct pollution surveys when needed.

Starting in fiscal 2018, the Revised Soil Contamination Countermeasures Act is being enforced in stages and will be expanded. We will continue to comply with relevant ordinances.

Response to Climate Change —TCFD information disclosure

The Nippon Steel Group recognizes that climate change is an important issue that affects the survival of humankind, and that it may have a serious impact on the business environment and business performance. In order to conduct business in a sustained manner, we are working to reduce the impact of climate change through initiatives to reduce CO_2 emissions throughout the supply chain.

Information disclosure according to recommendations of the TCFD

Given the international community's commitment to achieve the long-term goals of the Paris Agreement, Nippon Steel recognizes climate change as one of the most critical global challenges. We support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and, in line with these recommendations, are advancing the disclosure of information on the impacts of climate change on our business activities.

	TCFD's recommendations and supporting recommended disclosures	Reference page
Governance	Disclose the organization's governance related to climate-related risks and opportunities.	P.94
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	P.100-101
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.	P.94
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	P.95-96

Governance concerning climate change

Nippon Steel recognizes climate change as one of its important managerial issues. As this issue may have a significant impact on our business environment and management, we have established the Green Transformation Development Committee, a company-wide committee in which directors participate. The Committee sets strategies, risk management policies, annual budgets, business plans, and performance targets related to climate-related issues, as well as deliberating on these matters and supervising their progress.

Among the matters discussed, decided, and reported by the Committees, significant matters are resolved and reported at the Board of Directors.

[Examples of climate-related issues reported or resolved at the Board of Directors]

- Formulation of the Nippon Steel Carbon Neutral Vision 2050
- Expressing support for the purpose of the TCFD Final Report and disclosing information in accordance with the TCFD recommendations
- Green transformation R&D and issues concerning actual implementation
- Procurement issues concerning green transformation
- Issues concerning green steel
- Response to the Green Innovation Fund
- Support for the GX League basic concept, participation in the GX League
- Application for government support programs under the GX Promotion Act
- Capital investment in process conversion from BFs to EAFs, etc.

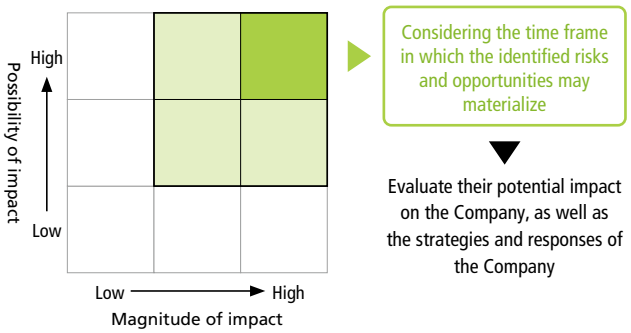
Management of climate-related risks

Recognizing external climate-related risks and opportunities, we identify risks and opportunities that could have a significant impact on our business in terms of impact on upstream procurement, direct operations, and downstream provision of products and services for each transition factor and physical factor.

Specifically, from the perspectives of markets, policies, laws and regulations, technology, and reputation, we identify transition risks, physical risks, and opportunities that could affect upstream procurement, direct operations, and downstream provision of products and services. We then identify significant risks based on the likelihood of occurrence and magnitude of impact of those risks and opportunities.

The identified risks and opportunities are reported to the Board level committees as stated on the left, and significant risks are reported to the Board of Directors. These risks are thereby integrated into the Company's overall risk management.

[Identification and analysis of significant climate-related risks and opportunities]



Nippon Steel Group's energy consumption and energy-derived CO_2 emissions

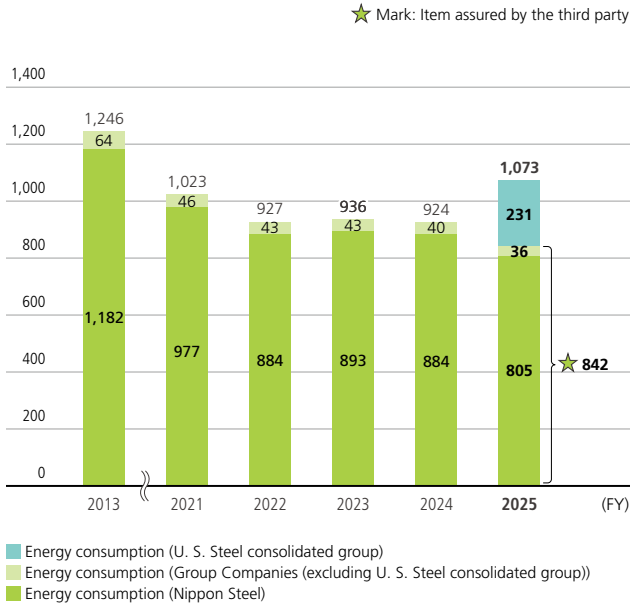
Nippon Steel has been working on energy conservation from diverse points: efficient use of energy generated in the steelmaking process (i.e., power generation from recovered by-product gas and waste heat); making operational improvements in each process; renovating older coke ovens and other equipment; introducing high-efficiency power generation facilities and oxygen plants; and employing reheating furnaces with the regenerative system.

In FY2025, despite a decline in energy efficiency–driven by one-off production issues and the resulting drop in production volume–the implementation of these energy-saving measures contributed to reductions in both energy consumption and energy-derived CO_2 emissions.

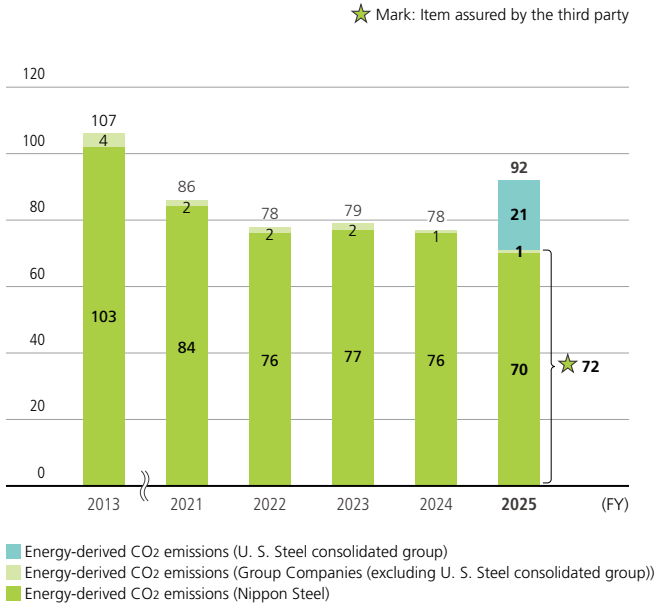
Our energy-derived CO_2 emissions accounted for 96% of our GHG emissions.

Breakdown of the Company's GHG Emissions
Data Book P.22

[Energy consumption]



[Energy-derived CO_2 emissions]



Nippon Steel Group's CO_2 emissions reduction targets

Nippon Steel has set its CO_2 emissions reduction targets under the "Nippon Steel Carbon Neutral Vision 2050," aiming to reduce total CO_2 emissions by 30% from 2013 levels by 2030 and achieve carbon neutrality by 2050.

We have also established, as the Nippon Steel Group, medium- to long-term CO_2 reduction targets to address climate change at major steelmaking bases in Japan and overseas, where emissions are particularly high.

Furthermore, we will respond to climate change in a timely and flexible manner while expanding our business both domestically and overseas, in light of, among others, international trends in climate change and trends in each country regarding laws, systems, and disclosure standards.

P.56 "CO_2 Emission Targets of Our Group"

<Boundary of data collection>

Nippon Steel*1,2 and EAF subsidiaries (Osaka Steel, Sanyo Special Steel, Oji Steel, Tokai Special Steel, Nippon Steel Structural Shapes, Tokyo Kohtetsu, U. S. Steel consolidated group (including U. S. Steel Košice), Ovako, Sanyo Special Steel Manufacturing India, and Standard Steel).
From FY2025, former Nippon Stainless Steel (which we absorbed and merged with on April 1, 2025) is included in Nippon Steel.
Results through FY2024 include the three Sanso Center companies.
The data collection period used is each company's accounting period.
As Ovako has changed its fiscal year-end, Ovako's FY2021 results cover a period from January 1, 2021 to March 31, 2022 (15 months).
U. S. Steel's FY2025 results cover the nine-month period from July 1, 2025 to March 31, 2026.

<Calculation method>

For Nippon Steel and its domestic subsidiaries, results through FY2024 were calculated using the methodology prescribed in the Japan Iron and Steel Federation's "Carbon Neutrality Action Plan," results of FY2025 energy consumption were calculated in accordance with the "Act on Rationalizing Energy Use and Shifting to Non-fossil Energy," while FY2025 energy-derived CO_2 emissions were calculated using the methodology prescribed in the "Act on Promotion of Global Warming Countermeasures."
For reference, the FY2025 results calculated under the Carbon Neutrality Action Plan were 847 PJ and 74 million t-CO_2 for Nippon Steel and 36 PJ and 1 million t-CO_2 for Group companies.
Overseas subsidiaries follow local regulations or guidelines for calculation.

<Conversion factor>

For Nippon Steel and its domestic subsidiaries, figures through FY2024 were calculated using the "List of Standard Calorific Values and Carbon Emission Factors by Energy Source" issued by the Agency for Natural Resources and Energy, METI (as revised on March 14, 2025), and FY2025 figures using the Ministry of the Environment's "List of Calculation Methods and Emission Factors under the Mandatory Greenhouse Gas Accounting and Reporting System."
For electricity use in Japan, emissions through FY2024 were calculated using the emission factor for member companies of the Electric Power Council for a Low Carbon Society, and FY2025 emissions using the factors in the Ministry of the Environment's "List of Emission Factors by Electricity Supplier."
Overseas subsidiaries use relevant emission factors according to local regulations or guidelines.

*1 Excluding energy consumption and CO_2 emissions associated with the IPP operation by the steelworks.
*2 Results through FY2024 include energy consumption and CO_2 emissions associated with the production of coke purchased by Nippon Steel.

CO_2 emissions in the value chain

Energy-derived CO_2 emissions generated in Nippon Steel's manufacturing process (Scope 1 and Scope 2) as well as CO_2 emissions in the value chain (Scope 3), which are calculated by using "Green Value Chain Platform of the Ministry of the Environment" and other methods are as follows.

Scope1, 2

★ Mark: Item assured by the third party

(FY)	CO_2 emissions (thousand t-CO_2) 2013	2021	2022	2023	2024	2025	Calculation method
Scope1 Direct emissions from owned sources associated with use of fuel <Excluding U. S. Steel consolidated group>	89,578	71,311*3	63,403*3	64,020*3	63,672*1	**80,247*1** **<61,869>** ★	Results through FY2024 were calculated using the methodology prescribed in the Japan Iron and Steel Federation's "Carbon Neutrality Action Plan," while FY2025 results were calculated using the methodology prescribed in the "Act on Promotion of Global Warming Countermeasures." See the boundary of data collection stated on the right. For reference, the FY2025 results calculated under the Carbon Neutrality Action Plan (excluding U. S. Steel consolidated group) were 65,441 thousand t-CO_2 for Scope 1 and 9,398 thousand t-CO_2 for Scope 2.
Scope2 Indirect emissions from the generation of purchased energy <Excluding U. S. Steel consolidated group>	13,825	12,458*3	11,912*3	12,425*3	11,423*1	**12,253*1** **<9,925>** ★	
Scope1+2 (CO_2 emissions per ton of crude steel: t-CO_2/t) <Excluding U. S. Steel consolidated group>	103,403 1.89	83,768*3 1.88	75,315*3 1.92	76,445*3 1.95	75,095*1 1.94	**92,449*1** **1.90** **<71,795>** ★ **<1.93>**	
Crude steel production*4 (consolidated-base, 10,000 tons) <Excluding U. S. Steel consolidated group>	5,474	4,445	3,913	3,913	3,864	**4,860** **<3,723>**	

Scope3 All indirect emissions that occur in the value chain of the reporting company

★ Mark: Item assured by the third party

(FY)	CO_2 emissions (thousand t-CO_2) 2023	2024	2025	Calculation method
① Purchased goods and services	11,995	11,413	**11,595** ★	Calculated using method*5 on the right for purchased iron ore, coking coal, coke, and oxygen
② Capital goods	1,571	2,005	**3,240**	[Amount of capital expenditures] × [Emission factor]
③ Fuel- and energy-related activities not included in Scope 1 or Scope 2	257	285	**311**	[Amount of electric power procured and fuel used] × [Emission factor]
④ Upstream transportation and distribution	611	585	**621**	[Transportation distance reported in the Energy Saving Law document] × [Emission factor]
⑤ Waste generated in operations	5	4	**5**	[Amount of waste] × [Emission factor]
⑥ Business travel	4	4	**4**	[Number of employees] × [Emission factor]
⑦ Employee commuting	13	13	**14**	[Number of employees] × [Emission factor]
⑮ Investments	1,124	1,334	**1,492**	[Emissions by subsidiaries and affiliates that emit GHG of over 10,000 tons] × [Equity stake of each company]

Scope1, 2

<Boundary of data collection>
*1 Nippon Steel*2,3 and EAF subsidiaries (Osaka Steel, Sanyo Special Steel, Oji Steel, Tokai Special Steel, Nippon Steel Structural Shapes, Tokyo Kohtetsu, U. S. Steel consolidated group (including U. S. Steel Košice), Ovako, Sanyo Special Steel Manufacturing India, and Standard Steel).
The data collection period used is each company's accounting period.
As Ovako has changed its fiscal year-end, Ovako's FY2021 results cover a period from January 1, 2021 to March 31, 2022 (15 months).
U. S. Steel's FY2025 results cover the nine-month period from July 1, 2025 to March 31, 2026.
*2 Excluding CO_2 emissions associated with the IPP operation by the steelworks.
*3 From FY2025, former Nippon Stainless Steel (which we absorbed and merged with on April 1, 2025) is included in Nippon Steel.
*4 This does not include G/GJ steel.
<Conversion factor>
For Nippon Steel and its domestic subsidiaries, figures through FY2024 were calculated using the "List of Standard Calorific Values and Carbon Emission Factors by Energy Source" issued by the Agency for Natural Resources and Energy, METI (as revised on March 14, 2025), and FY2025 figures using the Ministry of the Environment's "List of Calculation Methods and Emission Factors under the Mandatory Greenhouse Gas Accounting and Reporting System."
For electricity use in Japan, emissions through FY2024 were calculated using the emission factor for member companies of the Electric Power Council for a Low Carbon Society, and FY2025 emissions using the factors in the Ministry of the Environment's "List of Emission Factors by Electricity Supplier."

U. S. Steel consolidated group obtained separate third-party assurance for the period from January through December 2025.

Scope3

<Boundary of data collection> Nippon Steel
*5 Iron ore and coal: [Amount purchased of procured iron ore and coal] × [Emission factor]
Coke: [Amount purchased of procured coal at source] × [Emission factor] + [Amount of energy used in production of coke] × [Emission factor by energy source]
Oxygen: [Amount of energy used in production of oxygen] × [Emission factor by energy source]
<Source of emission factor>
Ministry of the Environment, Emission Factors for Calculating Greenhouse Gas Emissions throughout the Supply Chain (Ver. 3.6)" (April 2026) Figures through FY2024 were calculated using the "List of Standard Calorific Values and Carbon Emission Factors by Energy Source" issued by the Agency for Natural Resources and Energy, METI (as revised on March 14, 2025), and FY2025 figures using the Ministry of the Environment's "List of Calculation Methods and Emission Factors under the Mandatory Greenhouse Gas Accounting and Reporting System."

<Note on GHG emissions>
GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.

Efforts to reduce Scope 3 emissions

Dialogues with raw material suppliers

Nippon Steel has signed memoranda of understanding with major raw material suppliers and is jointly exploring and discussing raw material solutions to help realize carbon-neutral steelmaking processes. Furthermore, in order to steadily reduce emissions in Scope 3, Category 1 (products and services purchased), we are engaged in dialogue with major suppliers of iron ore and coking coal.

We interviewed major suppliers who account for more than 70% (based on our purchase volumes) of the raw materials purchased (iron ore and coking coal) about their actual Scope 1+2 emissions and their reduction plans. We confirmed through the dialogue that many suppliers are working to achieve net zero Scope 1+2 emissions by 2050.

Based on the actual GHG emissions data provided by the companies interviewed, we have also begun using primary data to calculate the CO_2 emissions generated during the production of iron ore and coking coal supplied to Nippon Steel.

We will continue to promote dialogues with our suppliers on climate change initiatives and other issues.

[Estimated CO_2 emissions from iron ore and coking coal production] (FY2025)

	CO_2 emissions (thousand t-CO_2)
Iron ore	767*
Coking coal	2,279*
Iron ore + Coking coal	3,046*

* Calculation method
- Obtained actual emissions data through interviews with major suppliers to calculate the emissions attributable to the volumes purchased by Nippon Steel.
- Aggregated the emissions attributable to Nippon Steel's purchases to calculate average emission factors separately for iron ore and coking coal.
- Estimated the total emissions associated with raw materials purchased by Nippon Steel using the above emission factors and total purchase volumes.

Reduction of CO_2 emissions through logistics optimization

In fiscal 2025, Nippon Steel maintained a high modal shift rate of 98%. We are also working to reduce CO_2 emissions by raising efficiency in logistics including the use of larger vessels and by introducing hybrid cargo vessels equipped with lithium-ion batteries. As of June 2025, the number of our cargo vessels that have been rated the highest in the Coastal Ship Energy Conservation Rating of the Ministry of Land, Infrastructure, Transport and Tourism has reached 36.

We will continue to cooperate with relevant ministries, agencies, and organizations to promote the use of ships utilizing alternative fuels and other initiatives, to reduce greenhouse gas emissions in marine transportation.

[Logistics sector's ton-kilometer achievements for FY2025]

(Reference)

	Transportation quantity: 10,000 t/year		Million ton-kilometers/year		g-CO_2/ton-kilometer
Ship	1,827	(58%)	12,343	(91%)	39
Railway	5	(0%)	33	(0%)	25
Truck and trailer	1,336	(42%)	1,141	(9%)	211
Total	3,168	(100%)	13,517	(100%)	



Hybrid Cargo Ship "Utashima" equipped with lithium-ion batteries (Received the Small Cargo Vessel Award of the Ship of the Year 2019)

Efforts to adapt to climate change

In addition to taking actions to mitigate climate change, we are considering the potential impact of climate change to appropriately prepare for risks and capture business opportunities.

Preparation for risks

To prevent the risk of operations and shipments being suspended due to abnormal weather and other reasons, our steelworks are implementing countermeasures against wind and flood damage, including measures to prevent cranes and other heavy machinery from overturning, building levees, and reinforcing embankments and gradients.

Furthermore, to prevent colored water tainted with iron ore powder from flowing directly into the ocean from the steelworks by localized heavy rain, we are strengthening our water pollution prevention facilities, including installing large water storage tanks and increasing wastewater treatment capacity.

Furthermore, we have established a system to prepare for floods and high tides, by installing piloti-structured offices and evacuation facilities to avoid the destructive force of a tsunami, for example.

Capturing business opportunities

We have many products that have been used for a long time as construction materials for embankments and other public infrastructure. They contribute to providing solutions for "national resilience," such as protecting towns from flooding or high tides caused by heavy rains or typhoons. Adaptation to climate change also leads to business opportunities for Nippon Steel.

For example, we have developed and provided for actual use various types of products and product utilization technologies in the civil engineering field. They include hat-type sheet piles (contributing to national resilience in a wide range of ways, including measures against liquefaction of river levees, water leakage, and tsunamis reaching coastal levees), linear-type steel piles (having a high tensile strength at the joints, being suitable to cell-type quays, erosion-control dams and water shut-off work, and contributing to measures for sand embankments and against landslides at the time of heavy rain or a typhoon), and a method of preventing subsidence by use of sheet piles.

Contribution to global CO_2 emissions reduction through the overseas deployment of decarbonization technologies

To help reduce CO_2 emissions worldwide by deploying Japan's energy-saving technologies overseas, Nippon Steel participates in global energy-saving and environmental initiatives in a variety of ways.

As a core member of the Japan Iron and Steel Federation (JISF), Nippon Steel promotes multilateral initiatives through bodies such as the Environment Committee of the World Steel Association to disseminate Japan's environmental conservation and energy-saving technologies worldwide. We also advance bilateral energy-saving and environmental cooperation with India, Southeast Asian countries, and other partners, centered on three pillars: public-private steel-related joint meetings, the technologies customized list, and energy-saving diagnosis of steelworks.

These initiatives not only contribute to reducing CO_2 emissions worldwide but also create business opportunities for the Nippon Steel Group.

Joint meetings of public and private steel-related parties

In public-private steel-related joint meetings, we share the technologies customized list, the results of assessment of steel mills, and introduce detailed technical information and financing schemes, in order to realize the early transfer of energy-saving technologies to emerging countries. Through FY2025, a total of 14 meetings were held in India and 18 in six ASEAN countries. In 2025, we held the "2025 Public and Private Collaborative Meeting between Indian and Japanese Iron and Steel Industry" with India and the "AJSI Webinar 2026" with ASEAN partners, co-hosted with the Economic Research Institute for ASEAN and East Asia (ERIA). At these events, participants exchanged information on policies and private sector initiatives aimed at achieving carbon neutrality.

The technologies customized list

We identify the appropriate technologies for each country and region, and in addition to detailed technical information, we conduct the assessment of steel mills, and provide the technologies customized list, which complies with information such as on suppliers, for reference. For the ASEAN countries, the technologies customized lists of 4.2 version for blast furnace (BF) steelmaking and 4.2 version for electric arc furnace (EAF) steelmaking have been released before now. In FY2023, for India, the 5.2 version for BF steelmaking and the 5.2 version for EAF steelmaking were released.



The technologies customized list

Assessment of steelworks

Experts from the Japanese steel industry visit the steel mills overseas to propose energy-saving technologies, provide operational improvement advice based on the operational conditions of the facilities, and conduct energy-saving assessments of steel mills using the international standard ISO 14404. Up to fiscal 2025, we had carried out the assessment of 14 steel mills in India and 19 mills in six ASEAN countries.

Activities as a Climate Action member

Nippon Steel participates in the Climate Action Program of the World Steel Association, which uses universal methods to calculate and report on the CO_2 emitted by steelworks. As a Climate Action member (data provider), our 19 years of contribution have been highly recognized.



CLIMATE ACTION
DATA PROVIDER certificate

Contribution to reduction of CO_2 emission on a worldwide scale

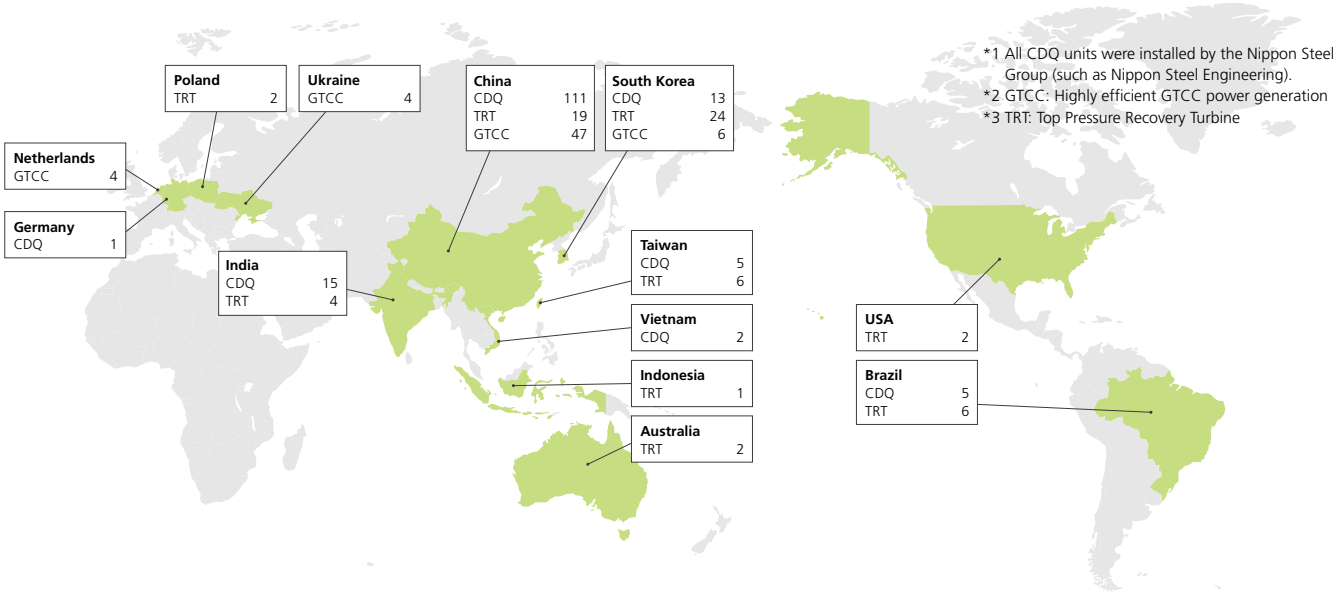
Energy-saving technologies deployed overseas by the Japanese steel industry have achieved an estimated combined reduction in global CO_2 emissions of 82.16 million t-CO_2 per year.

(10,000 t-CO_2/year)

	Number of units	CO_2 emissions reduction
CDQ*1	152	3,253
GTCC*2	61	2,759
TRT*3	66	1,195
Oxygen converter gas collection	22	821
Sintering waste heat recovery	7	98
Oxygen converter gas waste heat collection	8	90
Total	**316**	**8,216**

(FY2024)

[Japanese steel industry's energy-saving technologies are spreading globally (units installed in numbers)]



*1 All CDQ units were installed by the Nippon Steel Group (such as Nippon Steel Engineering).
*2 GTCC: Highly efficient GTCC power generation
*3 TRT: Top Pressure Recovery Turbine

TOPICS **Integrated solutions to climate change, resource recycling, and biodiversity challenges**

Blue carbon

Nippon Steel has promoted scientific studies on the benefits and safety of using steel slag — a by-product from the steel-making process. To improve this technology, we began a basic study on blue carbon (CO_2 absorption and fixation in the marine ecosystem), which is getting more attention as a measure against climate change.

In fiscal 2022, we calculated the CO_2 fixation effect in a seaweed bed development project, on which we have been working over the past nearly 20 years, applying for J-Blue Credit™ certification jointly with the Mashike Fishery Cooperative Association (Mashike, Hokkaido). J-Blue Credit™ was certified and issued for 49.5 t-CO_2 — the amount of CO_2 absorbed and fixed (blue carbon) over the five years (2018 – 2022).



Certificate of J-Blue Credit

Further, in fiscal 2023, we submitted applications with joint applicants in Mashike-cho and Tomari-mura in Hokkaido, as well as in Kimitsu City, Chiba Prefecture, and J-Blue Credit™ for 33.3 t-CO_2 were certified and issued as the amount of CO_2 absorbed and fixed in 2023.

Also in fiscal 2025, we conducted demonstration tests of seaweed bed development in 45 sea areas nationwide, conducting continuous surveys of the changes in iron concentration in seawater before and after the test, as well as the growth status of seaweed. In addition to the acquisition of these basic data, we are working to advance seaweed bed development technology by providing theoretical support through scientific approaches, such as off-line testing using the "Sea Laboratory" (marine environment simulator) at the Research & Engineering Center of the R&D Laboratories (Futtsu City, Chiba Prefecture) and model analysis that reproduces actual sea conditions.

We will continue these initiatives utilizing our technologies, and expanding seaweed bed development activities nationwide so as to contribute to the reduction of CO_2 emissions through blue carbon.


Large water tank Sea Laboratory

Blue carbon
https://www.nipponsteel.com/en/sustainability/env/biodiversity/sea.html

Click here for other contributions in the field of resource recycling
Recycling of waste plastics P.104
Maximum use of steel scrap P.106
Blast furnace cement P.103

Our strategy for climate-related risks and opportunities

For each transition factor and physical factor, we have identified risks and opportunities that may have a significant impact on our business in the areas of upstream procurement, direct operations, and downstream demand for products and services. We have then considered strategies for each scenario.

In conducting the scenario analysis, we have used the climate change scenarios of the International Energy Agency (IEA) as a base, and evaluated medium- to long-term risks and opportunities up to 2050, by referring to the IEA's 1.5°C scenario (NZE2050) and the below 2°C scenario (B2DS) in transitional aspects and the 4°C scenario (NPS) in the aspects of physical impacts.

[Reference scenario]

1.5°C/2°C scenario	IEA "Global Electric Vehicle Outlook 2025" IEA WEO2022 NZE2050 IPCC Special Report on the impacts of global warming of 1.5°C IEA WEO2018 SDS IEA ETP 2017 B2DS
4°C scenario	IEA WEO2018 NPS IPCC AR5 RCP

TCFD scenario analysis

Scenario	Factors (risks and opportunities)	Event (expectations and concerns of stakeholders)	Impact on Nippon Steel (opportunities in ■, risks in ■)	Nippon Steel's strategy (including future responses)
1.5°C/2°C scenario	**Transition factor 1** Advance in electric vehicles (EVs)	World annual EV sales: 40 million units, 42% market share in 2030 (vs. 6.6 million units, 9% market share in 2021)*	**Opportunities in demand growth for our steel products** ■ Increase in the global total number of cars and resultant increase in steel demand despite a decline in the share of steel demand for cars equipped with internal combustion engines due to the growth of EVs' share of the new car market ■ Increase in demand for high-performance steel products — our area of strengths, such as electrical steel sheets for EVs	● Capture growing demand by strengthening the global supply of electrical steel sheets P.102 "TOPICS"
	Transition factor 2 Shift to other lightweight materials, prompted by tighter fuel efficiency regulations, etc. (Adoption of multi-material structures)	Shift to other lightweight materials, prompted by tighter fuel efficiency regulations, etc.	**Opportunities in demand growth for high-strength steel and capturing of demand for other materials** ■ Some possibility of switching to other lightweight materials but little prospect for significant progress since steel excels in environmental evaluation from the LCA perspective, including the production stage and material recycling, and automakers increasingly emphasize the evaluation from the LCA perspective ■ Increase in demand for high-tensile steel, carbon fiber-reinforced plastic (CFRP), titanium, etc.	● Strive to further popularize the LCA concept through activities to raise customers' understanding and lobby the government for regulatory change ● Further increase the high-tensile strength of steel and provide the lightweight steel structure technology by proposing a comprehensive automotive solution (NSafe™-AutoConcept) P.102 "TOPICS" ● Capture demand for CFRP and other products in cooperation with a Group company (Nippon Steel Chemical & Material Co.)
	Transition factor 3 Shift to low-carbon steel (steel that generates low CO_2 emissions in production)	Accelerating shift to low-carbon steel due to change in customers' demand	**Response to demand growth for low-carbon steel** ■ Increased sales of GX Steel resulting from the transition to EAF processes ■ Progress in the creation of the GX Steel market ■ The expansion of electric arc furnace steelmaking capacity has intensified competition for securing steel scrap	● Provide low-CO_2 steel NSCarbolex™ Neutral ● Continued and strengthened advocacy for the creation of a GX steel market, including government measures to generate initial demand (society-wide sharing of the associated costs) ● Securing high-grade scrap and other cold iron sources through a comprehensive cold iron source strategy
		Higher needs for decarbonization in steelmaking process	**Fundamental review of steelmaking process is necessary to achieve decarbonization** ■ Strengthening competitiveness by taking the lead globally in technology development and investment ■ Increase in investment burdens and operating cost for the introduction of super innovative technologies	● Accelerate the Carbon Neutral Vision (innovative technology development, including high-grade steel production in large-sized EAFs and hydrogen steelmaking) ● Facilitate the development and implementation of innovative technologies by utilizing government support such as the Green Innovation Fund, the GX Economy Transition Bonds as part of "investment promotion measures," and the strategic materials and production base tax system

* For source for EV-related data, refer to the IEA Global Electric Vehicle Outlook 2025. EVs include battery electric vehicles (BEVs) and plug-in hybrid vehicles (PHVs).

Scenario	Factors (risks and opportunities)	Event (expectations and concerns of stakeholders)	Impact on Nippon Steel (opportunities in ■, risks in ■)	Nippon Steel's strategy (including future responses)
1.5°C/2°C scenario	**Transition factor 4** Higher needs for energy-efficient products and technology	Eco-friendly technology solution to boost demand	**Opportunities in demand growth for eco-friendly technology** ■ Increased demand for products that realize energy savings in the processing by customers ■ Increased demand for products that contribute to energy savings in use of end products ■ Increase in profits through the provision of the Group's technology solutions that enable energy saving in steelmaking process	• Expansion of NSCarbolex Solution, a brand that offers products that realize energy conservation in customers' manufacturing processes, products that contribute to energy conservation in using their end products, and products that contribute to energy transformation in society P.168 • Government-private cooperation, technologies customized list, and steelworks diagnosis to provide energy-saving technologies to emerging countries (contribution to the global value chain) e.g., dissemination of CDQ, all of which are handled by a group company (Nippon Steel Engineering), into emerging countries P.98
	Transition factor 5 Higher needs for products and solutions associated with a society based on renewable energy and hydrogen	Ratio of renewable energy in world power generation: 88% in 2050 (vs. 28% in 2020) World production of hydrogen: 490 mn tons in 2050 (vs. 90 mn tons in 2020)*	**Opportunities in demand growth for products of our Group** ■ Profit growth by provision of the Group's products and solutions that support a renewable-energy-oriented society ■ Profit growth by provision of the Group's products and solutions that support a hydrogen-oriented society	• Enhance the Group's product menu for the renewable-energy society and expand sales in Japan and overseas e.g., high corrosion-resistant steel sheets for solar power generation mounts, steel plates and steel anchor chains for offshore wind power generation, and steel pipes for geothermal and biomass power generation • Enhance the Group's product menu for the hydrogen society and expand sales in Japan and overseas e.g., HYDREXEL™ stainless steel for high-pressure hydrogen environments
	Transition factor 6 Increase in cost caused by adoption of carbon pricing (CP)	Incremental introduction of carbon pricing (CP) measures	**Increasing burdens on our costs due to CP introduction** ■ The GX Promotion Act requires companies to introduce CP while securing time required to work on technology development and capital investment for decarbonization. Although the impact of CP is not expected to be so significant for the time being, our cost burden will increase depending on the design of the emissions trading system (GX-ETS) and the circumstance of shifting the burden of CP to purchasing electricity charges, etc.	• Reduce CO_2 emissions through the expanded usage of direct reduced iron, the production of high-grade steel using large EAFs, the advancement of reduction in CO_2 emissions in existing processes, and the advancement and implementation of innovative technologies such as hydrogen steelmaking • Request the government to operate the GX-ETS in a manner that takes into account the circumstances of the steel industry, including measures such as free allocations and responses to carbon leakage
4°C scenario	**Physical factor 1** Abnormal weather to suspend raw material suppliers' operation	Difficulty in procuring raw materials, caused by abnormal weather	**Limited impact by taking measures for risks** ■ Limited assumed risk in securing stable procurement of raw materials by taking the following measures: • Material sourcing from multiple regions in the world • Keeping raw material inventories in steelworks and ships	• Continue multiple sourcing • Appropriately manage days of inventory and risks
	Physical factor 2 Abnormal weather to suspend operation and shipment	Difficulty in operation, caused by a natural disaster	**Limited impact by taking appropriate measures** ■ Systematic adoption of BCP measures. Limited risks in production disruption caused by natural disaster. Excessively abnormal weather may result in suspension of operation, etc.	• Continually adapt measures in consideration of long-term trends. Measures against typhoons and heavy rain, measures to prevent crane overturns, measures against earthquakes and tsunami (securing emergency evacuation places, embankment reinforcement, etc.)
	Physical factor 3 Heightened needs for solutions for "national resilience" against natural disasters	Natural disasters caused by abnormal weather	**Demand growth of steel for national land resilience** ■ Profit growth by providing Group's products and solutions for national resilience against earthquakes, tsunamis, heavy rain, typhoons, etc.	• Enhance the Group's product menu and expand sales in Japan and overseas, e.g., steel-slit dams and NS ECO-PILETM method

* For data on renewable energy and hydrogen, refer to the IEA World Energy Outlook 2021 NZE2050 Scenario.

TOPICS High-efficiency electrical steel sheets that reduce energy loss in electric devices

Higher-grade electrical steel sheets that enable greater energy efficiency can make an important contribution to achieving a carbon-neutral society. Electrical steel sheets fall into two types: non-oriented electrical steel sheets (NO), which are used in motors, and grain-oriented electrical steel sheets (GO), which are used in transformers for electricity transmission and distribution. These products help reduce CO_2 emissions associated with the use of hybrid vehicles, EVs, and household appliances, while also enabling electricity to be transmitted and distributed more efficiently.

Against the backdrop of growing AI adoption, investment in data center infrastructure has expanded in recent years, particularly in developed countries, and demand for transformers incorporating high-efficiency GO is expected to increase.

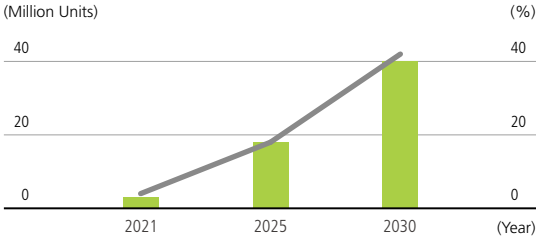
Expanding production capacity of high-efficiency electrical steel sheets

In response to the increasing demand and upgrade request for these electrical steel sheets used in EVs and other products, we decided to implement measures to improve manufacturing capacity of high-efficiency non-oriented (NO) electrical steel sheets in the Setouchi Works Hanshin Area (Sakai) and the Kyushu Works Yawata Area. We have also previously announced measures to improve manufacturing capacity and quality of the electrical steel sheet in the Kyushu Works Yawata Area and the Setouchi Works Hirohata Area.

The total amount of investment into these measures will be approximately 213 billion yen in cumulative total. The manufacturing capacity of non-oriented (NO) electrical steel sheets for eco-friendly cars is also expected to increase by about five times from the current capacity.

In response to growing electricity demand in developed countries, we are also considering producing grain-oriented electrical steel sheets (GO) at U. S. Steel. Our high-efficiency GO can help reduce power losses in transformers, and through U. S. Steel, we will contribute to the development of a reliable power transmission and distribution network in the United States.

[World annual sales of EVs]
(Net Zero Emissions by 2050 Scenario)



Prepared by Nippon Steel based on the IEA "Global Electric Vehicle Outlook 2025"

TOPICS Response to meet needs for lightweight materials that reduce environmental burden (NSafe™-AutoConcept)

Nippon Steel has contributed to reduction in body weight and improvement in the safety performance of automobiles by developing advanced materials, as well as processing technologies and evaluation technologies to realize components and their structures that maximize material performance. In 2019, we started to make proposals on the NSafe™-AutoConcept (NSAC), a comprehensive solution for the development of next-generation steel vehicles to cope with the coming carbon neutral era. We are thus working with our customers to develop advanced vehicles.

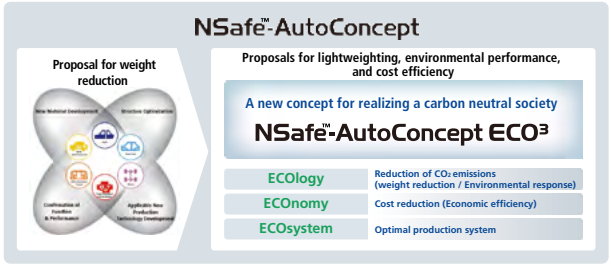
Reductions in CO_2 emissions and enhanced collision safety are needed for automobiles and for that purpose, both bodyweight reduction and high strength are desired. Such needs can be satisfied by ultra-high-tensile steel sheets for vehicle bodies such as 2.0 GPa hot stamping materials, 1470 MPa cold high-tensile sheets, and 980 MPa hot-rolling high-strength steel plates for chassis.

We have made these high-tensile steel lineups practical and have proposed technologies that enable a 30% reduction in the body weight of steel cars through our proposals on structures and processing methods, as well as various evaluation technologies. This has enabled steel cars to have a similar weight to that of all-aluminum cars and the provision of higher collision safety performance.

We are also promoting NSafe™-AutoConcept ECO³ ("Eco-Cubic"; NSAC ECO³), a new concept that further advances NSAC's lightweighting technologies, while expanding collaboration with customers beyond advanced materials proposals to encompass vehicle body design, processing, and mass production.

This has enabled us to make optimal solution proposals adapted to customers' forward-looking automaking (e.g., proposals for parts integration using steel) from the perspectives of CO_2 emissions reduction through weight reduction and LCA; cost reduction; and optimal production systems, to meet diverse customer needs amid ongoing innovations in automaking, including the elimination of assembly processes and shortening of development lead times at OEMs.

(Photograph: an example of component integration using steel; door ring structure and rear module integration)





Example of NSAC ECO³ proposals

Creation of a Circular Economy (Recycling-based Society)

Steel is a flexible material that can be repeatedly recycled: it is a perfect example of a circular economy. Nippon Steel strives for the greatest efficiency possible, including minimization or elimination of waste, in the use of our energy and limited resources, in every process of steelmaking. By utilizing this steelmaking process, we also work to recycle internally generated by-products so that we can realize zero emissions. We are also actively engaged in recycling of waste generated in society or by other industries.

Efficient use of resources and energy

We use industrial water and energy resources such as electricity and fuel in producing steel products, which are mainly made of iron ore mined overseas, coal used as a raw material for reducing iron ore, and iron and steel scrap recycled by society.

Efforts to promote strategic resource circulation are gaining momentum, as illustrated by the Japanese government's release in April 2026 of its Circular Economy Action Plan, which seeks to secure a domestic supply of recycled resources through measures that go beyond conventional waste reduction and recycling initiatives.

Building on the improvements in finite resource and energy efficiency achieved at our manufacturing sites, we will continue initiatives such as reducing waste, making effective use of by-product gases and waste heat, and recycling and reusing water used to cool and clean products and manufacturing equipment, thereby contributing to the creation of a circular economy.

Promote internal zero emissions

By-products generated and final disposal

In the iron and steel-making process, over 600 kg of by-products, such as steel slag, dust*1, sludge*2, and used refractory bricks, are generated for each ton of crude steel produced. In fiscal 2025, Nippon Steel produced 33.88 million tons of crude steel and generated 20.64 million tons of by-products. We are committed to recycling these by-products both in and outside the Company, maintaining the high recycling rate of 99%.

For the final disposal amount, having achieved the fiscal 2025 target and set the fiscal 2030 target, we will continue efforts to reduce generation of by-products.

*1 Fine dust collected with a dust collector
*2 Semi-solid slurry recovered from industrial water discharge or sewage treatment

Final disposal amount of by-products

205 thousand tons/year	Target for 2025	263 thousand tons/year or less

Click here for details
Data Book P.25

[By-products and recycling (FY2025)]

By-product	Amount generated	Recycling application	Recycling rate
Blast furnace slag	10.43 million tons	Blast furnace cement, fine aggregate, road base, etc.	100%
Steelmaking slag	4.51 million tons	Road base, civil engineering materials, fertilizer, etc.	99%
Dust	2.64 million tons	Raw materials for use in-house and also zinc refining	100%
Sludge	0.52 million tons	Raw materials for in-house use	90%
Coal ash	0.46 million tons	Cement raw materials, construction materials	100%
Used refractory bricks	0.20 million tons	Reuse, etc.	51%
Others	1.88 million tons	In-house use, others	97%
Total	20.64 million tons	Total recycling rate	99%

Recycling of dust and sludge

To recycle the dust and sludge generated in the iron and steelmaking processes, for them to be used as raw materials, Nippon Steel operates a dust reduction kiln (RC: Resource circulating oven) at East Nippon Works Kashima Area and a rotary hearth reduction furnace (RHF) at East Nippon Works Kimitsu Area and Setouchi Works Hirohata Area, and Yamaguchi Works (Hikari). This enables us to recycle all internally generated dust.

Effective use of steel slag

Almost all the amount of the steel slag is utilized as products such as cement and road materials. The use of steel slag helps reduce the amount of natural crushed stone excavated and leads to energy saving during cement manufacturing. As a result, it is a "designated procurement item" under the Act on Promoting Green Purchasing and has been certified as a recycled product by some local governments. Life cycle assessments (LCAs) have demonstrated that the use of steel slag as a substitute for natural stone and cement can substantially reduce CO_2 emissions and environmental burden. Moreover, as steel slag contains nutrition that helps plants grow, it is also widely used as fertilizer, contributing to improving farming productivity.

Approximately 80% of blast furnace slag is used for cement. Blast furnace cement, a mixture of pulverized blast furnace slag with ordinary Portland cement, contributes to a 40% reduction of CO_2 emissions during cement manufacturing by omitting the burning process. The blast furnace cement also excels in long-term strength and is registered as an Eco Mark-certified product.

Among steelmaking slag products, Geo-Tizer™ is mixed with soft soils on land (mud, such as surplus excavated soil from construction sites or farmland soil). This enhances compressibility of soils without solidifying excessively, thus improving soft soils into those that can be re-excavated. Compared to conventional soil-improvement materials such as cement and lime, it produces less dust, is more cost-effective, and can significantly reduce CO_2 emissions.

Nippon Steel's steelmaking slag product, KATAMA™ SP has the property of solidifying on its own when it reacts with water. By utilizing this property, it is used for simple pavement such as forest roads and farm roads, as well as for weed preventive pavement for mega-solar panel installations and other purposes.

Calcia modified soil — a mixture of calcia modifier, which is made from steelmaking slag, and dredged soil — has been used to backfill deep-dug seabed areas and create shallow bottoms and tideland, contributing to the improvement of marine environments.

In addition, Nippon Steel's Vivary™ Unit, which is composed of steel slag and humus made from waste wood, provides iron needed for seaweeds to flourish, promoting regeneration of an area of the sea bed that had lost much of its living organisms.

Realization of recycling of waste generated in society (Waste plastics)

We recycle 100% of waste plastics collected from ordinary households through chemical recycling by using a coke oven in accordance with the Containers and Packaging Recycling Law.

Specifically, waste plastics are used as hydrocarbon oil (40%), coke furnace gas (40%), and part of coke (20%). Our method of using a coke oven has an extremely high recycling efficiency and a great processing capacity, contributing to a circular economy in each region.

In recent years, synthetic fibers and food trays are also recycled in the same way. Furthermore, as the Plastic Resource Recycling Promotion Law enacted in fiscal 2022 calls for collection not only of container packaging plastics but also products made of plastics in bulk collection, we are also recycling plastics collected in bulk.

In addition, we are also working hard to develop technologies for expansion of treatment to meet the increasing plastics processing needs in the future. The total cumulative amount processed in fiscal 2000–2025 was approximately 4.31 million tons, equivalent to 13.80 million tons in terms of reduction in CO_2 emissions (the amount of annual CO_2 absorption* in artificial cedar forests in an area as large as 340,000 Tokyo Domes). This expanded use of waste plastics has been incorporated in our "Carbon Neutral Vision 2050" measures to combat climate change, and is presented as one of the examples of the efforts of Nippon Keidanren (Japan Business Federation) member companies' activity in its "Partnership for Circular Economy."

* One hectare of artificial cedar forest absorbs approximately 8.8 tons of CO_2 per year (source: the website of the Forestry Agency).

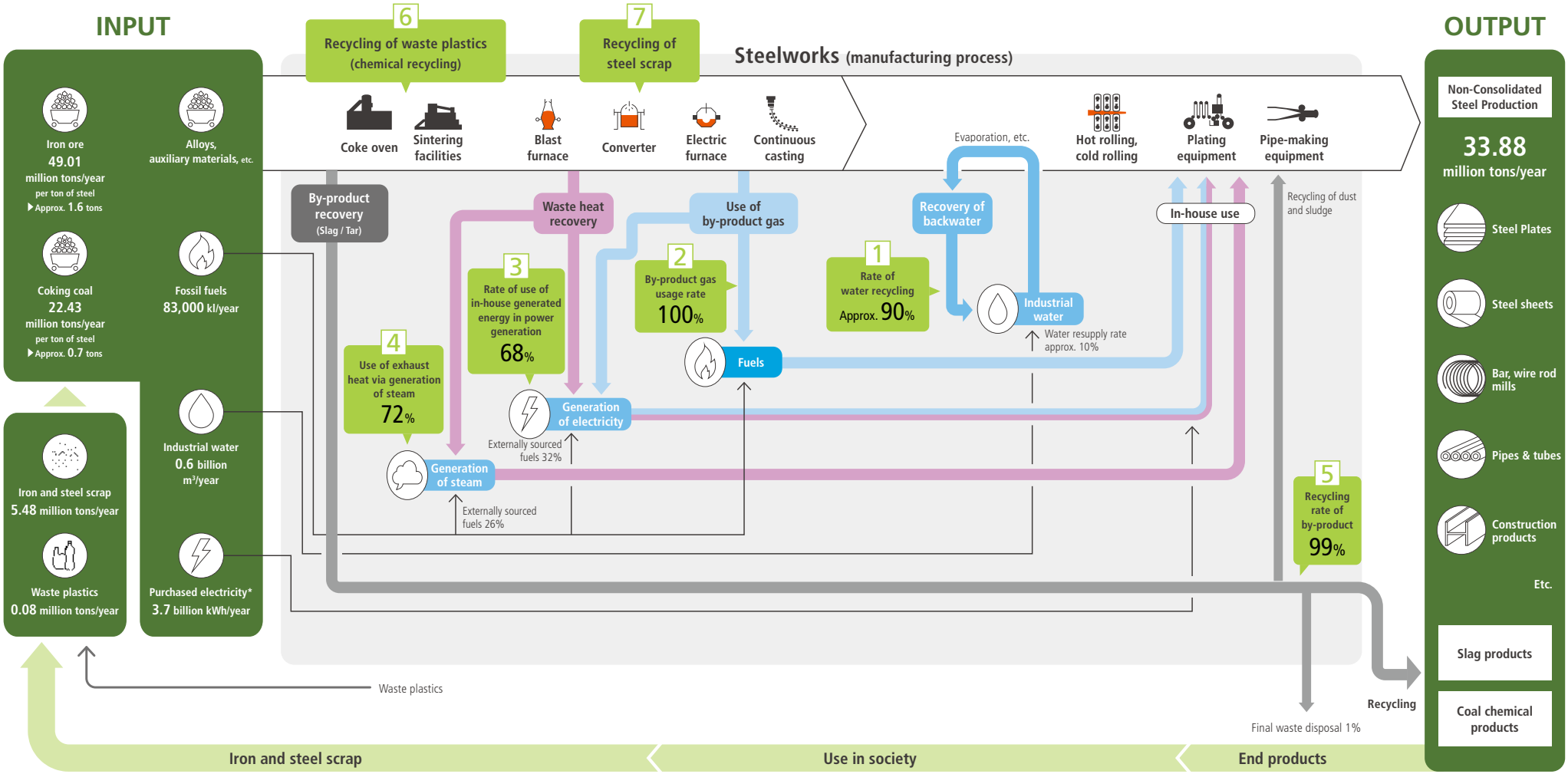
[Chemical recycling of waste plastics]

Thermal decomposition enables 100% effective re-use of plastics



Energy material balance

We are not only moving toward the achievement of zero emissions with minimal environmental burdens and recycling internally generated materials, while utilizing the steel manufacturing process, but also actively recycling waste materials generated by society and other industries.



Numbers represent FY2025 performance * Purchased electricity (kWh) excludes electricity purchased from Cooperative Thermal Power Companies

1 Water resources

Of water used in cooling and cleaning of products and manufacturing facilities, approximately 90% is reprocessed and repeatedly used, while the remaining approximately 10%, which disappears mainly due to evaporation, is replaced.

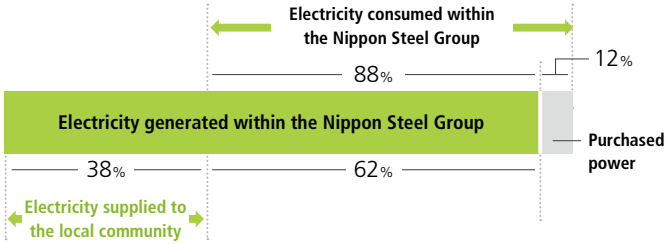
2 By-product gases

By-product gases, such as coke oven gas generated when coal is thermally cracked in an oxygen-free environment in the coke manufacturing process and blast furnace gas generated from blast furnaces, are fully utilized as fuel gas for steel heating furnaces or energy sources for power generation plants on the premises of steelworks.

3 Power

Nippon Steel itself generates 88% of the electricity it uses at steelworks, 68% of which is from internally generated energy sources such as exhaust heat and by-product gases. In the future, we will also consider making more efficient facilities and switching fuel in order to further lower carbon generation.

[Nippon Steel Group's* electricity supply and demand balance (FY2025)]



- **The Group internally generates 88% of the electricity it uses.**
- **The Group supplies 38% of internally generated electricity to the local community.**

* Including cooperative thermal power companies and affiliated electric arc furnaces

4 Use of exhaust heat

Exhaust heat, generated in the blast furnaces, sintering facilities, coke ovens, converters, and other facilities, is recovered and used in steam generation and power generation.

Coke Dry Quenching (CDQ) for large-scale waste heat recovery

The CDQ equipment quenches red-hot coke made in the coke oven with inert gas, and the heat is used to generate steam for power generation. Compared to the conventional wet quenching, 40% energy saving has been achieved.



CDQ

5 By-products

By-products generated in steelmaking are recycled for reuse in the same process or for commercial use. We thus promote achieving zero emissions and contribute to conservation of resources and energy.

6 Waste plastics

Plastic containers and packaging collected from households nationwide are fully recycled by a chemical processing method using coke furnaces.

7 Recycling of steel scrap

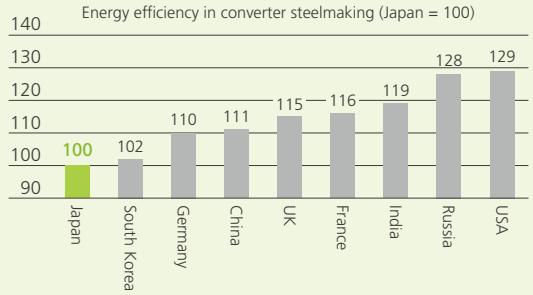
We recycle steel scrap generated in steelmaking and processing processes, as well as steel scrap recovered after use in society, as raw materials for producing new steel products.

In FY2025, we used 5.48 million tons of steel scrap.

Recycling steel scrap is one of the important measures to achieve carbon neutrality. By maximizing the use of steel scrap resources generated in Japan, we aim to significantly reduce CO_2 emissions in the steelmaking process.

[Energy efficiency in steelmaking by country (2019)]

Efforts for efficient use of various resources have resulted in Japan's steel industry achieving a world-leading level in energy efficiency.



Source: International Comparisons of Energy Efficiency (Sectors of Electricity Generation, Iron and steel, Cement), RITE, 2019 (The Japanese translation and numerical values were provided by the Japan Iron and Steel Federation.)

Biodiversity Conservation and Nature Positive

Nippon Steel participates in the activities of the Keidanren (Japan Business Federation) Nature Conservation Council and has affirmed the Keidanren Declaration for Biodiversity and Guidelines (revised in December 2023), and has accordingly been taking initiatives on biodiversity conservation.

We also participate in the 30 by 30 Alliance for Biodiversity, contributing to the vitalization of nature-positive efforts through these activities.

Efforts for biodiversity conservation and nature positive

We are promoting biodiversity conservation initiatives that are closely aligned with climate change measures and the creation of a circular economy, under the following policy.

Policy for the initiatives

As a member of Keidanren, we comply with the Keidanren Declaration for Biodiversity and Guidelines.

Recognizing both that our business activities greatly rely on nature's gifts, and that biodiversity is vital for realizing a sustainable society, we are well aware of the relationships of our business activities with biodiversity and are pledged to respond to challenges rooted in diverse local features, in order to build a society in harmony with nature.

As a member of the international community, we also recognize that initiatives aimed at building a society in harmony with nature are closely related to global issues of measures to deal with climate change and the creation of a circular economy. We aim to realize a sustainable society through integrated environmental corporate management which includes these initiatives in business activities.

Contribution to activities aimed at achieving the 30 by 30 biodiversity target

In March 2023, we participated in the 30 by 30 Alliance for Biodiversity established by the Japanese government based on the rationale of the Kunming-Montreal Framework adopted at CBD COP15 held in 2022, and have since been contributing to its activities.

The alliance is a coalition of volunteers working in the public and private sectors to conserve and protect at least 30% of their own country's land and sea areas by 2030 (30 by 30), with the goal of halting and reversing biodiversity loss by 2030 (nature positive).

We aim to have our areas under conserved biodiversity registered as Nationally Certified Sustainably Managed Natural Sites, including the registration of the Creation of Hometown Forests at our steelworks and the Creation of Sea Forests; Nagoya Works and Kyushu Works, Oita Area, have been certified.

Responding to nature-related information disclosure

Today, the state of nature is said to be deteriorating at the fastest pace in human history, raising concerns about the possibility that many of nature's essential services benefitting society (ecosystem services) may deteriorate.

Scientists say that this natural degradation is attributable directly to the pressure on nature caused by human activities, such as changes in how nature is utilized, how resources are exploited, how climate changes and pollution affect the world's society, and the effects of invasive alien species in the land, freshwater, and oceanic areas.

We also recognize that our core business activities of steel production have an impact on nature. Therefore, we have registered as a TNFD Adopter and are assessing and analyzing the relationship between steel production and nature, in line with the TNFD's recommended approach, and incorporating the results into our business activities.

Specific initiatives

Creation of Hometown Forests

— Reproducing "the grove of a village shrine" and nurturing biodiversity at our steelworks

We have carried out the "Creation of Hometown Forests" projects at our steelworks and factories in Japan under the guidance of the late Dr. Akira Miyawaki (professor emeritus of Yokohama National University), with the aim of facilitating harmonious coexistence between nature and humans. This project comprises research on the natural vegetation inherent to a certain area in a nearby grove associated with a historical shrine (Chinju-no-mori) and planting trees by local residents and our employees.

This was the first project by a private company in Japan to create a forest that harmonizes with the local landscape and is based on an ecological approach. At present, our forests in aggregate have grown to total around 887 ha (about the size of 180 Tokyo Domes).

Wild birds and animals visit the forests at our steel works sites across Japan. Wild birds and animals inherent to the land return to the forests. Thus, the "Creation of Hometown Forests" contributes to biodiversity conservation and the sequestration of CO_2.



Kyushu Works (Oita Area)

Creation of Sea Forests

— Implemented in 87 spots in Japan to improve sea desertification

With the aim of solving the supply deficiency of iron, which is said to be one of the causes of sea desertification which loses seaweeds and makes the seabed barren, Nippon Steel has developed the Vivary™ Unit, iron fertilizer, via joint research with Tokyo University and uses it to promote the regeneration of seaweed beds.

Humic acid iron is the combination of iron ions and humic acid in the soil of a local natural forest. We have developed the technology to artificially generate humic acid iron by using steel slag and humic substance originating from waste wood. The Vivary™ Unit has received a safety certificate from the Safety Check and Certification System of the National Federation of Fisheries Cooperative Associations for our steel slag products.

In Mashike Town, Hokkaido, starting from an experiment in 2004, we have developed a large-scale project (for a 300-meter-long coastal area) since 2014, confirming the expansion of seaweed beds and increase in the sea urchin population. This project is also expected to restore the once-atrophied seabed and steadily raise biodiversity.



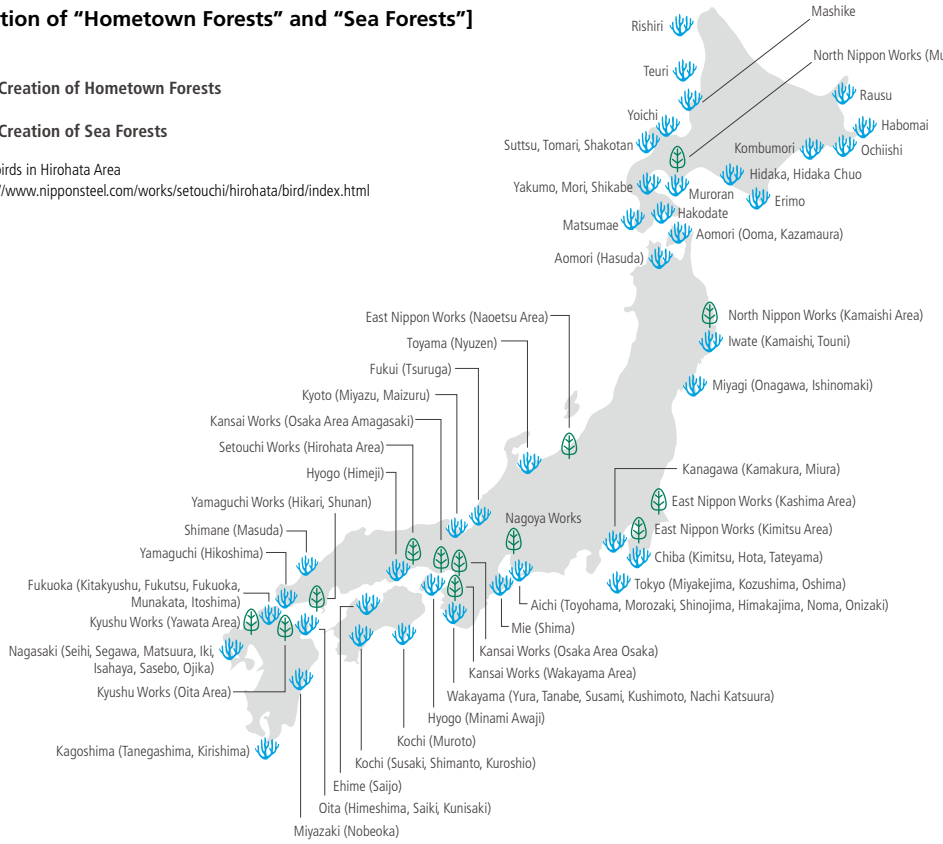
Mashike Town, Hokkaido

[Creation of "Hometown Forests" and "Sea Forests"]

Creation of Hometown Forests

Creation of Sea Forests

Wild birds in Hirohata Area
https://www.nipponsteel.com/works/setouchi/hirohata/bird/index.html



[Some animal inhabitants of the Hometown Forests]

Muroran	Ezo deer, Ezo red fox, Ezo squirrel, eagle, buzzard, magpie
Kamaishi	Moon bear, Japanese serow, deer, hare, black-tailed gull
Naoetsu	Japanese dace, carp
Kashima	Pheasant, shrike, duck
Kimitsu	Bulbul, pheasant, little tern, swallow, egret
Nagoya	Raccoon, pheasant, bulbul, shrike, swallow, great tit
Osaka	Weasel, starling, bulbul

Wakayama	Raccoon, marten, bulbul, tiger keelbuck
Sakai	Duck
Amagasaki	Heron, bulbul, lizard, killifish, white-tailed skimmer
Hirohata	Buzzard, shrike, oriental turtle dove, bulbul, starling, bunting
Yawata	Weasel, pheasant, gray heron, Japanese cormorant
Kokura	Gull, Japanese wagtail, graphium sarpedon
Oita	Whooper swan, kingfisher, killifish, mayfly, firefly
Hikari	51 species of birds including black-tailed gull and herring gull


Gray heron


Buzzard


Japanese dace


Bulbul


White-tailed skimmer


Little tern

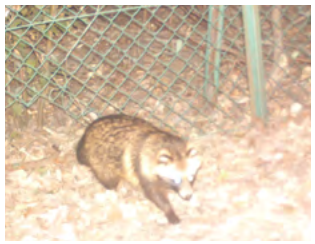

Duck


Raccoon

Participation in community projects

— Participation in ecological preservation activities in the community

Since 2012, the Nagoya Works of Nippon Steel has participated in the Inochi-wo-Tsunagu (Life Sustaining) Project, which has been organized by a local students' planning committee, 12 partner companies, the Eco-Asset Consortium and the Japan Ecologist Association of Support (NPO). This project seeks to develop an ecosystem network that connects green spaces of company sites. To thereby increase the potential of the connected areas, we engage in a variety of collaborative activities to promote biodiversity conservation. These initiatives include joint awareness-raising events and the development of animal pathways (corridors) that allow wildlife to move between habitats.





In October 2023, this project, a joint initiative involving 11 companies including the Nagoya Works of Nippon Steel, governments, students, experts, and NPOs, was certified as a Nationally Certified Sustainably Managed Natural Site by the Ministry of the Environment. In fiscal 2024, the past activities were recognized and this project won the Prime Minister's Award under the Green City Award program.

Contribution by use of by-products

— Iron and steel slag fertilizer

Steel slag, a by-product of steelmaking, contains nutritional matter that helps plants grow. It is therefore used as a fertilizer for rice cultivation, dry-field farming, and pasture grass. Silica contained in steel slag promotes photosynthesis by keeping stems upright and improving their light receiving orientation, while iron is effective in preventing root rot and leaf blight.

Compared with conventional lime fertilizers, iron and steel slag fertilizer releases calcium more slowly, and calcium is less prone to being lost through leaching, thereby maintaining soil pH at a high level over an extended period. It is also effective in reducing clubroot in cruciferous vegetables such as cabbage and broccoli. It also contains a wide range of plant nutrients, including phosphate, manganese, and boron. These nutrients support healthy crop growth.



COLUMN

"Hometown Forest", the Environmental Conservation Forest at Nippon Steel Kyushu Works Oita Area, certified as a Nationally Certified Sustainably Managed Natural Site.

The "Hometown Forest," an environmental conservation forest in the Oita Area of Nippon Steel's Kyushu Works, has been certified as a Nationally Certified Sustainably Managed Natural Site under the Act on Promoting Activities to Enhance Regional Biodiversity. This is the first time Nippon Steel has obtained this certification as the sole applicant.

Under Japan's 30 by 30 initiative—which aims to effectively conserve at least 30% of land and sea areas as healthy ecosystems by 2030—the Japanese government certifies areas where biodiversity is conserved through private-sector and other initiatives as "Nationally Certified Sustainably Managed Natural Sites." This is the second Nippon Steel site to receive this certification, following Nagoya Works, which was jointly certified with partner organizations in 2023.

The Hometown Forest in the Oita Area is an environmental conservation forest created in 1971, when the former Oita Works was launched. It was the world's first factory-greening initiative to adopt an ecological method advocated by the late Akira Miyawaki, Professor Emeritus at Yokohama National University, based on surveys of the area's potential natural vegetation—an approach known as the Miyawaki Method for creating Hometown Forests. Through the selection of tree species suited to the local environment, carefully designed planting densities, and mixed-species planting, the project has created a sustainable forest that, although planted, closely resembles the native ecosystem and is of considerable value from a vegetation ecology perspective. The certification recognizes both the value of the forest more than 50 years after the adoption of the Miyawaki Method and the efforts made to maintain it.

Following the certification, the Oita Area will continue its effort to conserve the Hometown Forest while also working to document and demonstrate the value of the forest, now over 50 years old, through flora and fauna monitoring and other initiatives. It will also accelerate the replanting of aging cherry-tree avenues so that the local community can continue to enjoy the landscape.

Through these initiatives, Nippon Steel will contribute to the realization of a sustainable society by enhancing biodiversity at its steelworks.



The "Hometown Forest," an Environmental Conservation Forest along the Boundary of the Steelworks Site



Inside the "Hometown Forest"

Information disclosure according to recommendations of the Task Force on Nature-related Financial Disclosures (TNFD)

Recognizing that biodiversity conservation and restoration of nature (nature positive) are important environmental issues as well as carbon neutrality and a circular economy, we will strengthen our various measures and consider strategies to reduce nature-related risks and realize opportunities, incorporating them into our business activities.

TNFD Taskforce on Nature-related Financial Disclosures

Disclosure approach in line with the TNFD Final Recommendations

We conduct an evaluation and analysis in line with the LEAP approach recommended by the TNFD and disclose nature-related information accordingly.

[Evaluation and analysis process]

Scoping Selection of projects to be evaluated

Discovery of contact points with nature and identification of priority areas

L **Locate** Location assessment and identification of vulnerable areas
- Assess vulnerable areas
- Identify high-risk areas

E **Evaluate** Evaluation of dependencies and impacts relationship at sector-level
- Evaluation of the dependencies and impacts relationship between business activities and nature
- Determine critical dependencies and impacts relationship

Identify and analyze risks and opportunities

A **Assess** Assessment of critical risks and opportunities
- Analyze risks and opportunities
- Analyze critical risks and opportunities
- Consider management approach

Set up strategies, targets, and KPIs

P **Prepare** Strategy development and management by metrics and targets
- Plan strategies based on analysis results
- Consider target setting and progress management
- Review disclosure content

[TNFD disclosure recommendations]

1 Governance
Governance of nature-related dependencies and impacts, and risks and opportunities

2 Management of risks and impacts
A process used to identify, assess, prioritize, and monitor nature-related dependencies and impacts, and risks and opportunities

3 Strategies
Impacts of nature-related dependencies and impacts, and risks and opportunities on business models, strategies, and financial planning

4 Metrics and Targets
Metrics and targets used to assess and manage critical nature-related dependencies and impacts, and risks and opportunities

1 Governance

In the Company, issues related to nature-related dependencies and impacts, as well as risks and opportunities, are reported and discussed at the Corporate Policy Committee and the Board of Directors, together with other environmental policy issues such as climate change countermeasures and the creation of a circular economy and are supervised by the Board of Directors.

2 Management of risks and impacts

Concerning dependencies and impacts on nature, as well as our risks and opportunities, we have assessed our direct operation (steelworks) of the core steelmaking business and the mining of iron ore and coking coal in the upstream supply chain, according to the LEAP (Locate, Evaluate, Assess, and Prepare) approach advocated by TNFD. The processes for managing these nature-related risks and impacts are integrated into the company-wide risk management process as described in 1 Governance.

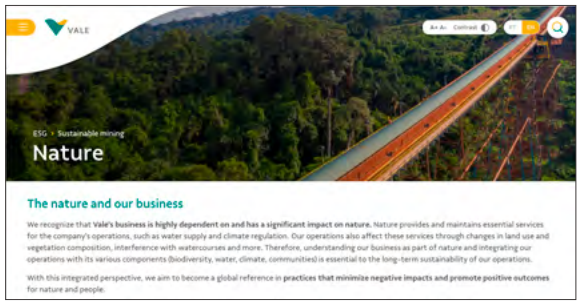
See the process of identifying, assessing, and prioritizing risks and opportunities (assessment and analysis using the LEAP approach)
https://www.nipponsteel.com/en/sustainability/env/biodiversity/pdf/tnfdassess.pdf

3 Strategies

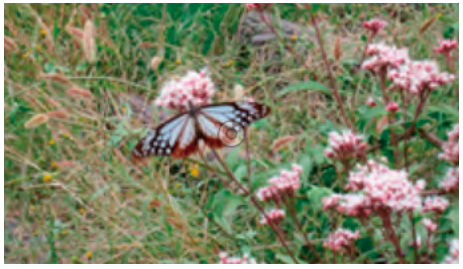
Using the ENCORE (Exploring Natural Capital Opportunities, Risks, and Exposure) and other tools, we assessed the dependencies and impacts relationship of our direct steel operations (steelworks) and upstream supply chains (major raw material suppliers), and assessed and analyzed the nature-related risks and opportunities linked to critical dependencies and impacts from the perspective of their impact on our business models, strategies and financial plans. The resulting items identified as critical risks and opportunities and our strategies to reduce risks or realize opportunities related to them are shown below.

TNFD Taskforce on Nature-related Financial Disclosures

[Risk analysis results]

Detail	Critical dependencies/ impact		Risk type	Factors and events	Impact on Nippon Steel	Nippon Steel's strategy
Direct operation production activities in steelworks	Water pollution (Impact)		Physical (Acute)	Pollution of the surrounding water environment and water contamination accidents caused by wastewater or leakage of steelworks	● Increased costs for additional wastewater treatment. ● Suspension of the production process if the existing processing facility cannot handle it ● Possibility of penalties or fines due to exceeding the baseline	[Target] No serious violations of environmental laws and regulations and no environmental accidents ● Consider water pollution caused by wastewater and leaks as a risk that can occur at all steelmaking sites, regardless of whether they are located in areas where there is a risk of impact on the ecosystem. Implement hardware/software measures assuming their occurrence across the company. <Hardware measures> Automatic wastewater monitoring equipment, wastewater shut-off gates, emergency water tanks, etc. <Software measures> Inspection and repair, drafting of work standards, operation confirmation, and training of procedures (See P.92 for details of measures for the water environment) ● Have a system in place to promptly report environmental events at each business site to the head office. Report the status of such events twice a year to the Environmental Technology and Management Committee chaired by the executive vice president in charge. Also, report to and be supervised by the Board of Directors.
Indirect operation (Upstream supply chain) Mining activities of iron ore and coking coal	Utilization of the terrestrial ecosystems (Impact)		Physical (Acute)	Temporary suspension of business activities caused by the destruction of land, including the operating area, by the mining activities of a supplier	● Deterioration of corporate image and a decrease in product sales due to procurement of raw materials from the supplier in trouble ● Decrease in product production due to limited procurement of raw materials in case of a suspension of a supplier's business activities	● Have a system in place that allows us to continue our business, with diversified material sourcing as a comprehensive risk countermeasure, by increasing the amount of procurement from other suppliers even in case of temporary suspension of procurement from one supplier ● Checking the status of suppliers' nature-related activities in future engagements with suppliers, recognizing that some of the activities of suppliers have an impact on nature **Examples of activities of suppliers of raw material (Vale)** <Terrestrial ecosystems> ● Enhanced measures to eliminate dangerous tailing dams by 2025 <Water Resources> ● Target to achieve 27% reduction in freshwater use by 2030 (2017 baseline), prioritizing regions with the highest water stress ● 84% use of recycled water (FY2025 result)  Vale ESG portal/Sustainable mining/Nature
	Utilization of the terrestrial ecosystem (Impact)	Utilization of water resources (Impact)	Transition (Market)	When a supplier causes problems such as land destruction or excessive use of water resources, or fails to properly disclose to investors, despite investors' increased ESG investment associated with higher awareness of the use of terrestrial ecosystems and water resource conservation: ● Decline in the supplier's brand value ● Supplier's withdrawal from the business due to their deteriorating financing		
			Transition (Reputation)	When a supplier causes a water-related problem or fails to properly disclose it to local residents or environmental organizations, despite their increased interests in the use of terrestrial ecosystems or water resource conservation: ● Decline in the supplier's business continuity in the target regions due to criticism from local residents and environmental organizations ● Decline in the reputation of the supplier due to news and other information		

[Opportunity analysis result]

Detail	Critical dependencies/ impact	Type of opportunity	Factors and events	Impact on Nippon Steel	Nippon Steel's strategy
Various nature-related activities operated directly by the Nippon Steel Group	Nature in general (Impact)	Transition (Products and services, reputation)	Increase in demand for eco-friendly products due to increasing social interest in and needs for the conservation of nature and biodiversity	● Increase in production by expanding the lineup of Eco Products and strengthening the steelmaking system, and increase in earnings from environmentally friendly products	**Natural restoration and expansion of supply of a variety of nature-positive and eco-friendly products** ● Improvement of marine environment and regeneration of seaweed beds using steel slag as raw material (marine fertilizer: Vivary™ Unit) ● High ductility steel plates for hulls that reduce the risk of environmental damage such as oil spills by improving marine safety  Application example of high ductility steel plates to VLCC ● Development and provision of steel materials that do not contain substances causing environmental burden such as lead and hexavalent chromium
			Increased impact of nature and biodiversity conservation activities on the corporate image due to increasing social interest in and needs for the conservation of nature and biodiversity	● Improved corporate image and increase in product sales by effectively disseminating activities related to the preservation of nature and biodiversity	**Enhanced PR for the above products (sales activities, academic conferences, events, commercials, etc.)** ● Presentation on the Creation of Sea Forests at COP28 ● Award from an external organization (Expansion of the use of wood biomass made from local thinned wood) ● Release of "UMIMORI Project – Ise-Shima," featuring activities in the Ise-Shima region (2025)  https://youtu.be/bXAmRPz04TQ
		Transition (Reputation)	Increasing attention from stakeholders, including local residents, regarding the conservation of nature and biodiversity	● Implementation of initiatives related to the preservation of nature and biodiversity and effective communication to build good relationships with local communities and improve preparedness for business continuity	● Establishment of management standards based on ecological methods, under our Basic Environmental Policy, to promote the creation of Hometown Forests ● Contribute to the restoration of ecosystem services (fishery harvest) through the Creation of Sea Forests ● Promotion of environmental activities such as dialogue and participation in local activities by steelworks, and participation in 30 by 30 activities  Parantica sita identified in our green areas

4 Metrics and Targets

We manage critical dependencies and impacts, and risks and opportunities, based on the TNFD Core Global Indicators. Concerning water resources and water pollution risks that are assessed as having a critical impact on direct operations, we are implementing initiatives with the targets of "no serious violations of environmental laws and regulations and no environmental accidents" and "high-level stability of the water circulation rate," reflecting the risk analysis results in 3 Strategy.

Taskforce on Nature-related Financial Disclosures

[Indicator: TNFD Core Global Indicators for Critical Dependencies and Impacts]

No.	Driver of nature change	Indicator	Nippon Steel's disclosure (Direct operation: Steelworks)
C2.1	Pollution/pollution removal	Wastewater discharged	Volume of water discharged by destination (m^3) Data Book P.24
C3.0	Resource use/replenishment	Water withdrawal and consumption from areas of water scarcity	No manufacturing base located in areas of water scarcity Data Book P.24 Volume of water withdrawal and consumption by source (m^3)

[Indicator: TNFD Core Global Indicators for Risks and Opportunities]

No.	Category	Metric	Nippon Steel's disclosure (Direct operation: Steelworks)
C7.2	Risks	Description and value of significant fines/penalties received and litigation action in the year due to the negative nature-related impacts	None
C7.3	Opportunities	Amount of capital expenditure, financing or investment deployed towards nature-related opportunities, by type of opportunity, with reference to a government or regulator green investment taxonomy or third-party industry or NGO taxonomy, where relevant	1.4 billion yen (costs for beautification and greening of steelworks) P.90

[Goals and Performance: Objectives and performance to manage critical dependency/impact items, and risks and opportunities]

Detail	Indicator	Target	Progress management method	Results for FY2024
Water pollution	Serious violations of environmental laws and regulations and environmental accidents	Zero	Development of communication and reporting systems, internal audits, and interviews	Zero
Water Resources	Water circulation rate	Stable rates at high levels	Internal audits and hearings	The water re-use rate: Approx. 90% P.106

Safety

Guided by the philosophy that safety and health are our most important values, taking precedence over all else and providing the foundation for business development, the Nippon Steel Group conducts all its activities in strict adherence to Nippon Steel's Manufacturing Values, including the principle of giving the highest priority to safety, the environment, and disaster prevention, while continuously enhancing its Occupational Safety and Health Management System (OSHMS) and creating workplaces where everyone can work safely and with peace of mind. The Basic Policy on Safety and Health is applied to Nippon Steel as well as to contractors.

Reducing injury risks to minimum, and group-wide sharing of effective measures

Nippon Steel promotes risk assessments by evaluating safety risks both during the planning of new projects and periodically for existing projects, thereby striving to prevent accidents before they occur and to mitigate risks.

In 2025, Nippon Steel recorded 4 lost-time injuries, involving its employees*1 and 11 involving contractor employees, including fatalities, 1 for Nippon Steel and 1 for contractors, while its overall lost-time injury frequency rate was 0.08, compared with the domestic steel industry average of 1.02.

Our safety initiatives include making equipment inherently safer, primarily through automation and remote operation that eliminate the need for workers to perform high-risk tasks, and implementing measures to reduce human error through operational optimization support and other means. Additionally, we actively implement safety measures through IT- and AI-enabled operational support, including safety surveillance cameras, helmet-mounted cameras, and GPS-based tracking of worker locations.We also conduct an analysis of actual accidents for the prevention of similar accidents and make known effective examples of accident-preventive measures.

We will continue to strive for a safe work environment with the safety wellness targets for 2026, which are zero fatalities/severe accidents and less than 0.10 as the comprehensive lost time injury frequency rate.

Lost time injury frequency rate in 2025		
0.08	Target	0.10 or less

*1 Employees for the company: all people employed by Nippon Steel (including seconded employees as well as temporary and part-time workers), and those dispatched to Nippon Steel.

[Lost time injury frequency rate in 2025]

Nippon Steel	0.08
All domestic industries*2	2.01
Domestic manufacturing industries*2	1.33
Domestic steel industries*2	1.02
Domestic steel industries (JISF members)*2	0.38
World steel industries (WSA members)*3	0.64

*2 JISF "Safety Management Overview, 2025"
*3 WSA "Safety and health 2025 metrics report"

$$\text{Lost time injury frequency rate} = \frac{\text{Number of lost-time work accidents}}{\text{Total number of hours worked by all employees}} \times 1{,}000{,}000$$

Click here for details Data Book P.31

Acquisition of third-party certification

All Nippon Steel's steelworks acquired ISO (JIS Q) 45001 Health and Safety certification (published in March 2018) as of March 2024.

Acquisition of ISO (JIS Q) 45001 certification	
FY2019	Kansai Works Wakayama Area
FY2020	Amagasaki Area and Osaka Area of Kansai Works; Nagoya Works; Kyushu Works Oita Area; East Nippon Works Kashima Area
FY2021	Naoetsu Area and Kimitsu Area of East Nippon Works, North Nippon Works Muroran Area, Setouchi Works Hirohata Area
FY2022	North Nippon Works Kamaishi Area, Kyushu Works Yawata Area
FY2023	Setouchi Works Hanshin Area

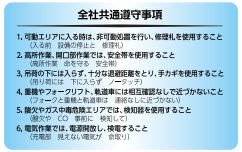


ISO (JIS Q) 45001 Health and Safety certification (Setouchi Works Hanshin Area)

Safety initiatives

Six Fundamental Safety Rules for Company-Wide Compliance

Nippon Steel has established the Six Fundamental Safety Rules for Company-Wide Compliance as our most important guidelines for ensuring safe operations. These are designed to avoid risks that, based on past industrial accidents, could lead to serious consequences in the event of an incident. We have prepared a guidebook presenting work practices that violate safety rules as well as actual accident cases, thereby deepening understanding of the Rules among Nippon Steel and contractor employees, reinforcing awareness of the need to follow safe work standards, strengthening supervisory guidance, and promoting work management founded on compliance with established standards.





Ensuring safety through pre-work TBMs (toolbox meetings)

To ensure safe operations, it is essential to establish clear working procedures and assign roles to workers before commencing any task. While operation standards are defined for routine work, these standards are often not in place for infrequent or unexpected non-routine work. Before starting any non-routine work, a TBM is conducted in advance; however, implementation methods vary. To enhance work safety, we have developed the TBM Guidebook, which highlights key points for conducting TBMs and provides practical examples of both TBM and KY (Kiken Yochi – hazard prediction).



Safety training

We are committed to enhancing training programs aimed at preventing accidents. These include safety and health training for newly appointed managers at manufacturing worksites (mandatory for all eligible personnel; 112 managers in FY2025) and hazard experience training, which enables workers to simulate workplace risks utilizing VR-based equipment. In addition, we conduct annual safety and health training for safety and health personnel from our Group companies and major contractors(67 participants in FY2025). These programs are designed to improve knowledge about our safety and health initiatives, the procedures for implementing safety and health management methods such as internal audits, examples of AI applications, and the relevant occupational safety and health laws and regulations.



Line manager training



Hazard experience training

COLUMN

Hazard prediction training using e-learning

To eradicate workplace accidents, it is essential not only to enhance organizational safety management standards, but also for each worker to maintain a strong awareness of potential hazards and continuously improve their behavior. To strengthen hazard recognition skills, we provide ongoing hazard prediction training via e-learning to all Nippon Steel employees and cooperative company workers engaged in manufacturing operations. This training can also be conducted via smartphones, enabling participation anytime and anywhere.

"You are using a shovel to clear concrete debris while working alongside a coworker operating a mini excavator. What potential hazards exist, and what preventive measures should be taken?"



Safety and Health Management Structure, etc.
https://www.nipponsteel.com/en/sustainability/safety/

Disaster Prevention

To put into practice, in the area of disaster prevention, our Corporate Philosophy of continuing to emphasize the importance of integrity and reliability in our actions, we give disaster prevention the same highest priority as safety and the environment and strive to prevent disaster-related accidents that could compromise the trust of local communities, society, and our customers. We aim to achieve zero serious disaster incidents by promoting equipment-based disaster prevention measures, taking preventive action against foreseeable risks, and ensuring a swift and appropriate initial actions in the event of a disaster. Furthermore, through continuous enhancement of both equipment-based countermeasures and training for natural disaster preparedness across the entire Group in response to natural disasters that have been increasing in frequency and scale in recent years, we aim to ensure safe, secure, and stable production activities.

Disaster risk reduction activities

Our disaster prevention initiatives focus on:
1) Ensuring compliance with disaster prevention laws and regulations, and conducting risk assessment activities to prevent accidents.
2) Thoroughly implementing measures to prevent the recurrence of incidents and strengthening appropriate initial on-site responses to mitigate damage when an incident occurs.
3) Regularly monitoring the execution of disaster prevention management activities.

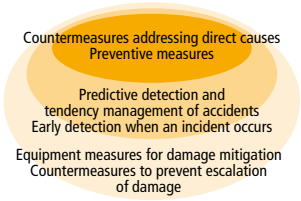
Through these efforts, we remain committed to establishing autonomous disaster prevention activities, driven primarily by the manufacturing sites at each steelworks.

Serious disaster-related accidents*1 (2025)

1	Target	0

*1 Fatalities or accidents that caused impacts on production monthly

[Our approach to equipment measures for disaster prevention (three-tiered defense approach)]



Actual number of serious disaster-related accidents available here
Data Book P.32

[Specific initiatives]

1 Compliance with disaster prevention laws and regulations

- Development of frameworks based on disaster prevention laws and regulations, and execution of appropriate fire protection measures
- Inspection and maintenance of equipment for disaster prevention to ensure effectiveness in the event of an emergency

2 Disaster prevention risk assessment (Measures to mitigate existing risks and preventive actions against potential risks)

- Identification and assessment of risks, management of residual risks, and formulation of permanent countermeasures at manufacturing sites, in line with company-wide guidelines, through risk assessment as a preventive approach

3 Recurrence prevention measures

- Equipment measures based on the three-tiered defense approach (recurrence prevention, predictive detection of precursors and tendency management, and mitigation measures in the event of occurrence)
- Preserving awareness of past incidents and accidents (panel presentations in training facilities, and sessions for employees to learn about past accidents during training and others)

4 Enhancement of initial response

- Verification of initial response procedures through practical training simulating disasters (Systematic implementation of practical training at each workplace across all plants: training simulating nighttime and holiday scenarios, training simulating work at heights, joint training including Group companies and others)
- Enhancement of firefighting skills of in-house fire defense function in cooperation with fire departments (Joint training with fire departments, leader education programs and others)

5 Preparedness measures for earthquakes and tsunami and measures for natural disaster mitigation

- Promoting earthquake preparedness measures comprising: (1) prevention of casualties; (2) prevention of secondary damage, including tsunami countermeasures and seismic reinforcement; and (3) measures to maintain production under business continuity plans (BCPs)
- Preparation of emergency measures and evacuation procedures, as well as training drills, to mitigate damage in the event of natural disasters.

(Example) Review of assumptions for the Nankai Trough Earthquake
Comprehensive inspection of initial response to tsunami warnings and advisories (July 2025)

6 Auditing disaster prevention

- Monitoring plants by the disaster prevention department at each steelworks to verify the maintenance and management of disaster prevention measures at manufacturing sites
- Check-up on the implementation status of disaster prevention management of all steelworks by the disaster prevention department at the head office.

7 Third-party monitoring toward enhancing safety competency in steelworks

- Assessment of steelworks by an NPO, Japan Industrial Safety Competency Center*2

8 Disaster prevention management for group companies

- Holding regular information-sharing meetings to strengthen collaboration in disaster prevention management. Conducting individual audits of group companies exposed to disaster-related risks

*2 Nonprofit Organization: Japan Industrial Safety Competency Center

Efforts to prevent the occurrence of accidents and damage mitigation measures



Compliance with disaster prevention laws and regulations (spot inspection by the Fire Department)



Disaster prevention risk assessment (patrols conducted by managers)



Strengthening initial response (fire hydrant water-discharge drill)

Quality Assurance and Quality Management

Quality Management System is one of the most important aspects in obtaining the trust and satisfaction of customers in the provision of products and services. The Nippon Steel Group has clearly established the principle that quality, together with safety, the environment, and disaster prevention, takes precedence over production, and all our group employees involved in manufacturing and services are responsible for quality control and quality assurance to continuously improve quality.

The basic policy of quality assurance of the Nippon Steel Group

As a basic policy in line with the Japan Iron and Steel Federation's guidelines, aimed at strengthening the quality management system, we are promoting 1) the enhancement of education on quality compliance (compliance with laws and regulations), 2) activities to reduce quality risks, and 3) the extraction of quality risks through quality audit in our Group. Quality assurance issues are shared by the Quality assurance Committee, chaired by the Executive Vice President in charge of quality management. By having the Committee review actions to take to resolve the issues, we strive to maintain and improve our quality management system.

Activities aimed at strengthening the quality managementsystem

Nippon Steel's quality management system is based on autonomous quality assurance activities by each steelwork, business unit, and group company including overseas ones. The Quality Management Division, in cooperation with the steelworks and business units, promotes quality compliance education, behavioral risk reduction activities, and the extraction and correction of quality risks through quality audits. Information on quality-related incidents is promptly shared across the Group and at appropriate times measures are launched to resolve issues through standardization, systemization, and automatization. These measures are then implemented to enhance the identification management of actual products and to improve reliability of testing and inspection.

[Specific activities]

1. Education on quality compliance

Employees of the Company and the domestic and overseas Group companies receive quality compliance education. It covers such topics as the importance of compliance with laws and regulations, the impact that our products and work have on society, quality risk management, and internal rules and standards. In addition, we conduct group discussions with the participation of all employees, using quality non-compliance cases that occurred in and out of the Company in the past as learning material. We also conduct quality-related e-learning programs and on-site quality lectures to foster a strong awareness of quality compliance.

Number of e-learning participants in FY2025: **73,912**

[Quality assuranceeducation and Quality lectures]

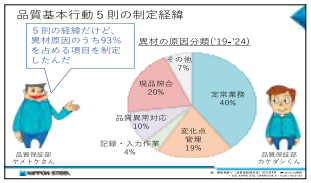


Overseas quality lecture (Cilegon, Indonesia)

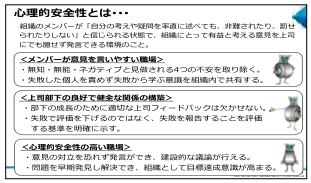


Group discussion workshop (Jakarta, Indonesia)

[Quality e-Learning] *Developed and distributed in five languages for overseas Group companies



Promoting awareness of the Five Basic Rules of Quality Behavior



Importance of psychological safety

2. Behavioral risk reduction activities

Based on the analysis of the causes of past quality issues, we have established the Five Basic Rules of Quality Behavior, which all employees involved in quality assurance are expected to follow. We are actively working to internalize these rules across the organization and improve operational quality through such measures as displaying the rules in workplaces and reciting them together before work begins. To improve the reliability of testing and inspection, we also introduce the systems, including quality design systems, automated data retrieval, identification management systems, and finished product quality judgement systems, in each process from order to shipment, thereby eliminating risks caused by human intervention. At the same time, by firmly embedding the principle that "quality takes precedence over production" at manufacturing sites, we will continue to intensify our quality assurance activities, including by strengthening management to ensure psychological safety for frontline workers.

[Five Basic Rules of Quality Behavior]

1. Routine Operations (Compliance Requirements)
Confirm work procedures and perform tasks strictly in accordance with the procedure manual. Do not rely on verbal instructions.
"Wait! Check the procedure before starting work!"
2. Change Management (Compliance Requirements)
Review procedures for any changes, such as new tasks, modified processes, or infrequent operations.
"Stay alert—first time, modified, or infrequent tasks require extra care."
3. Test and Data Entry (Compliance Requirements)
Conduct tests and inspections properly and maintain accurate records. Do not advance processes using dummy entries.
"Record results accurately—no corrections should be needed later."
4. Response to Quality Abnormalities (Compliance Requirements)
Immediately stop work upon detecting any quality abnormality, then consult and report without delay.
"If you find an abnormality or deviation, stop and report immediately."
5. Product Verification (Compliance Requirements)
Verify each product individually, one by one. Do not check in bulk.
"Verification must be one-by-one, with absolute certainty."

3. Quality audits

The Quality Management Div.conducts periodic quality audits throughout the Company and Group companies to enhance customer confidence and trust. In addition to the audits carried out directly by the Quality Management Div. of the Head Office, we are also working to establish a reinforced system of autonomous audits performed by certified auditors assigned to each steelworks. Furthermore, we are working to raise the credibility of our quality management system by earnestly addressing guidance from external audits such as ISO9001 and JIS certifications to improve the quality of our products.

Quality audit results for FY2025
Steelworks and areas: **33** audits Group company sites: **58** audits



Quality Audit (Line Operations Coordination Dept.)



Quality Audit (Coil Yard)

4. Quality management system and Standardization activities

Quality management system

All steelworks of Nippon Steel are ISO9001 certified. By implementing the quality management system, we ensure that the processes used to provide products and services to customers are appropriately managed. We are working to clarify each steelworks' quality policy and pursue continuous quality improvement activities.

By promoting the widespread adoption and establishment of the "Guidelines for Strengthening Quality ManagementSystems" set by The Japan Iron and Steel Federation (JISF), we are striving to elevate quality assurance levels across the entire Nippon Steel Group.

Standardization activities

With regard to Japanese and international steel standards (JIS, ISO, and ASTM), we promote the revision of standards, the standardization of steel products through public-private cooperation by participating in the standardization activities led by the Japan Iron and Steel Federation, thereby contributing to standardization and standards-development activities for steel products.

Production and Supply Chain Management

To realize the production and supply of steel products required for a sustainable society, Nippon Steel is undertaking various initiatives and digital transformation (DX) for stable procurement, stable production, and shipping in all aspects of the supply chain, from the procurement of raw materials, fuel, equipment, and materials to shipment to customers.

Sustainable procurement efforts

Under the development of the global economy, strategic procurement activities are needed to consistently secure and sustain competitive manufacturing capabilities.

At the same time, it is becoming increasingly important for not merely our Company but also our entire supply chain to fulfill social responsibilities to realize a sustainable society. Against this background, we procure raw materials, fuel, equipment, and materials essential for steel production, aiming to support the development of both our customers and the economy, and to realize a more prosperous society through the stable supply of competitive steel products.

In terms of procurement of raw materials and fuel, we are sourcing from suppliers worldwide, including Australia, North America, South America, and South Africa, for a stable supply of more than 100 million tons of raw materials for the steelworks. The main materials supplied are iron ore and coal. In the procurement of equipment and materials, we purchase around one million product items — from gigantic facilities such as blast furnaces to office supplies — from thousands of suppliers. Through active dialogue with our suppliers, we build trustful relations with them while pursuing stable procurement strategies that anticipate future changes in social structures.

In addition, we conduct the Partner Awards and Partner Questionnaire annually to further strengthen collaboration with our suppliers.

In July 2020, we issued a Declaration of Partnership Building to establish partnership relations with suppliers and other business partners and foster cooperative, coexisting relationships.

In addition, under the Nippon Steel Group Human Rights Policy adopted on April 1, 2024, we continue to conduct procurement activities to high ethical standards while giving maximum consideration to the respect for human rights.

Declaration of Partnership Building
https://www.nipponsteel.com/news/20200731_100.html

Nippon Steel Group Human Rights Policy
https://www.nipponsteel.com/common/secure/en/topics/pdf/20240401.pdf



Partner awards ceremony

[Basic policy on equipment and materials procurement]

1. Compliance with laws
2. Equal opportunities
3. Partnership building
4. Fair disclosure of information and expedited transaction procedures
5. Adequate consideration to resource protection and environmental preservation
6. Confidentiality

Consideration for reducing environmental impact in procurement activities

Based on the Life Cycle Assessment concept, Nippon Steel is taking initiatives in reducing environmental impact at various points along the supply chain. In response to rising demand for tighter management of chemical substances, we created management standards for 20 hazardous chemical substances, including cadmium, in collaboration with customers and suppliers. We then established a system to manage substances of environmental concern contained in purchased products, including packaging materials, and in our products.

Based on the fair procurement policy set out in relevant laws and regulations, as well as the Charter of Corporate Behavior by Nippon Keidanren, we established this policy in our internal rules to ensure we give due consideration to resource conservation and environmental protection as part of our basic purchasing policy. Moreover, to promote green purchasing, we joined the Green Purchasing Network (GPN) in 1996, when it was founded.

Hazardous Substance Management in Quality Assurance
https://www.nipponsteel.com/en/csr/customer/support.html

Efforts to stabilize production

We are focusing on stabilizing production, including blast furnace and coke oven operations, which have a particularly significant impact. Recently, the pig iron production rate has remained low, and we are focusing our efforts on refining our operational plans under these circumstances. In such efforts to stabilize production, we also frequently use DX-based solutions.

For example, in the case of identifying abnormalities in machinery and equipment and preventing problems, regular inspections by manpower had been performed in the past, but now with the installation of a large number of wireless vibration sensors, it is possible to monitor them 24 hours a day, and thereby quickly identify and respond to abnormalities. Furthermore, by centrally managing the collected data and analyzing it with AI and machine learning, we can now obtain even higher value-added information.

Because it is very difficult to see inside a blast furnace, skilled operators have sometimes relied on intuition and experience. Today, sensors inside the blast furnace measure temperature, pressure, gas distribution, and other conditions every second, and the system reproduces the furnace conditions with three-dimensional images to stabilize blast furnace operations and improve production efficiency. Through this type of simulation, we are developing automatic control that predicts future operating conditions and optimizes operations.

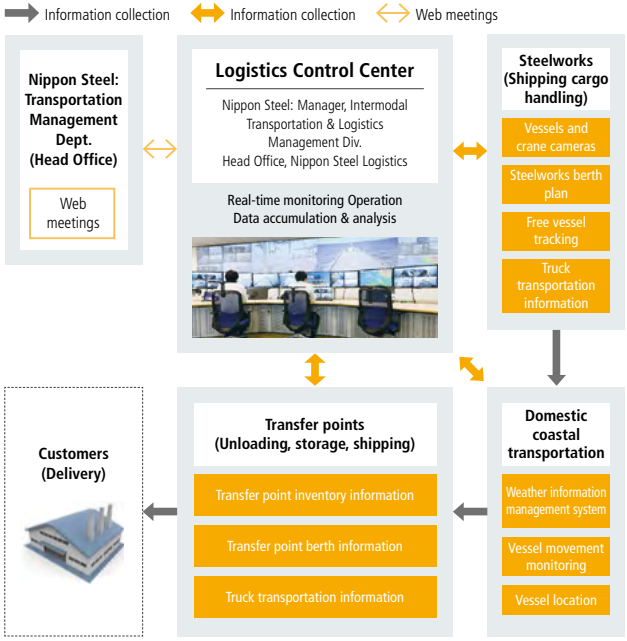
In addition, to deliver products that meet customer requirements on time, our head office unit, responsible for overall sales and operations management, coordinates corporate-wide product manufacturing plans daily and tracks sales and production status. The process control units in each steelworks receive the plan and manage the progress of every product while keeping in mind each manufacturing base's productivity. These units work for optimal processing from manufacturing to shipment and deliver products as scheduled.

Integrated efficiency improvements of domestic logistics

As challenges such as the "2024 logistics issue" and the growing workforce shortage in domestic logistics become increasingly evident, the Nippon Steel Group has established a new division within Nippon Steel Logistics to consistently manage and supervise operations. This division is tasked with further improving efficiency by consolidating functions such as integrated logistics control and digital transformation (DX) planning.

Specifically, at the Logistics Control Center, we use the latest domestic logistics control systems to consolidate the information needed to allocate and control domestic coastal vessels, such as their location data, the progress rate of quay cargo handling at the steelworks, and inventory status at transfer points. We then perform real-time monitoring and operations to consolidate information. In addition, we are advancing company-wide management and supervision of truck transportation information, thereby improving efficiency across our integrated logistics network that includes domestic coastal vessels, transfer points, and transportation by truck—our primary transportation means.

[Function overview of the Logistics Control Center]



Productivity improvement in domestic logistics

The Nippon Steel Group has commenced operations of Soumei, a roll-on/roll-off vessel* (RO-RO vessel) dedicated to steel products (hereinafter referred to as "the Vessel"), on the Kitakyushu–Sakai route.

The Vessel adopted a roll-on/roll-off cargo-handling method, reducing labor requirements at quaysides while integrating new technologies into existing port infrastructure. As a result, both loading capacity and cargo-handling efficiency have been improved by about 30%. In addition, various systems and equipment have been introduced to better accommodate seafarers' working conditions, thereby contributing to alleviating the workforce shortage in domestic logistics.

The Vessel was adopted by the Agency for Natural Resources and Energy of the Ministry of Economy, Trade and Industry, together with the Maritime Bureau of the Ministry of Land, Infrastructure, Transport and Tourism, as the Demonstration Project for Energy-Saving Small RoRo Ships Equipped with High-Efficiency Cargo Handling Systems in the Innovative Operation Efficiency Improvement and Non-fossil Energy Conversion Promotion Project for Coastal Ships.

* Roll-on/roll-off vessels allow trailers to drive on and off the ship to load and unload cargo, enabling crane-free operations at quaysides and reducing labor requirements for cargo handling.



[Improved efficiency]
- Adoption of roll trailers (with a load capacity of 60 tons/trailer) that enable the transportation of heavy cargo.
- A two-tier cargo structure was introduced, equipped with a large elevator (210 tons per lift).



A roll trailer exiting the rampway



A large elevator
(capable of lifting three roll trailers at a time)

Human Capital

Nippon Steel regards our human resources as the source of sustainable value creation and positions investment in human capital as a core driver of corporate growth, thereby advancing human capital management across the company.

Human capital management policy

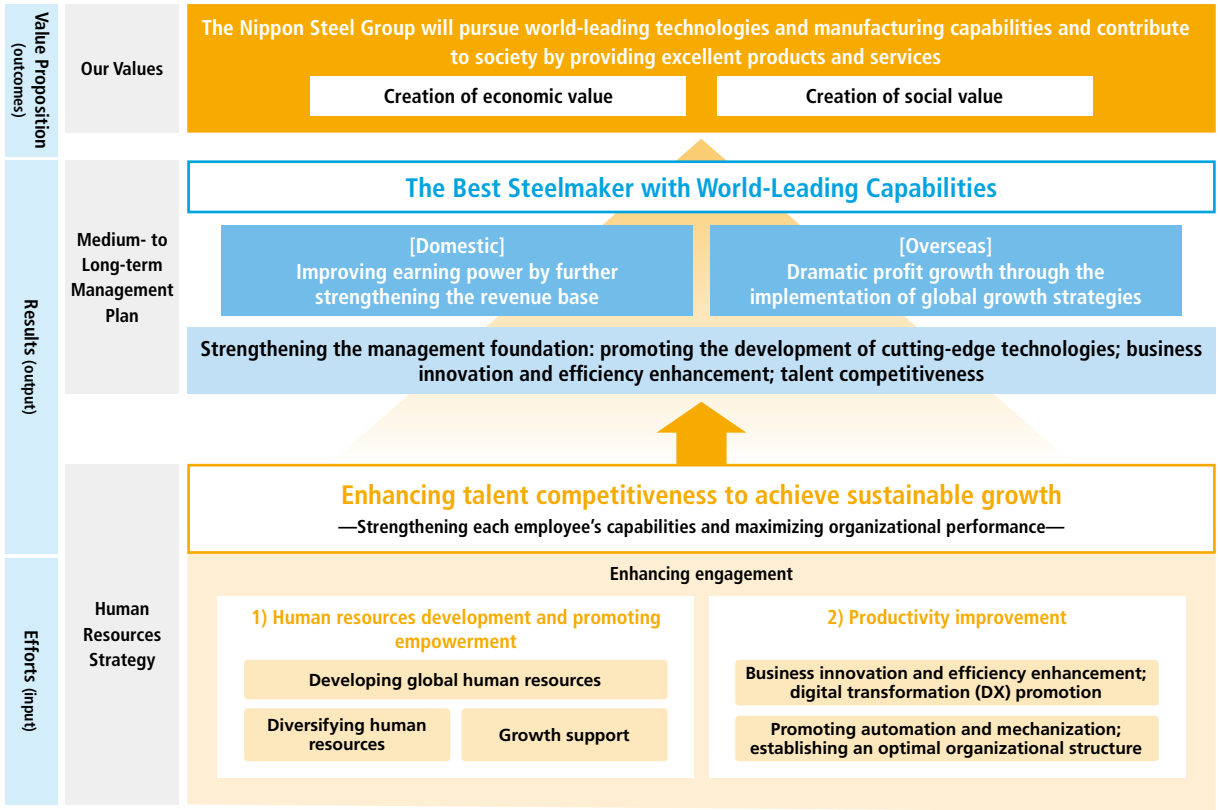
The corporate philosophy of the Nippon Steel Group states, "We pursue world-leading technologies and manufacturing capabilities and contribute to society by providing excellent products and services." As our management philosophy also states, "We develop and empower our employees to build an energetic group," we have been working on human resources development for many years as a key management foundation.

In light of these notions, we believe that continually investing in our employees, maximizing each employee's potential, enhancing their individual expertise, and encouraging autonomous growth and challenges will lead to improved productivity and competitiveness across the entire Group, create economic and social value, and ultimately enhance sustainable corporate value.

Toward realizing the management philosophy outlined above, we aim to restore our positions as the world's number one steelmaker. In the 2030 Medium- to Long-term Management Plan, which began in FY2026, we will strive to further strengthen our revenue base in domestic businesses and steadily execute our global growth strategies in overseas businesses, despite assuming a more challenging business environment in the coming years.

Furthermore, in light of changes in the social environment, such as the decline in the domestic labor force and increased labor mobility, integrating our business and human resources strategies is essential to ensure the successful implementation of the business plan.

To make this happen, as part of our human resources initiatives, we will first improve productivity by promoting business innovation and efficiency enhancement, automation and mechanization, and optimum workforce allocation. We will then promote initiatives to develop global talent, promote workforce diversity, and support the autonomous growth of individual employees. Through these initiatives, we aim to enhance our talent competitiveness to support the Group's sustainable growth by strengthening each employee's capabilities and maximizing organizational performance.





Securing Diverse Human Resources

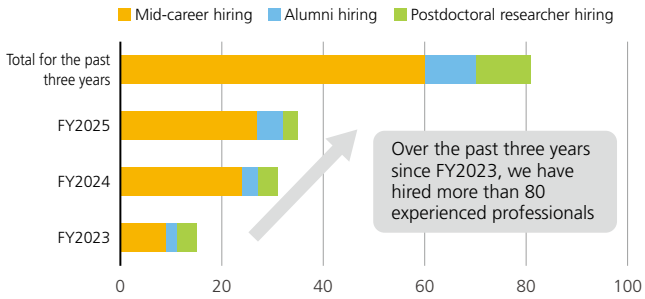
Efforts to secure human resources

In recent years, our business environment has been undergoing significant changes due to intensifying hiring competition associated with population decline, a diversification of individuals' career perspectives, and labor market mobilization. Under these circumstances, securing human resources and further empowering our employees are of the utmost importance for implementing our management strategies.

Nippon Steel is further strengthening the stable recruitment of new graduates that has been implemented so far by expanding internship programs, introducing new workshops, and increasing opportunities for plant tours and other events. We are also actively hiring postdoctoral researchers with PhD-level expertise, as well as experienced hires, including alumni hiring. Furthermore, we have been diversifying our recruitment methods since FY2024, including a new employee referral bonus. Besides, we are implementing PR measures, such as commercial messages and advertising, to raise awareness of Nippon Steel among not only student job applicants but also a wide range of age groups. In addition to these efforts, we have raised starting salaries each year since FY2024. We have also implemented salary adjustments for incumbent employees that exceed the current inflation rate for the third consecutive year.

By maintaining industry-leading compensation standards, we aim to secure human resources, promote employee empowerment, and further improve employee retention, which is one of our highest management priorities.

[Changes in the number of experienced hires]



Human Resources Development

Basic policy for human resources development

A goal of HR development is to create employees who can understand and implement our corporate philosophy and our employee action guidelines. With this in mind, each employee is expected to take the initiative in developing their own capabilities while actively engaging in the development of their subordinates.

The Nippon Steel Group's basic approach to HR development is for supervisors to mentor their subordinates, through daily dialogue on the job, transferring understanding and knowledge of criteria for judgment and of operational skills. In order for this mindset to be shared by all employees, the following Basic Policy for Human Resource Development has been adopted.

[Basic policy for human resources development]

1. HR development is the job itself, and supervisors play an important role in HR development
2. Each individual strives for continual personal improvement for further growth
3. Supervisors clearly share objectives and outcomes of HR development with their subordinates
4. OJT training is a basis of HR development and is complemented by off-the-job training (OFF-JT)

In accordance with the organizational strategy based on the corporate philosophy and management strategy, the Nippon Steel Group has established an HR Development PDCA to implement and entrench HR development effectively. A development plan is formulated for each person to conduct OJT and aligned with the supervisor-subordinate dialogue through an assignment commitment sheet. In FY2025, we revised the assignment commitment sheet and introduced one-on-one meetings between supervisors and subordinates to further enhance the effectiveness of dialogue. By improving both the quality and frequency of these interactions, we help employees proactively and autonomously develop and maximize their capabilities. Through these mechanisms, we are systematically fostering human resources capable of executing the strategies of each organization.

	Unit	FY2023	FY2024	FY2025
Number of education and training hours results	Hours/person-year [10,000hours/year]	35 [99]	33 [94]	30* [97]

* Influenced by the restructuring of domestic group companies

Developing global human resources

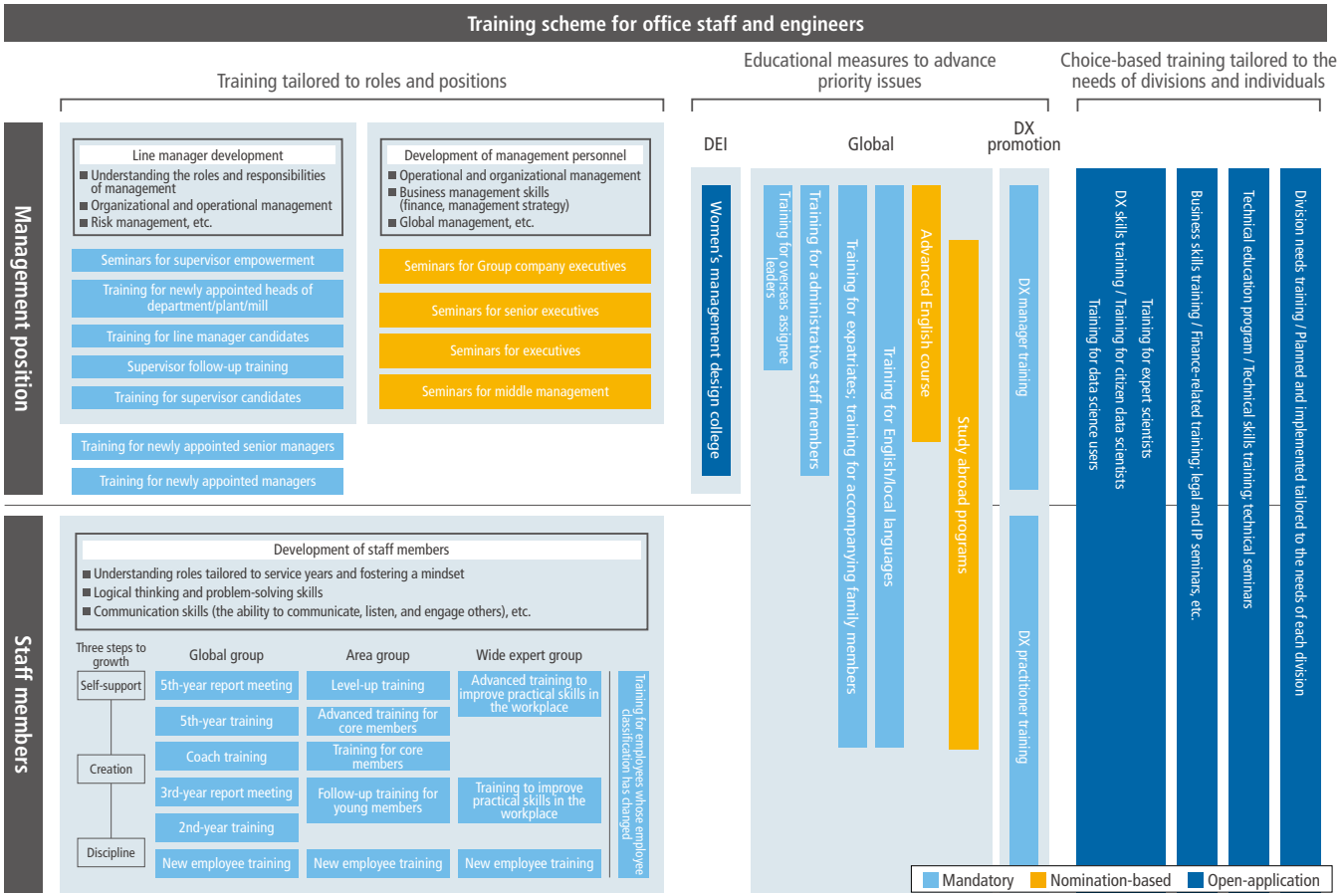
Nippon Steel is striving to expand revenue from overseas businesses by transferring the technology and know-how we have developed domestically to our overseas bases through proactive capital investment in priority regions. To steadily drive such a global growth strategy, we prioritize allocating human resources to growth areas and actively assign and deploy them in overseas businesses. We are also developing global talent through temporary overseas assignments. As part of these efforts, we have dispatched approximately 100 engineers and other employees to U. S. Steel in the United States to transfer our cutting-edge technology and know-how and develop human resources simultaneously.

Furthermore, to support these efforts, we are enhancing international education and pre- and post-overseas assignment education, including language training. We are also strengthening our foundation for global talent development by expanding overseas assignments. Approximately 400 employees are currently under overseas assignments, but we aim to increase the number further in the future. We are promoting the development of future core human resources by actively sending employees in their 20s abroad to encourage them to gain global experience early on.

DX human resources development

Nippon Steel aims to strengthen each employee's capabilities and maximize organizational performance by implementing productivity-enhancing measures, including business innovation and efficiency enhancement. As part of this effort, we are working on DX human resources development through both Data Science Education and Digital Management Education.

P.65 "DX human resources development"



Discipline: In the first few years after joining the company, thoroughly learn the basics of each specialized field. At the same time, learn professional manners and the basic skill sets required in the workplace in a real-world setting.

Creation: Consistently complete some tasks from start to finish, thereby developing professional competence. At the same time, firmly establish core expertise in respective fields.

Self-support: Gain experience in taking the initiative to carry out tasks and develop the ability to lead and unite a team. At the same time, it is important to support the development of subordinates and junior colleagues. Eventually become independent through these experiences.

Growth support

We are strengthening initiatives to enhance employees' engagement by promoting internal dialogue and communication, as well as by creating opportunities for challenge and development, such as overseas assignments for mid-career and junior employees. In addition, we are expanding our on-demand learning offerings, enabling employees to learn independently and supporting each individual's desire for growth.

As part of our allocation and development initiatives, we launched internal recruitment and entrepreneurship programs in the second half of FY2023.

Through the internal recruitment program, we support employees' career development while revitalizing the organization by facilitating the transfer of individuals with fresh perspectives and diverse skills. The internal entrepreneurship program aims not only to develop human resources through entrepreneurial experience but also to foster a culture that encourages employees to take on new challenges beyond existing frameworks.

Personnel development of operators and maintenance staff

Based on the premise of long-term employment from day one until retirement, operators and maintenance staff continuously accumulate their technical expertise and skills in steel manufacturing and maintenance, thereby providing fundamental support for our on-site capabilities. Promoting the smooth transfer of technology and skills is essential, and a system has been built to help all employees who join the company become fully skilled. Specifically, after making the skills to be acquired clear on a skills map, supervisors and subordinates discuss and prepare/implement a detailed skill development plan. Training is conducted mainly through On-the-Job Training (OJT) for individuals, and the HR Development PDCA is updated for use by repeatedly revising and implementing the development plan based on the progress of OJT.

Off-the-job training (OFF-JT), which complements individual OJT, is used throughout the Company by organizing the minimum skills and knowledge required by each rank of employees of the Nippon Steel Group into a company-wide standard system. In this process, we work on educating workplace leaders to further increase their ability to add to and improve our knowledge base from the field ("field technology") and on measures to maintain and improve the motivation of Senior employees to continue working with health and motivation. Another area we focus on is to diversify recruitment sources (female employees and mid-career recruitment). We strive to create a workplace climate in which diverse personnel can be motivated and collaborate with each other through human rights awareness and harassment prevention.

Training scheme for operators and maintenance staff
https://www.nipponsteel.com/en/csr/human/development/operator.pdf

Personnel treatment system

Nippon Steel's personnel treatment system serves as an incentive that encourages all employees to remain dedicated to their work while maintaining their desire for growth from day one until they leave the company. Through daily conversations between supervisors and subordinates, we conduct fair evaluations of each individual's abilities and achievements in a manner consistent with our personnel development initiatives, ensuring that the evaluation results will be accurately reflected in the individual's treatment each year.



Diversity, Equity, and Inclusion (DEI)

Nippon Steel is committed to creating a company where diverse employees can thrive with pride and a sense of fulfillment through our proactive DEI efforts.

Basic policy

With our basic DEI policy aimed at creating a company where diverse employees can thrive productively, maximize their potential, and do so with pride and a sense of fulfillment, we are implementing various initiatives to advance this policy as one of our key management priorities.

Our DEI-related initiatives are making steady progress while expanding and deepening. To address a broader range of challenges and needs more flexibly, we have organized these efforts into three comprehensive Base Areas, strengthening our initiatives accordingly.

Furthermore, we established the DEI Department as a dedicated team to promote these efforts, which annually reports to the Corporate Policy Committee on the progress of various initiatives, work engagement scores as a comprehensive index, and other matters.

Diverse workers and work styles

Supporting opportunities for diverse human resources to thrive

- People with disabilities
- Senior employees
- LGBTQ
- Child-rearing (men and women)
- Long-term care
- Pregnancy and childbirth

Gender equality

Closing the gender gap

- Career support
- Understanding supervisors and colleagues

Infrastructure development

Health promotion
Fostering an organizational culture and improving organizational communication (harassment prevention)
Engagement enhancement

[Status of employees (non-consolidated basis)]

	Men	Women	Total
Number of employees (March 31, 2026)	28,968	3,134	32,102
Number of new hires (April 2026)	356	79	435
Average years of service (March 31, 2026)	19.9 years	15.1 years	19.5 years
Average age (March 31, 2026)	41.7 years old	37.4 years old	41.3 years old
Turnover rate* (FY2025)	1.4%	2.3%	1.5%

* Percentage of employees resigning for personal reasons out of the total employees

Diverse workers and work styles

Reducing long working hours

To foster a workplace where diverse personnel can fully demonstrate their abilities, we are committed to reducing long working hours while managing appropriate working hours. Through these efforts, we are advancing initiatives in operational management and workstyle that lead to higher value-added outcomes with greater efficiency.

In addition, we set a goal of less than 2,000 hours as the average annual actual working hours.

Enabling flexible ways of working and taking time off

From the perspective of maximizing each individual's potential, we are improving and extending our work arrangements so that all employees with diverse attributes and circumstances can make the most of their finite time and pursue more flexible and diverse ways of working. Specifically, we have been revising our work arrangements, including using the telework program, expanding the scope of workplaces covered by the core-less flexible work system, with mandatory work hours eliminated, and enabling flexible working for employees who work shorter hours for childcare, nursing care, etc.

We have also been improving the environment by allowing our employees to take time off flexibly, depending on their individual circumstances and life stages.

We also enabled employees to take annual paid holidays in half-day increments. Furthermore, we are working to create an environment where employees can take time off more flexibly by designating specific dates when employees are encouraged to take paid holidays at each steelworks and office. At the head office, for example, we designate about five days of "eco annual leave," mainly on Fridays in August, during which we suggest that meetings and other events not be scheduled.



Concerning childcare leave, we provide subject employees with a longer period of leave than legally required. They can also take paid leave by applying their accumulated, expired annual paid leave (welfare leave). Moreover, we are implementing an initiative to individually encourage all male employees whose spouses have given birth to take parental and other child-care-related leave.

In addition, to support employees in balancing work and caregiving responsibilities, we not only offer a system designed for caregiving leave and caregiving time off, but also allow welfare leave to be used for caregiving purposes.

We also allow welfare leave to be used for childcare (extended to cover children up to high school graduation), family caregiving, absences due to personal illness, volunteer work, and infertility treatment, as well as prenatal checkups or accompanying a pregnant spouse to the hospital, pregnancy-related illness, and recurrent education (reskilling). With regard to recurrent education, there is also a system of leave of absence to pursue a degree or other studies at a university or other educational institution.

Diverse workers

Regarding the employment of people with disabilities, Nippon Steel has formulated an action plan and is systematically promoting employment and fostering a supportive work environment. In 2007, we established a special subsidiary to expand employment opportunities further.

To promote the active participation of Senior employees in response to the declining labor force, the rise of the pension eligibility age, and the need to maintain and enhance our on-site capabilities, we took the lead in raising the mandatory retirement age to 65 in FY2021. As a result, we established a continual employee treatment system (salary and bonuses) under a consistent employment arrangement that extends through age 65.

Employment rate of persons with disabilities (as of June 2026)
2.83%

Furthermore, we are working to create a work environment where employees with diverse backgrounds, including LGBTQ, can feel comfortable working. In April 2026, we introduced the "Familyship" Program, which allows employees to use internal systems regardless of their sexual orientation and family structure. In addition, we allow employees to use a preferred name that aligns with their self-identified gender in the workplace.

In the future, to accelerate efforts to maximize the effectiveness of our systems, we will encourage male employees to take longer periods of childcare leave and promote initiatives to support employees in taking leave and time off (backup workplace operations, such as multi-skilled worker training and staff replacement).

[Performance of ways of working and taking time off (FY2025)]

Average overtime hours per worker per month	25 .3 hours
Utilization of paid leave days	81.5%
Average paid leave taken	16.3 days
Childcare leave users and utilization rates	Men 952 (88%) Women 200 (100%)
Return ratio of female employees after childcare leave	99.2%
Users of the short-work hour system for childcare	305
Nursing care leave and vacation program users	34
Users of the short-work hour system for nursing care	6

Benefit programs

In order to support the various life stages of employees and enable them to achieve a good work-life balance, we are also focusing on welfare measures. We support employees' personal life with various programs: home acquisition support program, including company dormitories and housing, and a cafeteria plan (work-life support program).

Gender equality

What we have done so far

We have endeavored to establish a comfortable working environment for female employees. Specific programs include: 1) a childcare leave benefit which is more generous than legally required; 2) a program for employees who rejoin the Company after having left it because of childcare or nursing care and other reasons; 3) a leave option to assist overseas relocation of a spouse; and 4) a temporary exemption program for employees who have difficulty in relocation because of childcare or nursing care and other reasons. We have also been opening 24-hour childcare centers in steelworks and provide maternity work clothes for use by steelwork employees who are in the childbirth/childcare phase, in order to help them continue their shift work with confidence. We are also working to improve the environment including the workplace infrastructure at manufacturing sites and the work content.

Internal childcare centers	Users of internal childcare centers
(As of April 2026)	(As of April 2026)
7 locations	**131**

Based on the various programs and work environments that we have established, we have developed an action plan, which includes a numerical target for the number of women in management positions. Our aim is to support female employees to continue to demonstrate their abilities through career development, including enhancement of promotion to managerial positions.

General employer action plan, based on the Act on Promotion of Women's Participation and Advancement in the Workplace in Japan
https://www.nipponsteel.com/en/csr/human/diversity/target.pdf

	FY2024	FY2025	FY2026
Number of female employees in management positions	70	93	111

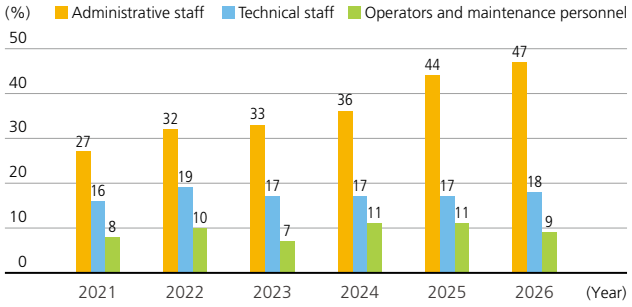
Improved hiring and retention

Aiming to further promote gender equality, Nippon Steel has been working to increase the number of women we hire. Career assessments for female employees are conducted to facilitate flexible placement and development based on the understanding of individual circumstances and to improve retention rates.

Ratios of women in overall hiring (2026)

Office staff and engineers		Operators and maintenance personnel	Total
Administrative staff	Technical staff		
47%	**18**%	**9**%	**18**%

[Changes in the ratios of women in overall hiring]



Support for employees' career development and work-life balance

We encourage female employees to develop and show their abilities by providing them with opportunities for career growth through efforts in anticipation of their various life events, and by actively promoting their advancement to managerial positions. As a training measure for the promotion of managers, we implement interactive online seminars for young employees with the aim of interacting with female senior employees, and career training for mid-level employees.

We are creating a workplace culture where work and home life are comfortably balanced by supporting all employees, regardless of gender, in various ways, including providing useful brochures explaining the relevant programs and guides for employees facing life events as well as for their managers. In addition, we provide training on unconscious bias and diversity management to managers and other supervisors.



Infrastructure development

Basic policy on health promotion

Under the philosophy set out in Nippon Steel's Basic Policy on Safety and Health, Nippon Steel aims to become a vibrant company in which all employees maintain both mental and physical health and perform at their best from the time of joining the company through retirement at age 65.

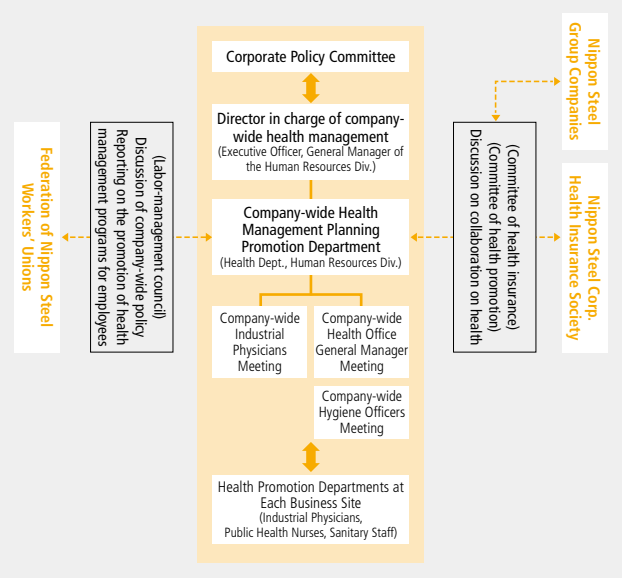
Nippon Steel's Basic Policy on Safety and Health Basic philosophy (excerpt)

Principles

1. Ensuring and maintaining the safety and health of employees of the Nippon Steel Group is the Group's most important and top-priority value, and the basis that supports business development.
2. Under the Management Principles of "developing and bringing out the best in our employees," the Nippon Steel Group makes continuous efforts to secure safety and health of our employees and continues to contribute to society through their safety and health.

April 1, 2019 Nippon Steel Corporation

[Organization for health promotion]



Promoting physical wellness

Cerebral cardiovascular disease control

We have established a unique company-wide system that enables us to assess and manage the risk of diseases based on the results of health checkups. We provide health guidance according to risk factors or control the frequency of health checkups. It is important that workers with high risk of cardiovascular disease improve their lifestyle. We are improving the implementation rate of specified health guidance aimed at improving workers' dietary and exercise habits by setting target values and promoting medical visits. We cooperate with the Health Insurance Union to achieve these goals.

Specified Health Guidance (2024)

Actual implementation rate	Target for 2025	Target implementation rate
90%		70%

Cancer disease control

Various cancer screening (including non-statutory exams) based on age and gender are incorporated in our health checkups.
In particular, regarding gastric and colorectal cancer, which are high risk diseases, we set the priority target (age and frequency for screening) based on medical evidence. We also set our target rate of screening attendance and encourage employees to take screening for early detection and treatment of cancer.

Actual rates of taking cancer examination (2025)

Gastric cancer screening	80%	Target for 2025	70%
Colorectal cancer screening	92%	Target for 2025	90%

[Examples of our health promotion initiatives]

Classification	Details
Health challenge campaign	● A company-wide measure in which individual employees works to improve their lifestyle habits over a two-month period. Ex. Take 8,000 steps a day / Have a good breakfast
Passive smoking preventive measures and non-smoking guidance	● Since April 2020, smoking in Company buildings has been prohibited (excluding designated smoking rooms) ● Implementation of guidance on how to quit smoking at the on-site clinic or other clinics or via website For employees who wish to stop smoking, an occupational health care professional will provide individual guidance

Promoting mental wellness

Aiming for each employee in the Nippon Steel Group to enjoy a vigorous life on and off the job, we provide a consulting service for prevention and early detection in the area of mental health.

We have incorporated mental health-related matters into various in-house seminars and offer education on how to recognize their own stress and how to manage it. For managers, we also offer training on how to care for their subordinates and manage their teams, and how to coordinate with corporate health care professionals (occupational physicians, health nurses, and other staff).

Moreover, we provide stress checks through a workplace stress survey every fall. Occupational health care professionals give guidance for improvement by team and individual based on stress check results. In contributing to a vigorous work environment, managers implement necessary measures according to the issues of their team or an individual, coordinating with the personnel department and the health department.

We promote mental health by identifying employees with mental health issues through consultation results obtained at the health consulting desk and the mental health e-learning and questionnaire surveys conducted during the Mental Health Improvement Month every June. Then, occupational health care professionals swiftly respond to the findings.

[Our mental health initiatives]

Classification		Details
Prevention	(Self-care)	● Training for new and young employees to make them aware of their stress levels by offering stress checks
	(Line manager care)	● Workplace analysis of stress check to help employees become aware of their stress ● Support from supervisors or colleagues ● Training for managers
	(Care by occupational health care professionals)	● Providing mental health education program by occupational health care professionals
Early detection		● Screening to identify those in poor condition during regular health checkups ● Screening of highly stressed employees via stress checkups ● e-learning to identify those who wish to be consulted ● Establishment of a permanent internal health counseling desk
Support for employees' return to jobs and prevention of recurrence		● Support for employees' return to jobs based on the return-to-work program ● Re-designing of work assignments for a smooth return to the workplace ● Regular interviews with occupational health care professionals after return to the workplace

Prevention of harassment

We are strengthening efforts to prevent harassment in order to create a work environment where diverse human resources can fully demonstrate their abilities.

We have clarified our internal policies, created and disseminated leaflets to inform and educate all employees, and repeatedly provided harassment education during training at employees' milestones for new employees to managers. In addition to these initiatives, we have conducted a Harassment Prevention Campaign every December since FY2020. As part of the Campaign, we are conducting e-learning sessions for all employees from executives down, as well as workplace discussions focused on specific themes, such as fostering an open and communicative work environment.

We set dedicated consulting and whistle-blowing desks for employees who face harassment.

The consulting or whistle-blowing desk responds to individual cases while taking care not to disadvantage the employees for whistleblowing or cooperation. After investigating and confirming the existence of an incident, we take strict measures in accordance with employment rules and other regulations.

Respect for Human Rights

In line with our basic policy of respecting human rights, Nippon Steel is working to create a corporate culture and workplace environment to prevent human rights violations.

Basic policy

Under the Universal Declaration of Human Rights and other international norms on human rights, the Nippon Steel Group is committed to creating and delivering rich value by respecting our employees' diverse perspectives and also utilizing their individuality through effective communication and collaboration. In accordance with the Nippon Steel Group Conduct Code, which was established based on the United Nations Guiding Principles on Business and Human Rights with our social responsibility in mind, Nippon Steel conducts business activities with a strong sense of ethics, while fully considering human rights issues associated with the increasing globalization of the economy. Respect for all human rights, including the protection of workers' rights and the elimination of forced labor and child labor, is fundamental to corporate activities. Our Group is committed to eliminating unfair discrimination based on nationality, race, religion, thought and creed, gender, age, sexual orientation, disability, or other factors. In addition, we give careful consideration to the traditions and culture, business practice, and labor practice of each country or region as we accelerate overseas business development.

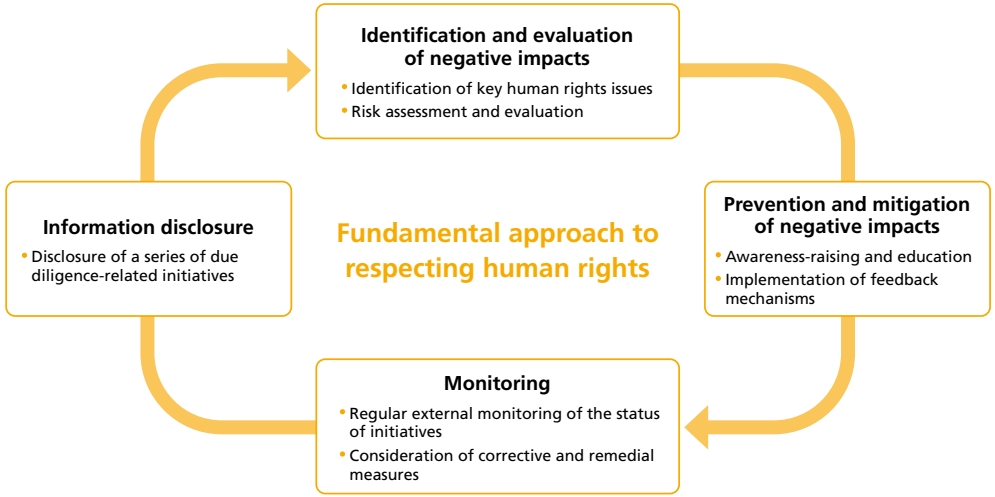


Informal gathering of employees of overseas operating companies and our employees

The Nippon Steel Group has established the Nippon Steel Group Human Rights Policy to demonstrate this corporate stance within and outside the Group. This policy has been approved by the Board of Directors of Nippon Steel Corporation.

Nippon Steel Group Human Rights Policy
https://www.nipponsteel.com/common/secure/en/topics/pdf/20240401.pdf

Efforts to prevent human rights abuses



<Response to parties inside and outside our Group>

Conduct human rights due diligence

Based on the establishment of the Human Rights Policy effective April 1, 2024, we have established a human rights due diligence system to identify negative impacts on human rights*1, prevent or mitigate them, and are working on continuous implementation and improvement. Specifically, we conducted supplier surveys*2 in questionnaire format*3 for the mining sector, covering five companies in FY2024 and 25 companies in FY2025. After analyzing and checking the response details and the information disclosed by each company, we provide feedback on the survey results to the responding suppliers and offer follow-up materials to suppliers whose issues were identified. We then engage in dialogue regarding each company's future initiatives.

In FY2026, we will conduct another follow-up questionnaire survey for suppliers that we believe require further improvement in their initiatives. Furthermore, aiming to further expand the scope of suppliers subject to human rights due diligence, we plan to conduct a screening to identify target suppliers, considering their product categories, countries of manufacture, and the portion of our total purchase amount.

*1 Risks related to forced labor, child labor, and occupational health and safety
*2 Suppliers were selected based on factors such as the portion of our total purchase amount, product category, and country of origin
*3 The questionnaire was prepared with reference to the UN Global Compact

Dialogue with stakeholders

Nippon Steel strives to promote dialogue and discussion with internal and external stakeholders regarding human rights initiatives in our business activities. In 2025, we held human rights workshops with some business partners, including overseas energy companies. During this dialogue, we exchanged views on the human rights response expected of suppliers and on our initiatives for human rights due diligence. Our initiatives were highly praised, and we shared a common understanding of the importance of addressing human rights issues through collaboration with our suppliers.

<Response to parties inside the Nippon Steel Group>

Addressing human rights risks

To promote human rights awareness, we have assigned human rights awareness advocates at each steelworks and office to implement corporate-wide human rights awareness activities. We hold a Corporate-wide Forum of Human Rights Awareness Advocates at the end of each fiscal year to exchange views on human rights awareness education and emerging human rights risks, and to consider the corresponding action plan for the next fiscal year. Based on this, we hold a Corporate-wide Human Rights/Anti-Discrimination Promotion Forum at the beginning of the fiscal year, chaired by the Executive Officer in charge of Human Resources, with the human resources managers from each steelworks and office as members. At this forum, the fiscal year's policy for promoting human rights development is determined.

In addition to implementing human rights awareness activities in accordance with the policies decided at the forum, each steelworks and office actively engages in employee awareness-raising activities, including workshops on specific issues within the steelworks or offices. We also participate in human rights enlightenment organizations and their activities hosted by public entities and others in each community. We make concerted efforts for human rights enlightenment within the communities.

In addition, Nippon Steel is deploying our initiatives horizontally across Group companies both in Japan and overseas. We also conduct regular monitoring surveys using an internal control checklist to assess compliance with labor laws and regulations and the establishment of consulting desks.

Through these efforts, we are continuously and systematically promoting activities to prevent human rights abuses. These include understanding human rights risks that change with the times and developing a system and strategy to reduce them.

Prevention of forced or child labor

Adhering to international norms concerning forced or child labor, Nippon Steel has a policy of prevention and eradication of both types of labor. We comply with applicable regulations and conduct regular monitoring surveys of our Group companies to prevent such violations in our business activities.

Compliance concerning salaries

We comply with the laws and regulations of each country and region regarding wages, including minimum wages, overtime pay, and equal pay for equal work. In addition, we are committed to paying workers a living wage that is necessary to maintain an adequate standard of living. Regarding bonuses, we regularly review relevant matters, including the status of each country, region, and type of work; hold meetings with labor representatives; and appropriately reward employees, taking into account business conditions and performance.

Human rights awareness education

Based on the policy decided at the Corporate-wide Human Rights/Anti-Discrimination Promotion Forum, information on human rights awareness is incorporated into training courses for each rank, from new employees to experienced ones. We also provide education on a variety of subjects, including harassment and discrimination, LGBTQ understanding, and human rights issues in the conduct of our business.

Two-way communication with employees based on good labor-management relations is important to prevent human rights abuses. We therefore incorporate education to build sound labor-management relationships into the training of executives of the Company and Group companies.

In addition to comprehensive training aimed at fostering a culture and workplace environment that helps prevent these human rights abuses, we are committed to the following: 1) education for recruitment staff on fair hiring practices from the perspective of preventing employment discrimination, 2) education for cross-cultural understanding, communication, and other aspects for expatriates from the viewpoint of preventing human rights abuses in overseas operations (consideration for each country's unique traditions, culture, business practices, labor-management practices, etc.), 3) education for procurement staff on CSR procurement (such as respect for human rights of suppliers), and 4) education on the risk of human rights abuses in specific work activities.

The number of recipients of training courses by rank on human rights (FY2025 results)

5,085

Mechanism of corrective actions

We have clarified consulting desks on various compliance issues, including human rights. This is part of the effort to establish a group-wide claims-handling mechanism that makes it easy for employees and related personnel to seek consultation and enables the Company to understand and identify incidents of human rights abuse.

Specifically, we established and operate a Compliance Consultation Room to receive whistleblowing reports and consultations regarding human rights abuses, such as harassment, from employees of the Company and its Group companies, as well as their families. We also receive whistleblowing reports and consultations from various stakeholders via an inquiry form on our website. In response to these individual incidents, such as internal whistleblowing and consultations, we investigate the facts and, if necessary, seek advice from outside parties, including lawyers and professional organizations, to protect individuals' privacy and ensure they do not receive unfavorable treatment. We then provide guidance and education to those involved, striving to resolve the incidents appropriately. In the event that a target for correction or remedy is identified, we strive to take appropriate measures, and periodically check and verify the effectiveness of the measures through checklists and other means.

[Inquiry form concerning human rights]

- Consultations in Japanese
  bhr_contact@jp.nipponsteel.com
- Consultations from overseas or in English
  https://jacer-bhr.org/en/application/form.html

Labor-management relations play an important role in preventing human rights abuses and seeking a solution when an incident occurs. Therefore, in the event of a dispute regarding the interpretation or application of a labor agreement, a labor-management agreement, or any rules directly related thereto, the Company and the labor union have a mechanism to resolve the dispute by establishing a grievance committee composed of representatives from both parties in accordance with the agreement on the grievance procedure concluded with the labor union.

Coexistence with Communities

Nippon Steel has many manufacturing bases all over Japan and is engaged in business activities rooted in each local community. In accordance with our attitude of maintaining harmony with local communities and society, we are promoting a wide range of activities, including the promotion of environmental preservation, support in education, sports, and music culture, and holding dialogues with shareholders and investors.

Participation in activities of the "Mori wa Umi no Koibito" NPO

We are also a regular corporate member of the NPO Mori wa Umi no Koibito, established in Kesennuma City, Miyagi Prefecture, by the late Mr. Shigeatsu Hatakeyama, who received the Forest Heroes award from the United Nations in 2012.

The NPO's activities are based on a scientific mechanism according to which the ecological linkage of forests, villages, and the sea nurtures the blessings of the sea forest. In other words, forestation leads to an increase in iron-humic acid that flows down rivers, and which in turn improves ecosystems around river mouths and enriches ecosystem services, including the growth of oysters and scallops.

Since 2012, we have participated in the NPO's tree planting activity at Murone Mountain in Iwate Prefecture. In 2026, employees of Nippon Steel participated in the 38th round of tree planting activity.



Tree planting activity

Acceptance of teachers

We participate in the "Private Sector Training Program for Teachers" organized by the Japan Institute for Social and Economic Affairs, and every year we invite teachers from elementary and junior high schools in various regions to visit our production line, introduce our efforts in human resource development and environmental activities, and provide safety education using VR.

In fiscal 2025, we welcomed 81 teachers at 6 manufacturing sites.



Training at East Nippon Works Kimitsu Area

On-site classes

Our staff at each steelworks go to nearby elementary schools to provide on-site classes.

At the Kyushu Works (Oita Area), science experiment classes were provided to a total of 392 students across five neighboring elementary schools in FY2025.



On-site class operations at the Kyushu Works Oita Area

Social interaction at festivals

Each steelworks holds a steelworks festival jointly with the local community. Factory tours and many other events are held, and many people, including steelworks employees and their families, and local residents have a wonderful time every year.

We also actively participate in communities' festivals.



Tokai Autumn Festival (Nagoya Works)



Muroran Nerikomi Festival (North Nippon Works, Muroran Area)

Community cleanup activities

Various cleaning activities are carried out in the vicinity of each steelworks. On June 28, 2025, the Kansai Works, Wakayama Area conducted a cleanup at Isonoura Beach, a popular destination in Wakayama Prefecture, collecting litter from the beach and surrounding areas and removing washed-up debris. More than 200 employees and their family members participated in the cleanup on that day.



Wakayama coastal cleanup

Steelworks plant tours

As one of the ways to enhance dialogue with shareholders, institutional investors, and residents in local communities, we regularly hold business strategy briefing sessions and visits to steelworks in various areas.

In fiscal 2025, approximately 90,000 people visited our steelworks.



Steelworks plant tours

Sports events

The Kansai Works Osaka Area (Amagasaki) hosted the 5th Nippon Steel Victory Cup Junior High School Girls' Volleyball Festival on September 27 and 28, 2025, with approximately 550 participants from local schools. Various other sports tournaments are also held at other steelworks.



Volleyball festival held at the Kansai Works Osaka Area (Amagasaki)

Activities supporting sports as a form of social contribution

Nippon Steel manages or supports sports teams in disciplines such as judo, baseball, soccer, rugby, and volleyball, each deeply rooted in the local communities of its steelworks. These teams also contribute to their communities through various sports classes for children, coaching of junior teams, and making our athletic facilities available to local residents for games and training.



Nippon Steel Kamaishi Seawaves

Support of music culture

Nippon Steel actively supports music culture, particularly through the work of the Nippon Steel Arts Foundation. The Foundation manages the Nippon Steel Kioi Hall in Tokyo, organizes performances of its resident chamber orchestra, and promotes traditional Japanese music. We also present the annual Nippon Steel Music Awards, which were established in 1990, to young classical musicians and individuals who have contributed to the development of classical music.



Nippon Steel Kioi Hall