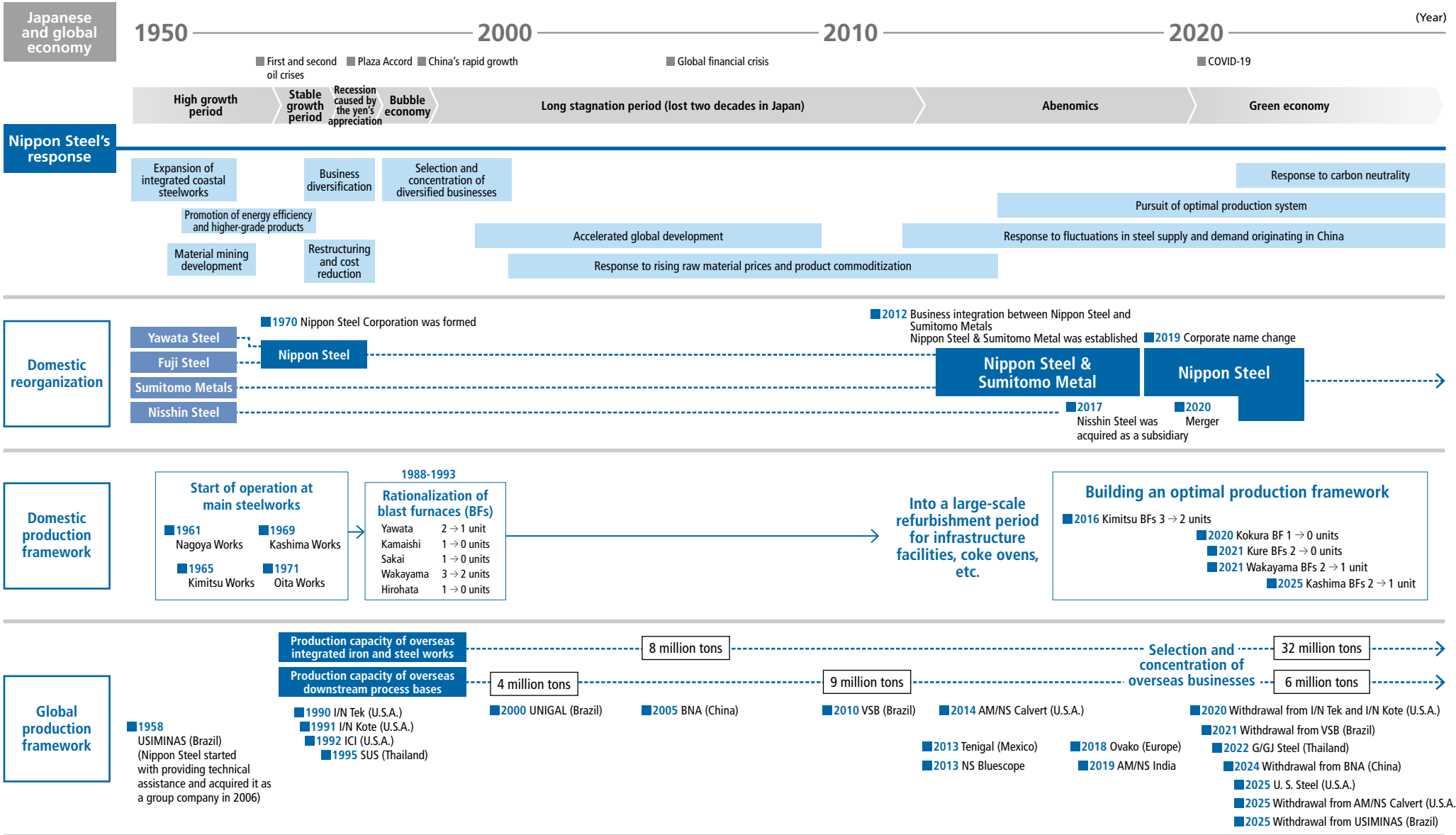
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History of Our Development

The Nippon Steel Group has driven its growth by aligning with the expanding applications and demand for steel, a foundational material essential to people's lives. Dedicated to overcoming crises caused by recent changes in the external environment, we proactively anticipate changes and initiate self-reform. As the world's leading steelmaker, we are committed to pioneering the future of steel while striving to maximize our corporate value.



Overview of the Group's Businesses

The Nippon Steel Group's business structure consists of steelmaking, system solutions, chemicals and materials, and engineering.
The steelmaking and steel fabrication business covers the upstream and downstream of the steel industry value chain, as well as domestic and overseas markets.
Nippon Steel Corporation, the operating holding company, is engaged in the core parent company steel business, while group companies handle steel group companies, which comprise functional, trading, secondary processing, electric arc furnace, overseas steelmaking business, and raw materials business.
The "three non-steel companies" engaged in the system solutions, chemical and materials, and engineering perform a supporting function in Nippon Steel's value chain of the steelmaking business and also operate businesses outside the Group by utilizing the technologies, products, and services that have been cultivated in the value chain.
We share important strategies throughout the Group and aim to maximize the value of the Group.

Segment	Domestic / Overseas		Business overview	Number of Group companies		Number of employees (consol.)
Steelmaking business	Domestic	1 Parent company steel business	Steel products manufactured at Japan's seven steelworks are sold in domestic and export markets. This is a core business of the Nippon Steel Group as these mother mills efficiently produce high-grade steel for contributing to solving social issues.	1 company <Nippon Steel Corporation>		32,102
		2 Other group companies	Other group companies support the steelmaking and steel fabrication business, from upstream to downstream in a variety of areas in the steel industry's value chain and enhance the value of these businesses. They consist of "functional" (equipment and construction, materials and equipment, subcontractors, slag recycling) companies, "trading" companies, and "secondary processing", and "electric arc furnace" steel companies.	<NS Texeng, Nippon Steel Trading, NS Coated Sheet, Osaka Steel, etc.>	521 companies	87,345
	Overseas	3 Overseas steel business	We have crude steel production capacity of 38 million tons and steel production capacity of 48 million tons at overseas manufacturing bases across some 40 consolidated subsidiaries and equity-method affiliates in at least 16 countries. We operate under two business models: integrated iron and steel works and downstream processing bases.	Consolidated subsidiaries <U. S. Steel, G/GJ Steel, NS-SUS, etc.> Equity method affiliates <AM/NS India, etc.>		
		4 Raw materials business	We have invested in mines that produce iron ore, coking coal, and other raw materials used in the steelmaking business. This business supports the stability of the earnings structure by securing stable procurement of high-quality raw materials and mitigating the impact of fluctuations in raw material market prices on consolidated results.	Iron ore: Robe River, etc. Coking coal: EVR JV, Blackwater, etc.		
System solutions business	Domestic	5 Three non-steel companies	With a track record of supporting large-scale steelworks operations 24 hours a day, 365 days a year, this business provides optimal, stable systems using cutting-edge IT to a wide range of customers in manufacturing, as well as in finance, distribution, and the public sector.	28 companies <NS Solutions, etc.>		10,398
Chemicals & materials business			In addition to the coal chemicals business, by recycling by-products generated in the steelmaking business, we will contribute to the realization of a prosperous society and the well-being of the global environment through advanced chemical and material technologies in the chemicals business and the functional materials business.	19 companies <Nippon Steel Chemical & Material, etc.>		3,277
Engineering business			We support infrastructure in Japan and overseas in a variety of fields, including the construction of plants related to the environment and energy, skyscrapers, and huge steel structures.	36 companies <Nippon Steel Engineering, etc.>		5,331
Total				606 companies <Nippon Steel, 493 consolidated subsidiaries, 112 equity method affiliates>		138,453

1 Parent company steel business

The parent company steel business, which is the core business of our Group, is directly operated by Nippon Steel Corporation, an operating holding company. Through enduring partnerships with our customers, we have developed the world's most advanced product and solution-providing capabilities, cultivated by responding to our customers' demanding requirements. In addition, we have our large-scale blast furnaces, coastal steelworks, and also exceptional facilities and operating technologies, which have established an efficient and reliable production and supply system for high-grade steel. Our objective is to transform into a carbon-neutral steel product manufacturing process by 2050.

Value delivered by the steelmaking business

Compared to other materials, steel is used in a broader range of applications and significantly larger quantities. From large to small applications, steel is intricately woven into every facet of society, undoubtedly asserting its dominance as the most important material.

Steel products offer a wide variety of properties and unlimited potential. Steel can be tailored to meet specific requirements to achieve a range of properties, such as strength, formability, weldability, or corrosion resistance. This can be done by adding small amounts of alloying elements, such as manganese and vanadium, controlling the crystal structure through heat treatment, or applying zinc and tin plating. Steel products that exhibit these properties are referred to as "high-grade steel."

High-grade steel helps create value for customers in their steel processing operations. Its multiple benefits include weight reduction, omission of work processes, increased material yield, extended product life, and elimination of hazardous substances and maintenance. These outcomes help address social challenges such as achieving carbon neutrality, reducing environmental impact, ensuring safe and healthy living conditions, and strengthening national resilience.

Nippon Steel is at the forefront of the world's steelmakers, with leading technology in the field of high-grade steel.

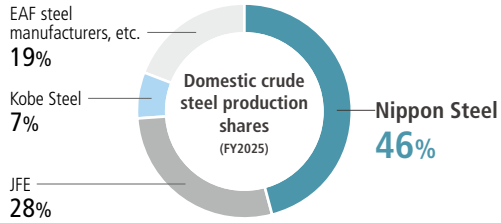
Production shares

Nippon Steel is Japan's top steelmaker, dominating roughly half of the market.

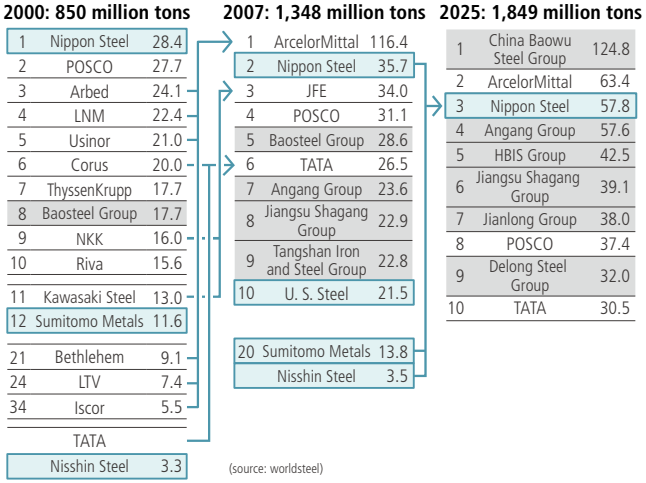
Globally, the former Nippon Steel held the No.1 share of crude steel production from 1970 to 2000 (except in 1998 and 1999). However, Nippon Steel fell to the world's third-largest steel producer in 2025 amid global steelmakers' consolidation and restructuring, as well as the rise and consolidation of Chinese steelmakers, driven by the rapid expansion of China's steel demand and production capacity.

We no longer aim to become the world's largest steelmaker in scale, but "become the best steelmaker with world-leading capabilities" based on "technology," "cost," and "global player."

[Domestic crude steel production shares]

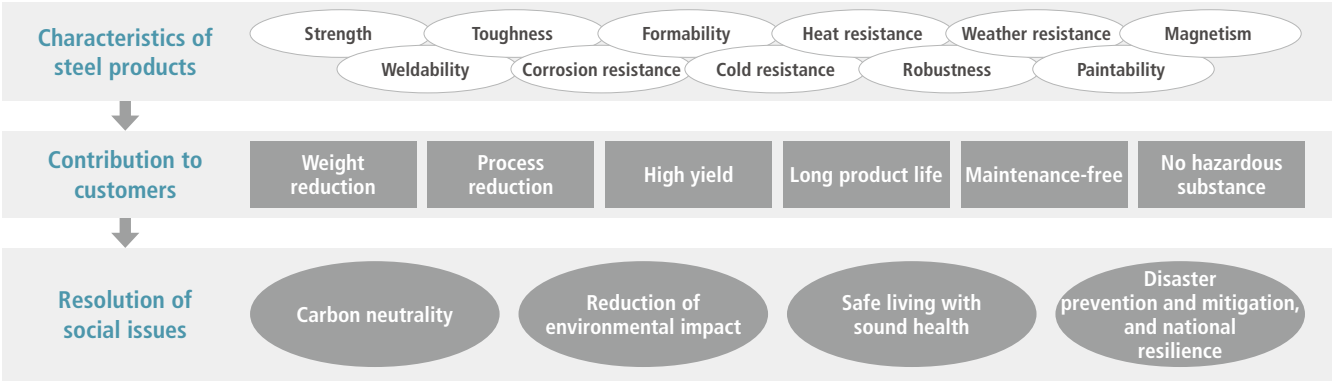


[Reference: World ranking in crude steel production volume]



(source: worldsteel)

[Impact of high-grade steel supply on solving social issues]



Sales

Product expertise honed by working with customers in a variety of fields

Nippon Steel's domestic and export sales are about 60% from the manufacturing sector and about 40% from the civil engineering and construction sector. Its sales to the automotive industry account for as much as 30% of its total sales to the manufacturing sector. The proportion of sales to specific customers, which is based on long-term business relationships with our customers, is relatively high among sales contracts for the manufacturing industry.

Nippon Steel conducts collaborative research and development with our customers, built on long-term trust. We are meeting our customers' needs not only by developing and manufacturing high-grade steel with superior functions but also by providing solutions, including part designs and processing methods, as well as simply offering raw materials. Moreover, we strive to be a partner that creates value for our customers by establishing overseas supply networks for steel products to support their global expansion.

In an effort to satisfy the needs of customers in Japan's internationally competitive manufacturing industry, Nippon Steel has developed product technology and solution-providing capabilities for high-grade steel, as well as a global production framework that has supported customers' global expansion. All of these represent Nippon Steel's strengths.

Strong presence in growing Asia

Of the steel products Nippon Steel manufactures in Japan, roughly 50 to 60% are shipped for domestic use, with the remaining 40 to 50% exported to overseas markets. About 60% of the steel products we export head for Asian countries, including South Korea, China, and Taiwan, as well as ASEAN countries. Our geographical proximity to the Asian market, where steel demand is expected to continue growing, is one of our strengths.

Types of steel sales contracts

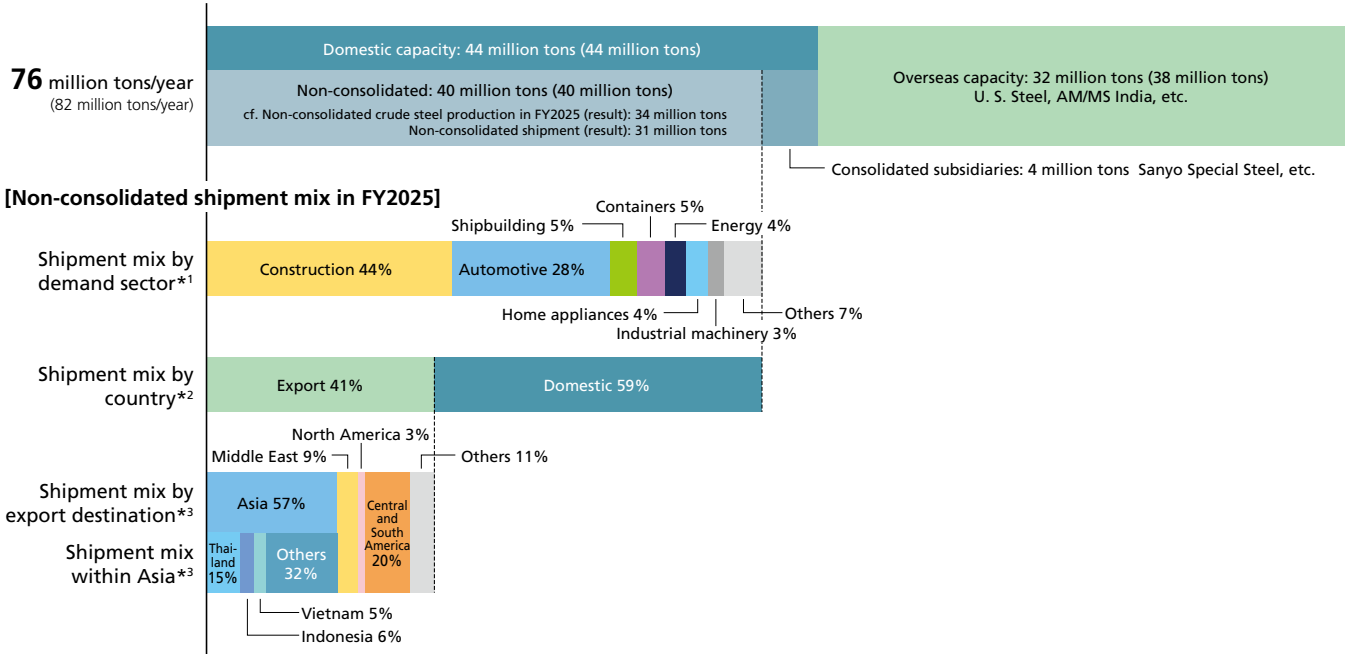
Steel sales contracts with customers are broadly classified as "sales to specific customers type" and "distribution sales type."

In "sales to specific customers" sales, each customer gives a steelmaker a specific order (with a contracted price, volume, specifications, etc.) Nippon Steel receives the order, then produces and sells the steel product to meet the specifications and needs. A trading company is acting as an intermediary for the contract. The selling price of the steel product is determined through direct negotiations with the customer.

In "distribution sales", a steelmaker sells steel products to a distributor or trading company without specifying end customers. The distributor or trading company stocks steel products at its own risk. It then sells the products through its own sales efforts, taking market conditions and other factors into account.

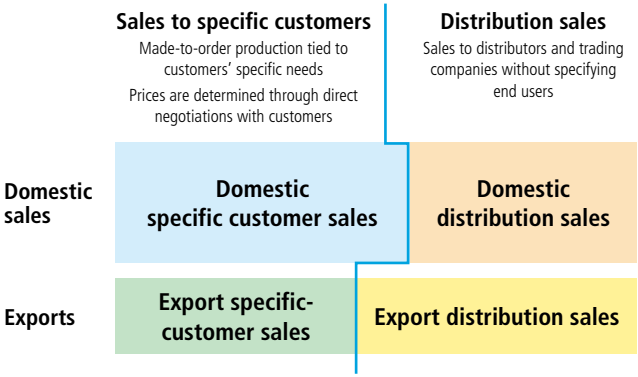
[Global crude steel production capacity at the end of FY2025]

Simple aggregate production capacity of consolidated subsidiaries + Attributable production capacity of equity-method affiliates (30% or greater ownership interest)
( )Production capacity including equity-method affiliates on a simple aggregate basis



*1 Based on non-consolidated order volume in FY2025 (excluding semi-finished products) *2 Based on non-consolidated sales in FY2025 *3 Based on non-consolidated shipment volume in FY2025

[Nippon Steel's types of steel sales contracts]



Production

Steel product manufacturing process

The steelmaking process is divided into the "upstream process," in which iron ore is melted and reduced at high temperatures and then solidified, and the "downstream process," in which the reduced metal is fabricated into products of the shapes and properties tailored to the needs of customers.

Upstream process (ironmaking process)

The upstream process consists of the pig-iron-making process, centered on a blast furnace that produces pig iron, and the steelmaking process, which produces steel products with diverse material properties from pig iron, scrap, alloys, and other raw materials. Because of their massive scale, upstream processing facilities require vast tracts of land to accommodate raw material receiving, energy supply, and by-product treatment, therefore requiring a huge initial investment. A blast furnace is a piece of equipment that continues to operate 24 hours a day, 365 days a year, for roughly 15 to 20 years after its "blowing-in" or the start of operation, with the exception of a few days of "blowing-down" several times a year. For this reason, many steel manufacturing facilities operate 24 hours a day in a 4-crew 3-shift system.

Downstream process

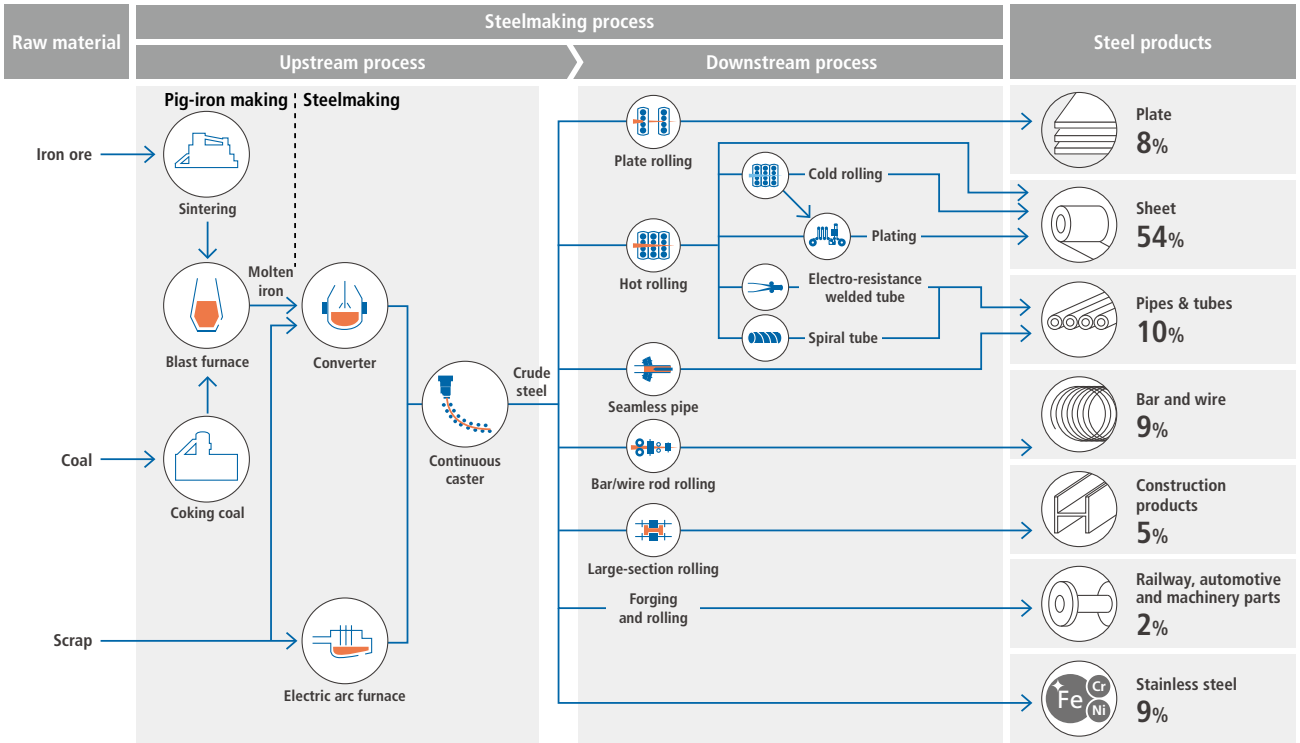
The downstream process is divided into rolling, plating, finishing, and inspection to manufacture products that meet our customers' specific requirements and quality standards.

Domestic manufacturing bases for efficient production of high-grade steel and R&D bases

In Japan, Nippon Steel operates 14 manufacturing bases across seven steelworks, some of which are operated by Group companies and are engaged in electric arc furnace steelmaking and secondary processing of steel products. The Group's domestic crude steel production capacity totals approximately 44 million tons per year.

At each steelworks and three large-scale R&D Centers in Japan, Nippon Steel has a framework that enables practical use of advanced technologies through equipment improvements aligned with our manufacturing sites and product development aligned with our customers, while leveraging research results from the R&D Centers. Our manufacturing bases and R&D bases have worked side by side with our customers for many years and will continue to do so. These bases drive our continual value creation in developing operational, equipment, product, and decarbonization technologies, which are our strengths. They are our "mother mills," the foundation for creating value as we expand our global operations.

[Steel product manufacturing process]



Efficient, high-grade steel production at large-scale blast furnace-based, coastal integrated iron and steel works

Nippon Steel's blast furnace-based, integrated iron and steel works in Japan are all located in coastal areas, which suits importing raw materials and exporting products in large quantities. Each integrated iron and steel works is designed to efficiently lay out everything from unloading raw materials to upstream and downstream processes, finished-product warehouses, and shipping docks. A blast furnace is a core facility in the upstream process. Nippon Steel currently operates ten blast furnaces (as of the end of FY2025), most of which are highly productive, super-large blast furnaces. Oita No.1 and No.2 blast furnaces are among the world's largest at a capacity of 5,775m^3. The average furnace capacity of these ten is approximately 4,800m^3.

The large-scale blast furnace-based, coastal integrated iron and steel works we operate are of a high-efficiency production model, originated in Japan. Our domestic manufacturing bases have achieved high productivity, cost competitiveness, the mass production/stable supply of high-grade steel, and enhanced quality levels by leveraging long-accumulated operational and equipment technologies based on the model of large-scale blast furnace-based, coastal integrated iron and steel works that we developed for the first time in the world.

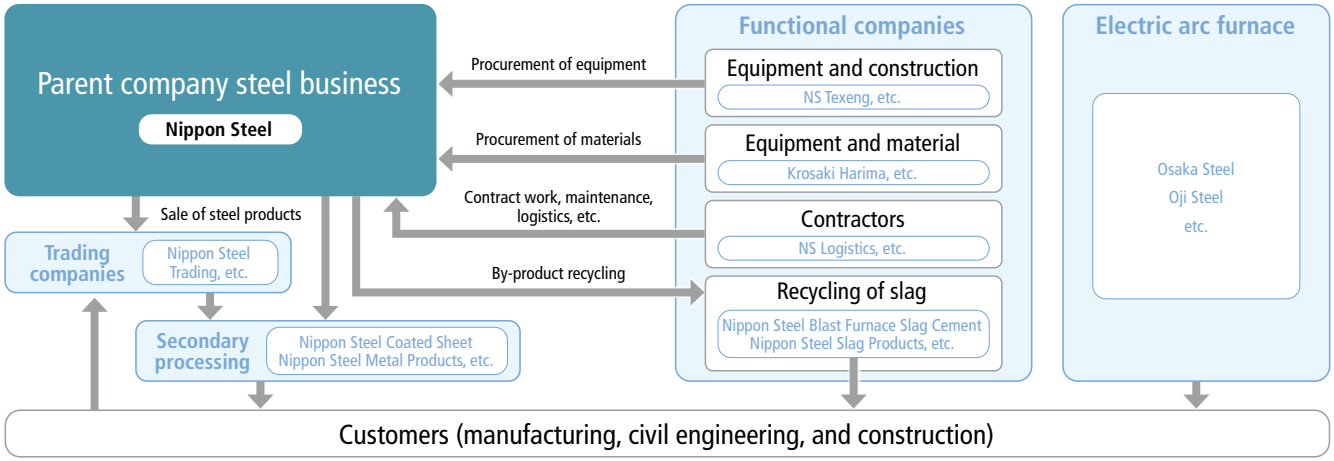
Top-runner approach for continuous technology level improvements

Nippon Steel uses a PDCA system to improve its technical performance through the "top-runner approach," in which each steelworks shares its operational and technical KPIs daily and monthly and horizontally transfers best practices across all manufacturing sites. With each steelworks connected via a common equipment management system, we share enormous amounts of information, such as failure occurrence rates, part service life, and construction schedules utilizing DX technology, thereby achieving more efficient, optimal maintenance and repair operations.

2 Other Group Companies

Other group companies support the parent company steel business and drive its value creation across the steelmaking supply chain, from upstream to downstream. As with Nippon Steel, these companies have achieved stable earnings by strengthening their structure through reorganization and integration, consolidation of equipment, and spread improvements. We have strengthened corporate structures to create synergies by reorganizing our domestic steel group companies and maximizing the Group's overall strength, including transforming strategic companies into wholly owned subsidiaries, absorbing and merging them, and integrating group companies. As part of this initiative, we merged with Nippon Steel Stainless by absorption in April 2025. Furthermore, in April 2026, we made Krosaki Harima a wholly owned subsidiary. In May 2026, we decided to merge with Sanyo Special Steel by absorption to expand synergies in the bar and special steel business.

[Value chain of the steelmaking business and other group companies]



Functional companies (focusing on materials, equipment and construction, operation, maintenance and logistics, by-product recycling)

A group of companies responsible for production, logistics, maintenance, and other functions supports steelworks operations.

Major functional subsidiaries	Nippon Steel's ownership	Business domain
NS Texeng	100%	Engineering, maintenance, and operation of machinery, electrical instrumentation, systems, and construction of steel production facilities
Krosaki Harima	100%	Manufacture and sale of all refractory materials, design, installation, spare part manufacture, and repair of various kiln furnaces
NS Logistics	100%	Coastal shipping, in-plant handling and contracted work, port transportation, warehousing, truck transportation, and customs services
Nippon Steel Technology	100%	Material evaluation and analysis, instrumentation and inspection, intellectual property-related services, human resource development support, and related services
Nippon Steel Slag Products	100%	Manufacture and sale of steel slag products
Nippon Steel Blast Furnace Slag Cement	90%	Manufacture and sale of cement, steel slag products and quicklime products

Trading companies

Nippon Steel Trading serves as the core trading company of the Nippon Steel Group. The company became a subsidiary in April 2023 and a privately held company in June of the same year, further strengthening collaboration with Nippon Steel.

Major trading subsidiary	Nippon Steel's ownership	Business domain
Nippon Steel Trading	80% (80%)	Sales, exports, and imports of steel products and other products

( ) Percentage of voting rights

Secondary processing

We manufacture and sell higher-value secondary-processed products, mainly from steel materials manufactured by Nippon Steel, to meet end customers' needs by leveraging the Group's advanced technical capabilities.

Major secondary processing subsidiaries	Nippon Steel's ownership	Business domain
Nippon Steel Coated Sheet	100%	Galvanized sheet, colored galvanized sheet, coated steel sheet, construction materials
Nippon Steel Metal Products	100%	Construction materials, civil engineering materials, colored galvanized sheet
Nippon Steel Drum	100%	Drums
Nippon Steel SG Wire	100%	Piano wire, coated wire, oil tempered wire
Nippon Steel Welding & Engineering	100%	Welding materials, plasma devices, optical fiber products
Nippon Steel Stainless Steel Pipe	100%	Seamless stainless steel pipes
Nippon Steel Bolten	85% (85%)	High-tension bolts, etc.
Nippon Steel Processing	64.9% (68.3%)	Steel wire for cold heading, hard steel wire, high carbon chrome bearing steel wire

( ) Percentage of voting rights

Electric arc furnace

The electric arc furnace (EAF)-based steelmakers of the Nippon Steel Group manufacture and sell distinctive products and have top-class competitiveness in their respective fields.

Major EAF steelmaking subsidiaries	Nippon Steel's ownership	Business domain
Nippon Steel Structural Shapes	100%	Manufacture and sale of H-beams
Osaka Steel	39.7% (56.1%)	Manufacture and sale of equal angle, channel, I beam, round bar, deformed bar, joints for reinforcing bar, rails, elevator guide rails, rim bar, colored angle, etc.
Oji Steel	52.9% (52.9%)	Manufacture and sale of flat bar, square bar, and steel blocks

( ) Percentage of voting rights

3 Overseas Steel Business

Nippon Steel is building a framework to ensure capturing local demand by extending the strengths cultivated in Japan-based "mother mills" to overseas sites and by expanding its integrated manufacturing bases and downstream process bases in the centers of demand, such as "regions where demand is expected to grow" and "sectors in which our technologies and products are appreciated." Currently, the Nippon Steel Group's total production capacity at its overseas manufacturing bases is approximately 32 million tons/year for crude steel and 38 million tons/year for steel products.

Capturing local demand in growing regions

Global steel demand is expected to continue to grow at a moderate pace. Steel demand is expected to grow steadily, especially in large, high-growth Asian markets (India, ASEAN countries, etc.), driven by infrastructure development, urbanization, and industrialization in the automotive and other industries. Furthermore, demand for high-grade steel to address social challenges is expected to continue rising, especially in developed countries.

To meet this overseas demand, we not only export high-grade steel products from Japan but also establish overseas production bases in regions where demand is expected to grow steadily and in sectors where we can leverage our technological and product strengths. These include 1) local production bases for downstream processes such as cold rolling and plating, and 2) integrated iron and steel production bases covering upstream processes (blast furnace, electric arc furnace) through downstream processes (rolling, etc.).

We are developing our overseas steelmaking business in several locations, focusing on the United States, where the high-grade steel market will continue to grow, Europe, a mature high-grade steel market, India, where demand is growing, and Thailand, our home market. As insiders in these markets, we will contribute to their economic growth and address their social issues.

Integrated iron and steel production bases

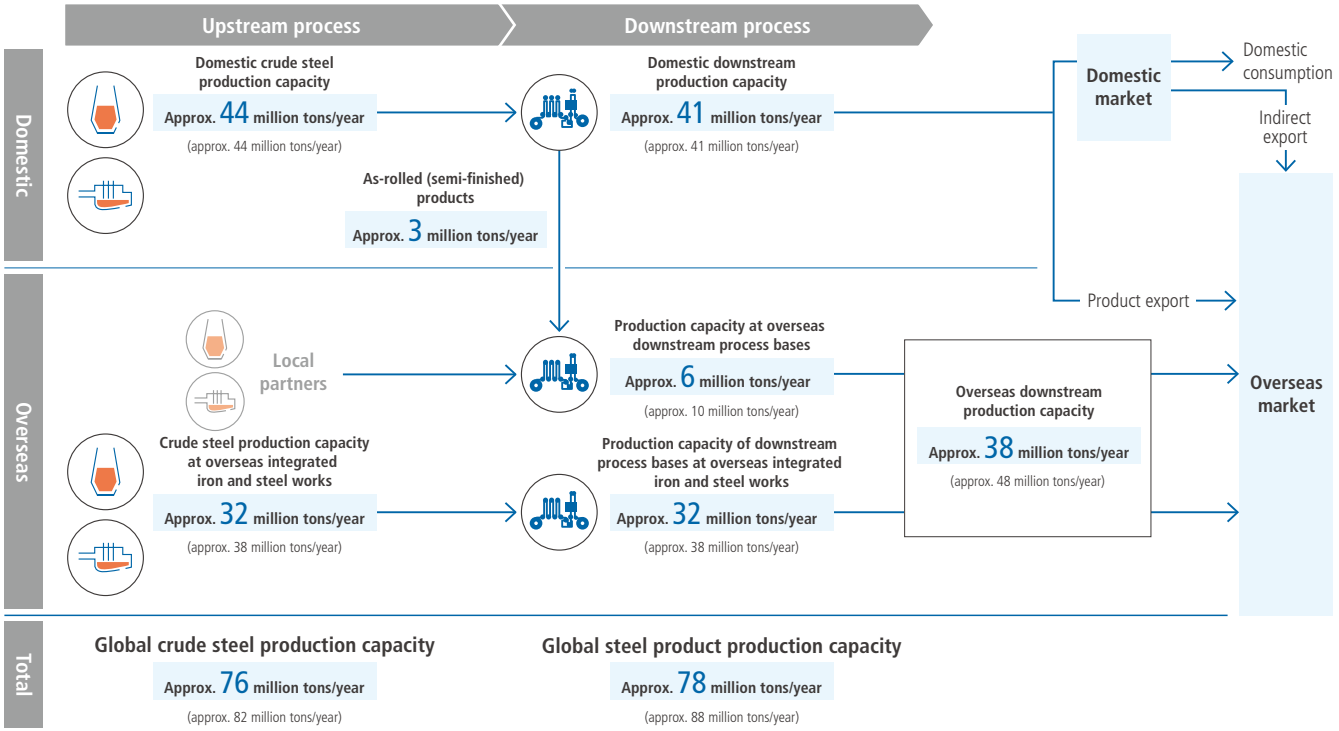
We have established an integrated iron and steel production framework in major overseas markets to capture expanding demand for steel in growing regions and countries and to add value through our integrated production. To expand our manufacturing capacity, we take a basic approach to acquire integrated iron and steel works through competitive brownfield investments or expand capacity at existing facilities. This strategy is based on the following considerations: 1) maintaining the supply/demand balance in markets characterized by persistent overcapacity, 2) mitigating the risks associated with launching new facilities, and 3) considering the difficulty of securing labor at new locations.

Downstream process bases

Regarding the demand for high-grade steel at local manufacturing bases of Japanese customers who manufacture automobiles and home appliances, we first supply semi-finished products from Japan or local joint venture partners to our local processing bases for cold rolling, plating, steel pipes, etc. We then deliver finished products to local customers.

[Global production framework*]

Simple aggregation of the nominal capacity of each company. Figures in parentheses reflect the equity ratio of companies with less than 50% ownership.
* This includes the nominal full capacity of companies with a 30% or more stake (including USIMINAS), subject to the crude steel production standard of the World Steel Association, and equity-method affiliates with less than a 30% stake to which Nippon Steel plays a significant role in supplying materials.



4 Raw Materials Business

Nippon Steel aims to secure essential raw materials for carbon-neutral steel production, such as coking coal and high-grade iron ore, and strengthen its consolidated earnings structure to better withstand external pressures by investing in raw material interests. As part of these initiatives, we acquired a 20% interest in the Blackwater Coal Mine in Australia in March 2025. At the same time, we acquired a 30% interest in the Kami Iron Ore Mine Project in Canada. We also reached a master agreement with Champion Iron to establish a joint venture company to develop and operate a new mining area. Moving forward, we will continue to expand our investments not only to secure raw materials but also to build an integrated "business" structure that encompasses raw materials, product manufacturing, and distribution.

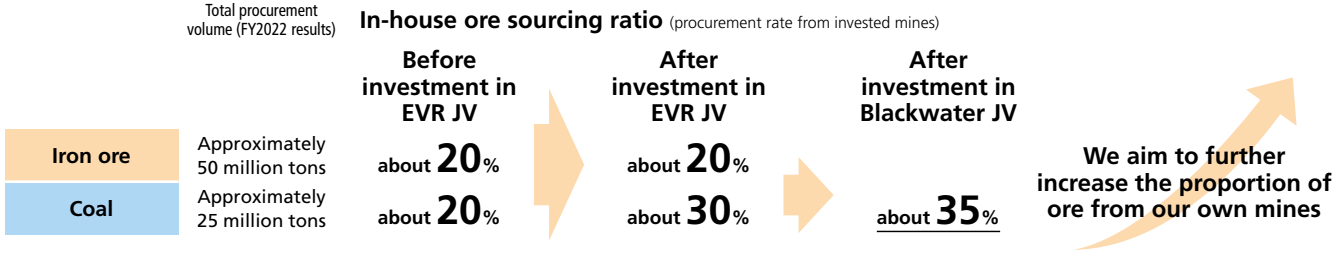
[Mines in which Nippon Steel has invested]

				Year of Nippon Steel participation	Equity ratio of Nippon Steel	Major investors	Production capacity (million tons/year)
NIPPON STEEL	Iron ore and pellet	Australia	Robe River	1977	14%	Rio Tinto 53%	70
		Brazil	NIBRASCO	1974	33%	VALE 51%	10
		Canada	Kami (under feasibility study)	2025	30%	Champion Iron 51%, Sojitz 19%	9
	Coal	Australia	Moranbah North	1997	6%	Anglo American 88%	12
			Warkworth	1990	10%	Yancoal 85%	8
			Bulga	1993	13%	Glencore 88%	7
			Foxleigh	2010	10%	Middlemount South 70%	3
			Boggabri	2015	10%	Idemitsu Kosan 90%	7
			Coppabella and Moorvale	1998	2%	Peabody 73%	5
			Equity method consolidation started in Q2 FY2025 Blackwater	2025	20%	Whitehaven 70%, JFE10%	10
		Canada	EVR JV	2024	20%	Glencore 77%	27
	Alloying elements (such as niobium)	Brazil	CBMM	2011	2.5%	Moreira Salles 70%	0.15

				Equity ratio of Nippon Steel	
USS	Iron ore and pellet*1	U.S.A	Minntac	Self-owned*2	16
			Keetac		6
AM/NS INDIA	Iron ore and pellet	India	Sagasahi	Mining right self-owned*2	5
			Thakurani		2

*1 Ore grades suitable for the production of high-grade (DR-grade) pellets
*2 Profit and loss are included in "Nippon Steel's overseas operations"

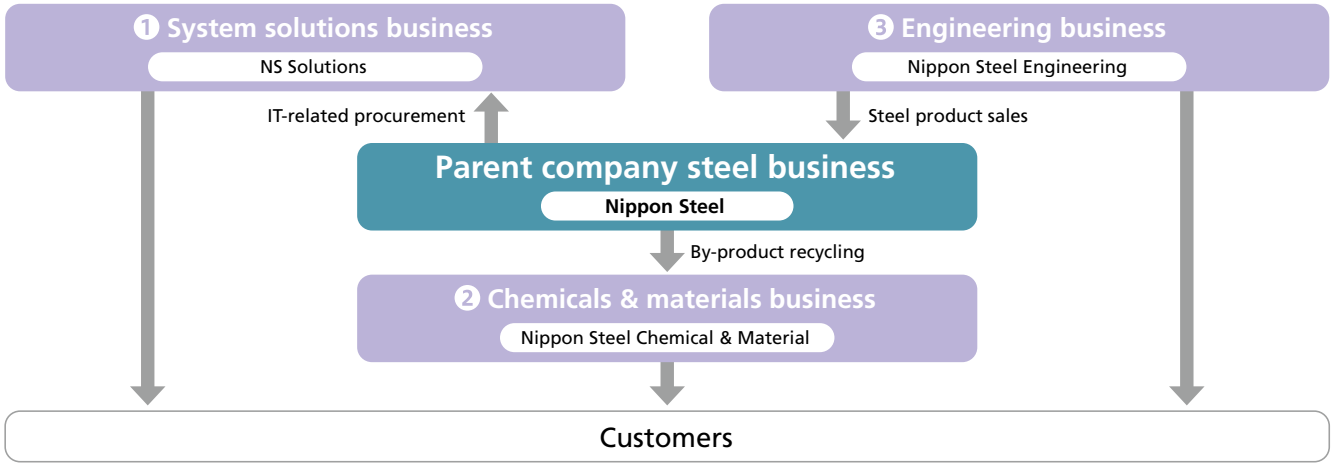
[Changes in raw material self-sufficiency ratios]



5 Three non-steel companies

Originating from the steel business, Three non-steel segments create synergies with Nippon Steel while leveraging their technologies, products, and services to develop businesses beyond the Group. The accumulated technology, products, and services that these companies acquired are used as appropriate for the business pursuit of companies outside the Nippon Steel Group. Each business has approximately 300 billion yen in sales and aims to realize the top-tier earning power in its field.

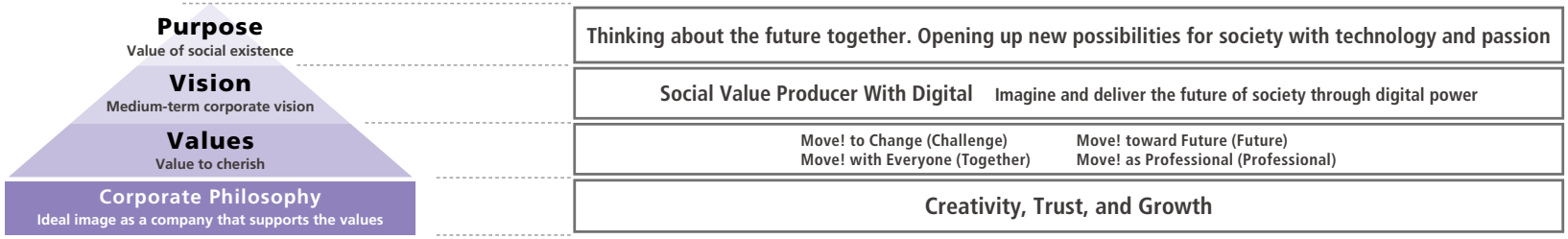
[Steelmaking value chain and three non-steel segments]



	❶ System solutions business	❷ Chemicals & materials business	❸ Engineering business
Segment company	**NS Solutions**	**Nippon Steel Chemical & Material**	**Nippon Steel Engineering**
Synergies with the steelmaking business	Provision of IT solutions	By-product recycling Utilization of development seeds and basic technologies Use of multi-materials	Utilization of steel products in plants and buidings Social implementation of CCS, hydrogen, and ammonia technologies Utilization of power supply from steelworks
Revenue (FY2025)	381.3 billion yen	257.9 billion yen	394.4 billion yen
Percent of sales to the steelmaking business	About 20%	Less than 10% (Manufacture of coal chemical products from tar, a by-product of steel mills)	Less than 10%
History and business overview	The Electronics and Information Communication Division and the Information Systems Division of former Nippon Steel were established in 1986 and integrated and merged with Nippon Steel Computer Systems (established in 1980) to form ENICOM (Nippon Steel Information & Communication Systems) in 1988, and then became the current NS Solutions Inc. in 2001. With years of experience supporting steel industry systems 24 hours a day, 365 days a year, we provide an optimal, stable system that uses cutting-edge IT for a wide range of customers, including financials, retailers, and the public sector, in addition to the steel industry.	In October 2018, the businesses of Nippon Steel & SumikinChemical and Nippon Steel & Sumikin Materials were merged toform Nippon Steel Chemical & Material. By combining the material design and manufacturingtechnologies of Nippon Steel & Sumikin Chemical (aromaticchemical synthesis, refining and compounding) with the materialtechnologies of Nippon Steel & Sumikin Materials (thin foils,fine wires, and fine particles), the company plays a part instrengthening the comprehensive material support capabilities ofthe Nippon Steel Group.	In 2006, the engineering division of former Nippon Steel was spun off and established as an independent company. Leveraging the advanced technical expertise and project management capabilities it has cultivated through the steelmaking business, we provide engineering, procurement, and construction (EPC) services for environmental plants, energy-related facilities (such as offshore wind power generation facilities), and steel-structured buildings (such as logistics facilities). In addition, we are dedicated to developing service provider businesses, including sales of system-building components and seismic isolation devices, on-site energy supply, power solutions, and the operation and maintenance (O&M) of waste power generation facilities.

❶ System solutions business NS Solutions

Our philosophy structure

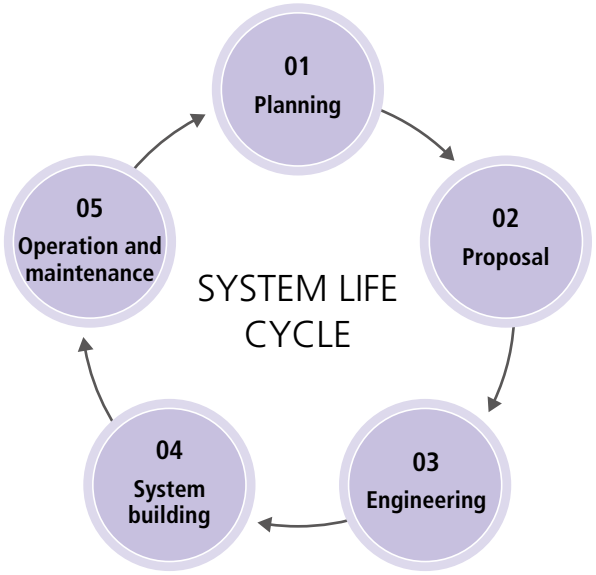


We will create social value by using our "Purpose," which is the reason for our existence in society, as our foundation, aiming for our "Vision" as our mid-term company image, and practice the "values" that we hold dear.

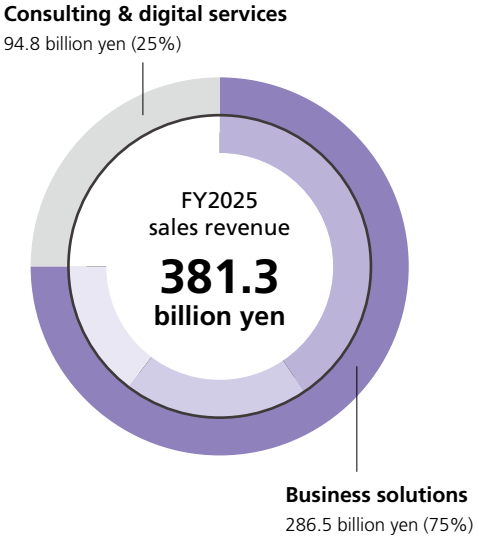
Our business

NS Solutions is a leading total information system integrator (SIer) in Japan

We offer comprehensive services for the entire system lifecycle, such as planning to proposal, engineering, system building, operation, and maintenance, to solve our customers' management issues and, ultimately, social issues.



FY2025 sales revenue by service and customer industry



Industry and steel 155.7 billion yen (41%)	• One-stop DX support and provision of various solutions for global manufacturers • IT support for the entire system lifecycle for Nippon Steel and its group companies
Distribution and platformer ¥75.4 billion (20%)	• Provision of solutions mainly for platformers engaged in online and offline channels in the distribution industry and online businesses
Finance ¥55.4 billion (15%)	• Provision of comprehensive support for the entire system lifecycle, from application development to maintenance, for major financial institutions, including huge banks
Consulting & digital services ¥94.8 billion (25%)	• Provision of cross-industry consulting applications • System building, operation, and maintenance for companies and government agencies that support social infrastructure

Synergies in the Nippon Steel Group

To maximize synergies with the Nippon Steel Group, we are taking the following initiatives.

DX promotion

NS Solution supports achieving the three benefits of "location-free," "data-driven," and "empowerment" through "production reform," "business reform," and "strengthening the foundation of business management," which are the steel business process reforms Nippon Steel aims for.

We provide information system platforms to Nippon Steel Group companies in Japan and overseas, emphasizing the NS-Lib data utilization platform and including the NS-IoT remote equipment monitoring platform.

Recently, by combining the expertise in steel product logistics data we have cultivated over many years with the data utilization and visualization knowledge gained through our external sales business, we have established a support framework for logistics DX to achieve integrated efficiency improvements in domestic logistics.

This experience has become a logistics information solution and has begun to spread within the Nippon Steel Group.

Improving productivity through the use of AI and other technologies

We are using generative AI to radically improve the efficiency of system maintenance and operations in steelworks and to improve productivity in new system development, creating a structure that enables us to deliver highly precise maintenance, operations, and system development with a small team.

As another example of our AI-assisted solution for steelmaking operations, we provide an image AI analysis package, a platform for providing computer vision (PPCV). This package uses cutting-edge image-analysis AI to reduce the labor required for monitoring operations while maintaining accuracy.

Future risks and opportunities and our business strategy

In the IT business world, the environment is changing rapidly due to technological innovation and the growing use of digital technologies. Seeing this situation as an opportunity for growth, NS Solutions has formulated **"the NSSOL 2030 Vision"** and embarked on a transformation to achieve further growth.

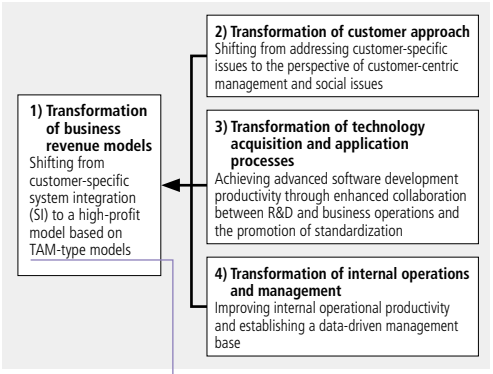
We are making steady progress in the **"2025-2027 Medium-Term Management Plan"**, the first half of the 2030 Vision, including its pillars: **"Four Transformations"**. Our specific progress in each pillar is: **1) Transformation of the operating revenue model**: steadily advancing the shift to the total addressable market (TAM-type) business model; **2) Transformation of customer approach**: the launch of the new brand "Corepeak;" **3) Transformation of technology acquisition and application processes**: steadily expanding the use of generative AI across the entire development process; **4) Transformation of internal operations and management**: proceeding with organizational integration and the development of our business infrastructure as planned.

In FY2025, our revenue, operating profit, and net profit all **marked record highs**. Our "2025-2027 Medium-Term Management Plan" targets 450 billion yen in revenue for FY2027, 60 billion yen in operating profit (13% operating profit margin), and around 13% ROE. To achieve these targets, we will continue to manage our business steadily.

<Introducing the new brand "Corepeak">
As we strive to become a "Social Value Producer with Digital," what we really want to deliver to our customers is "transformation for the future." We have launched "Corepeak" as our new brand to symbolize this "transformation."

We infuse the term "Corepeak" with the meaning that, while serving as the core of our customers' value creation process, we will guide them to new heights beyond their expectations. In addition to improving operational efficiency through system reforms, we will work together with our customers to solve their challenges in "transformation," such as organizational transformation, business strategy, and HR strategy, by presenting the optimal solutions derived from the expertise we have honed over the years as "transformation scenarios."

[Initiatives for achieving our Medium-Term Business Plan]



		FY2027 plan	NSSOL 2030 Vision
Business goals	Revenue	¥450 billion	¥500 billion
	Operating Profit (operating profit margin)	¥60 billion (13%)	¥100 billion (20%)
	ROE	Around 13%	Around 15%
Fund allocation	M&A	¥150 billion/3 years	N/A (investment effect: creation of businesses worth approximately ¥100 billion)
	Shareholder returns	Payout ratio 50%	Payout ratio 50%
Transformation/ growth	TAM-type/revenue ratio	Around 75%	—
	Investment for growth/ revenue ratio (excl. M&A)	Around 5%	—

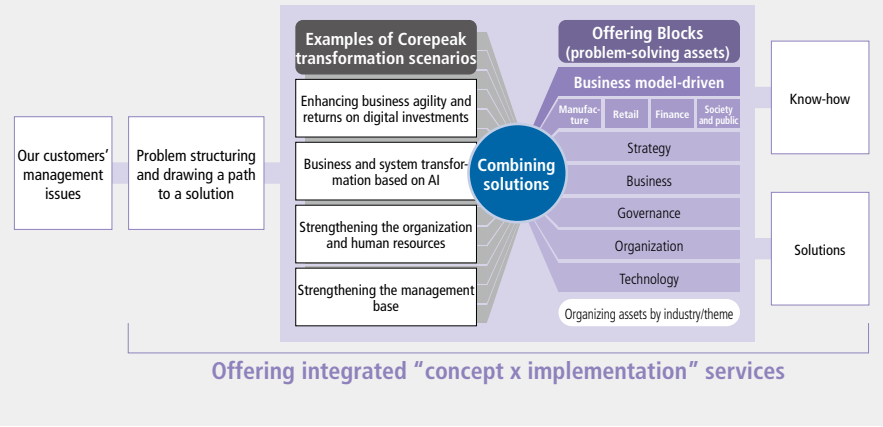
What is the TAM-type model?

SI Transformation
Next generation SI model (T type)
This model incorporates innovations such as generative AI into our value proposition process to provide customer-specific system development, operation, and maintenance services with high productivity

Asset Driven
Asset utilization type (A type)
This model uniquely turns company strengths into assets and offers them to multiple customers as best practices

Multi Company Platform
PF provision model (M type)
In this model, NSSOL provides platforms for shared use by multiple companies as the business operator

[Problem-solving with Corepeak]



❷ Chemicals & materials business Nippon Steel Chemical & Material

Our Mission

To realize an affluent society and contribute to the global environment through advanced chemical and material technologies
Strive for co-creation and co-prosperity with customers and the growth and happiness of our employees

In October 2018, Nippon Steel Chemical & Material was formed through the merger of Nippon Steel & Sumikin Chemical and Nippon Steel & Sumikin Materials. Under our Basic Principles of "Master Materials, Pioneer the Future," we are conducting our business activities with the aims of realizing an affluent society through advanced chemical and material technologies and contributing to the global environment. At the same time, we are striving for co-creation and co-prosperity with customers and the growth and happiness of our employees.

Mission of Nippon Steel Chemical & Material Group

■ Basic principles

We will contribute to the global environment by providing products and services that enrich people's lives through our own development and accumulation of advanced chemical and material technologies and through the sophisticated and diverse use of materials.

"Master Materials, Pioneer the Future" – For Your Dream and Happiness –

■ Management principles

We will develop our corporate activities with an emphasis on the matters listed below, maintain fair and transparent management, and continue to grow as a company trusted across society.

- Contribution to the global environment
- Realization of a healthy and humane society
- Co-creation and co-prosperity with customers
- Realization of the growth and happiness of our employees

■ Action guidelines

- Trust: We will comply with laws and social rules, always think about things from the perspective of society and our customers and aim to win the trust from society and our customers.
- Challenge: We hope that both ourselves and the company will grow together, and we will continue striving for our targets, being fully aware of our roles and never forgetting our high aspirations.
- Contribution: We will respect the diversity and individuality of every employee, and by supporting and encouraging each other with friendliness and rivalry, we will produce the best results as an organization and team and contribute to society.

Our business

In order to contribute to the development of growth fields such as high-speed communications, semiconductors, and automotive devices while steadily responding to the needs of global environmental measures, we will further enhance our long-accumulated comprehensive capabilities.

Coal tar chemicals

Pitch coke, pitch, naphthalene, phthalic anhydride, and carbon black

FY2025 consolidated revenue 52 billion yen



Needle coke for electric furnace electrodes

Chemicals

Aromatic chemicals, styrene monomers, divinylbenzene, functional chemicals, lubricating materials, and industrial gases

FY2025 consolidated revenue 91 billion yen

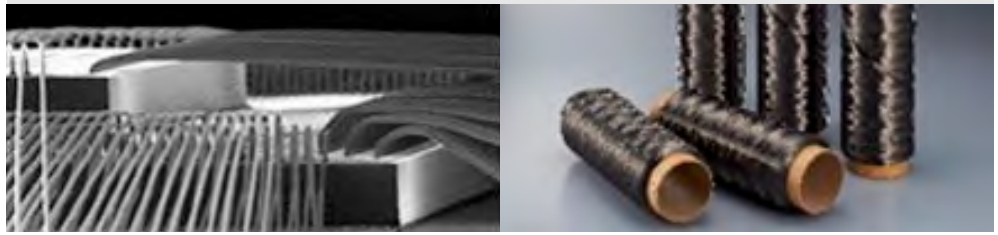


Various chemicals

Functional resins/printed wiring board (PWB) materials

Circuit board materials, epoxy resins, display materials, metal foil, metal carriers for exhaust gas purification, fillers for semiconductor encapsulants, bonding wire for semiconductors, carbon fiber composite materials, pitch-based carbon fibers, porous carbon materials

FY2025 consolidated revenue 115 billion yen



Bonding wire for semiconductors, and pitch-based carbon fiber

Major Group companies of Nippon Steel Chemical & Material Co., Ltd.

NS Styrene Monomer

Nippon Micrometal, Nippon Graphite Fiber

Synergies in the Nippon Steel Group

For more than 100 years, we have been working to increase added value through the effective use of steel by-products, and our accumulated technologies for utilizing the various active ingredients contained in coal tar are now also used in the technologies of our functional materials and carbon fiber composite materials businesses, which have grown to become our core businesses.

In addition, based on the inorganic high-performance materials owned by our group, we are developing various application products, and we are also producing remarkable results from research and development collaboration utilizing the advanced technology of Nippon Steel R&D Laboratories (RE).

Increase in added value through effective use of steel by-products

Using steel by-products such as coal tar and coke-oven gas as raw materials, we produce needle coke for electric furnace electrodes, carbon black for automobile tires, and various chemicals.



Needle coke, carbon black, etc.

Expansion from Group materials to application products

We supply high-performance metal foil based on unique stainless steel materials supplied by the Nippon Steel Group, as well as applied products such as hard disk drive (HDD) suspension materials and metal carriers for exhaust gas purification.



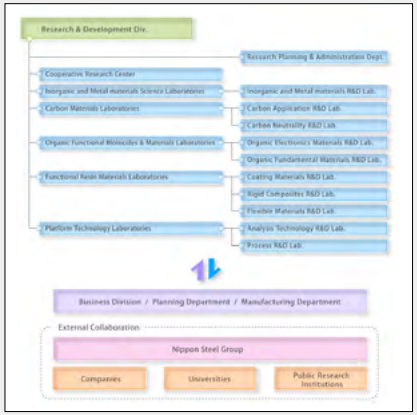
High-performance metal foil, HDD suspension, metal substrates

New business creation through collaborative R&D

On April 1, 2025, aiming to deepen collaboration between Nippon Steel and its R&D section, we launched the "Cooperative Research Center," as a new organization in the Integrated Research Sector. The Center is located in the Futtsu Area, where Nippon Steel has its R&D Laboratories (RE). At the Center, we are developing the R&D infrastructure and securing and training human resources to support R&D activities on short-, medium-, and long-term challenges across all business areas of our group, as well as future new business creation.



[R&D structure]



Future risks and opportunities and our business strategy

Risks

- Climate change, such as global warming, and deterioration of the global environment
- Soaring raw material and fuel prices and supply instability
- Intensifying development competition and obsolescence of existing products
- Intensifying competition for human resources
- Domestic demand contraction and geopolitical risks
- Business suspension due to natural disasters such as earthquakes and tsunamis

Opportunities

- Realization of carbon neutrality, and development of materials and technologies that contribute to global environmental protection
- Development of distinctive and differentiated technologies and products
- Efforts to improve productivity and diversify raw material and fuel sources

Our business strategy

- With safety, the environment, disaster prevention, quality, and compliance given our top priorities, we aim to achieve sustainable profit growth by building a robust earnings structure.
- We aim to become a de facto standard and gain a top share in growth markets by capturing new demand without fail in fields expected to grow and appropriately introducing differentiated and high-value-added products.
- We will continue to develop differentiated products that make full use of our unique advanced chemical and material technologies. We will develop various materials and members and supply them to society, including semiconductor peripheral materials, such as bonding wires, ceramic particulates, circuit boards, functional resins, and high performance metal foil, which are essential to the sophistication and functionality enhancement of various electronic devices, the advance of CASE, and the spread of 5G/6G communications. To this end, we will pursue technological synergies in the Nippon Steel Group, striving to further enhance our R&D capabilities.
- Through the stable production and quality improvement of "needle coke," which is used in steelmaking electric arc furnaces (EAFs) as a raw material for the graphite electrodes, we will contribute to the realization of carbon neutrality by producing high-grade steel in large EAFs.
- We will strengthen our business structure by planning equipment maintenance, improving production processes, and building optimal business portfolios from a long-term perspective.

❸ Engineering business

Nippon Steel Engineering

Our purpose, vision, and values

Our purpose

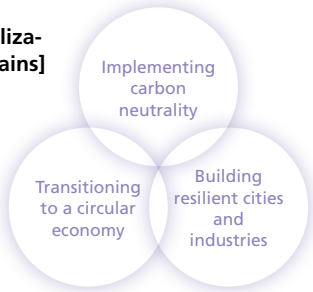
Shape the future.
Empower society.

2035 long-term vision

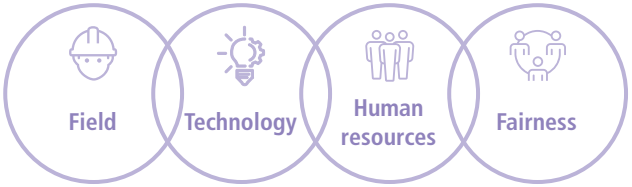
We take on increasingly complex and sophisticated challenges and design and realize a sustainable future through next-generation engineering

'Create a sustainable future through evolved Engineering'

[Value realization domains]



Our Values



Our business

We are involved in numerous projects in Japan and overseas, utilizing our comprehensive engineering skills.
We will contribute to implement carbon neutrality, transitioning to a circular economy, and building resilient cities and industries by actively promoting digital transformation (DX) and through our business activities.

Environment and energy

We are contributing to the creation of a sustainable, circular economy through the engineering, procurement, and construction (EPC) of environmental and energy-related facilities and plants, such as offshore wind power generation, waste power generation, and coke dry quenching equipment (CDQ).

FY2025 consolidated revenue **214.2** billion yen



Nippon Steel Engineering constructed 25 units of jacket-type foundations to support a 9.6 MW large-scale wind turbine / Kitakyushu Hibikinada Offshore Wind Farm (photo: Hibiki Wind Energy Co., Ltd.)



Nippon Steel Engineering contributed to resource circulation and reducing final disposal volumes using a shaft furnace-type gasification and melting furnace / Kitayatsu Waste-to-Energy Plant, Chiba City

Urban infrastructure

As a steel engineering company with deep expertise in steel materials, we support the creation of disaster-resistant cities by fully leveraging "Steel × Ideas = Power."

FY2025 consolidated revenue **73.1** billion yen



Nippon Steel Engineering contributed to the realization of a "smart energy warehouse that coexists with the waterfront" through steel construction technology and environmentally conscious design / MFLP Yokohama-Shinkoyasu

Service business

We are working on DX-assisted new value creation and solutions to social issues, including the operation and maintenance (O&M) of on-site energy supply, various types of power solutions, waste power generation, and power-saving facilities.

FY2025 consolidated revenue **110.3** billion yen



Nippon Steel Engineering contributed to advanced plant operations and ensuring safety through human-AI collaboration / Think Operation Center

Note 1: Since the above consolidated revenues by business sector are before adjustment of currency conversion, the combined amount differs by ¥3.2 billion in total from the revenue of ¥394.4 billion of Nippon Steel Engineering.

[Major Group companies of Nippon Steel Engineering]

Domestic subsidiaries	Nippon Steel Pipeline & Engineering Co., Ltd., Nippon Steel Environmental & Energy Solutions Corporation
Overseas subsidiaries	Nippon Steel Plant Engineering (Shanghai) Co., Ltd. (China), Beijing JC Energy & Environment Engineering Co., Ltd. (China), THAI NIPPON STEEL ENGINEERING & CONSTRUCTION CORPORATION, LTD. (Thailand), NS-OG ENERGY SOLUTIONS (THAILAND) LTD. (Thailand), NIPPON STEEL ENGINEERING INDIA PRIVATE LIMITED (India), PNS ADVANCED STEEL TECHNOLOGY, INC. (Philippines)

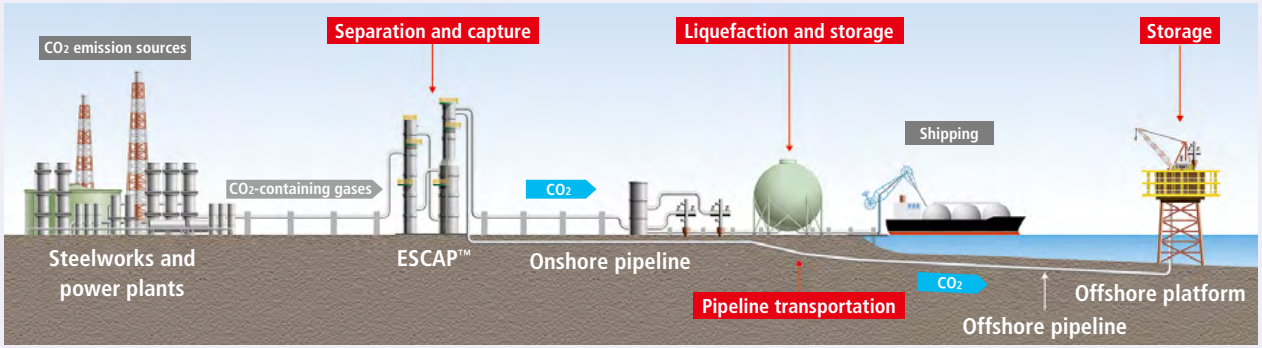
Synergies in the Nippon Steel Group

Aiming for the social implementation of CO_2 capture and storage (CCS) and hydrogen and ammonia utilization technologies, we will attempt to achieve the "Nippon Steel Carbon Neutral Vision 2050," jointly with the Group companies. We will maximize our value creation by leveraging the Nippon Steel Group's high-performance steel products and various types of products and services, and through the combination of the best technologies and techniques at each stage of engineering, procurement, and construction. We are also working to ensure a stable energy supply by optimizing electricity distribution using the steelworks' power infrastructure. As a member of the Nippon Steel Group, we are also contributing to the development of infrastructure for a carbon-neutral society.

CCS Initiatives

Nippon Steel Engineering possesses comprehensive engineering capabilities applicable to the entire CCS value chain, ranging from CO_2 separation and collection to transportation, liquefaction, and storage. In addition to "ESCAP™," our proprietary, energy-efficient CO_2 capture technology, we are taking steps to reduce CO_2 emissions from industrial sources, including steelworks, by leveraging the technology and expertise we have cultivated through engineering, procurement, and construction (EPC) projects for various energy plants and pipelines. In October 2024, we established the CCS Business Promotion Dept. to consolidate all CCS-related knowledge our internal departments possess, which builds a structure for offering one-stop solutions to our customers. We will leverage these strengths to contribute to the Nippon Steel Group's initiatives to realize a carbon-neutral society.

[Concept of CCS value chain of the Nippon Steel Group]



Future risks and opportunities and our business strategy

Risks

- Long-term contraction of domestic market
- Impact of the declining domestic workforce on supply chains (Future concerns about stable supply, quality, and delivery schedule of procured items and services)
- Soaring prices of equipment, materials, and fuel

Opportunities

- Globally accelerating carbon neutrality initiatives across all industries
- Increasing needs for resilient, disaster-resistant urban development and the maintenance and renewal of aging social and industrial infrastructures
- Accelerating the advance of digital technology and its social implementation

Our business strategy

With the vision of "designing and realizing a sustainable future through next-generation engineering," we will develop service-based businesses, such as on-site energy supply, power solutions, and operation and maintenance (O&M), in addition to the engineering, procurement, and construction (EPC) of various types of conventional plants. By accelerating the use of our proprietary DX and AI platforms, which we have developed over many years, we are driving new value creation and expanding our business areas.

- Efforts in carbon neutrality and resource recycling areas
  - We will establish a strategic position and strengthen our presence in the decarbonization infrastructure market, including offshore wind power generation, CCS (carbon capture, collection, and storage), and hydrogen and ammonia-related projects (pipelines, receiving, shipping, and storage facilities, etc.)
  - We will build an energy and resource recycling value chain, centered around waste power generation and waste treatment facilities
  - We will sophisticate energy management systems to enable the optimal operation of renewable energy sources, various types of power generation, and demand facilities
- We will take initiatives in the area of resilient urban and industrial infrastructure
  - Capturing demand for large-scale logistics facilities and data centers that support modern society
  - Expanding member sales business for seismic isolation devices, system construction, etc.
  - Responding to needs for renewal, maintenance, and repair of aging infrastructure in the fields of bridge products, gas pipes, and water works
- Promoting the digital transformation strategy
  - Expanding the implemented features of "Think Platform," our proprietary AI integration platform

Strategic Establishment of Brand Families

Nippon Steel Group's brand mark

NIPPON STEEL

As a global steelmaker with origins in Japan, Nippon Steel is incorporating a diversity of DNAs of people and companies, and growing into the future. Keeping that determination in mind, we renamed ourselves "Nippon Steel Corporation" on April 1, 2019. On that occasion, a common brand mark for Nippon Steel and the Nippon Steel Group companies was adopted in order to unify the branding of the entire group.

The brand mark is a combination of the corporate mark and the English logo. The font used in English is a roundish typeface, representing a strong yet flexible image of steel.

Our thoughts incorporated in the corporate logo

Aiming to become the best steelmaker with world-leading capabilities

Aiming at the summit

Representing the unlimited future of steel

The triangle in the logo represents a blast furnace and the people who create steel. It reflects the fact that steel, indispensable for civilization, brightens the world. The center point can be viewed as a peak, which represents the best steelmaker. It can be also viewed as the destination of a road, which represents the unlimited future of steel as a material. The blue color represents leading technology and reliability.

Brand system

We take a strategy to use " NIPPON STEEL " as a master brand to strengthen and disseminate our group identity, and to endorse our domain brand and product brand for the enhancement of the reliability and value of our products. Concerning the Nippon Steel Carbon Neutral Vision 2050 initiatives, we established an activity logo " NIPPON STEEL Green Transformation Initiative " in order to demonstrate our aggressive efforts for the realization of a carbon neutral society.

We are also strategically building domain brands that express the value (products and solutions) presented in our business domains, as well as product lines and brands that express their characteristics and value. The aim is to enable our customers to better identify the technological advances and environmental value of our products and solutions.



Products and Applications

The Nippon Steel Group covers almost all types of steel products manufactured around the world and has a comprehensive supply system, which includes secondary processed products. These applications also extend to the manufacturing, resources and energy, civil engineering and construction and all other industry sectors. What we offer includes materials that bring out diverse properties and infinite potential of steel, solutions such as for customer-specified component design and production method, and diverse secondary products. Reliably, globally, and over a long time, we have provided products and services that respond to customers' needs, contributing to their value creation and to the sustainable growth of society.

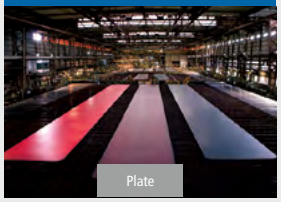
Wealth of product groups (1)

Product types

Steel sheets



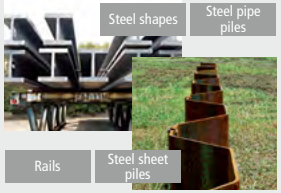
Plate



Bar and wire



Construction products



Major applications and product examples

Automotive

High-tensile steel sheets

- High strength
- Workability
- Lightweight



Electrical appliances and office equipment

VIEWKOTE™ (pre-coated steel sheets)

- Corrosion resistance
- Process saving
- Appearance design



Containers

CANSUPER™ (tin-free steel)

- Corrosion resistance
- Printability
- Lacquer adherence



Energy

Grain-oriented electrical steel sheets

- Low iron loss
- Energy saving



Civil engineering and construction

ZEXEED™

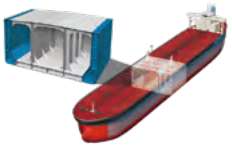
- Corrosion resistance
- Process saving



Shipbuilding

NSafe™-Hull (highly ductile thick steel plate)

- Absorbing collision energy
- Preventing oil spills



Industrial machines

ABREX™ (abrasion resistant steel plates)

- Abrasion resistance
- Weldability
- Workability



Energy

7% nickel steel

- Resource saving
- Ultralow-temperature strength and toughness



Civil engineering and construction

CORSPACE™

- Corrosion resistance
- Extended painting cycle



Automotive

Steel cords for tires

- Extra-fine and lightweight
- High strength
- Durability



Steel for high-strength gears

- High strength
- Lightweight
- Durability



Steel for high-strength suspension springs

- High strength
- Lightweight
- Durability



Industrial machines

Steel for high-function bearings

- Corrosion resistance
- Abrasion resistance
- Rolling fatigue strength



Civil engineering and construction

Steel for high-tension bolts

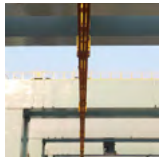
- High strength
- Durability
- Lightweight



Railway

150-meter rails

- No need for welding
- Reduced maintenance
- Enhanced passenger comfort



Civil engineering and construction

NSHYPER BEAM™

- Uniform depth and width within the same size series
- Design simplification
- Enhanced processing



Hat-type sheet piles

- Space saving
- Ease of construction
- Reduced construction time



NM-Segment

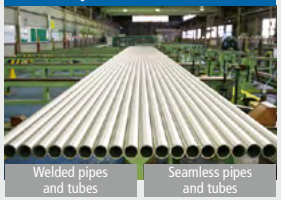
- Structural reliability
- Reduced construction time
- Reduced waste soil



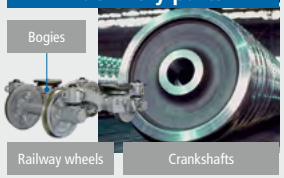
Wealth of product groups (2)

Product types

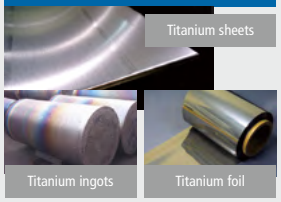
Pipes and tubes



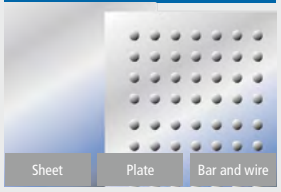
Railway, automotive and machinery parts



Titanium



Stainless steel



Major applications and product examples

Automotive

Hydroformed steel tubes for suspension components

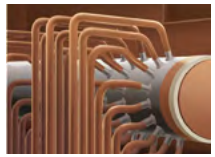
- Closed-section structure
- High strength
- Lightweight



Energy

Pipes and tubes for power generation

- High-temperature strength
- High-temperature corrosion resistance



Pipes and tubes for structures

- High strength
- High toughness
- Corrosion resistance



Civil engineering and construction

Structural steel pipes

- High strength
- Corrosion resistance
- Appearance design



Railway and aircraft

Railway wheels

- High strength
- Sound insulation
- Brake heat resistance



Railway bogies

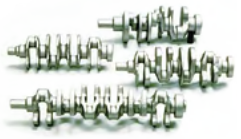
- Durability
- Enhanced passenger comfort
- Facilitated maintenance



Automotive

Crankshafts

- High strength
- Durability
- Safety



Industrial machines

Permanent magnet retarder

- Energy saving
- Lightweight
- Safety



Automotive

Titanium alloys for mufflers

- Corrosion resistance
- Lightweight
- High strength
- Workability



Aircraft

Titanium alloys for aircraft

- Lightweight
- High-specific strength
- Corrosion resistance



Construction

TranTixxii™

- Appearance design
- Corrosion resistance
- Lightweight
- Workability



Civil engineering

TP method and titanium foil method

- Corrosion resistance
- Ease of construction
- Maintenance free



Automotive

Stainless steel cold-rolled sheets

- Corrosion resistance
- High-temperature resistance
- Lightweight



Electrical appliances and office equipment

Stainless steel cold-rolled sheets

- Corrosion resistance
- Workability
- Appearance design



Energy

Stainless steel plates

- Corrosion resistance
- High strength



Civil engineering and construction

Stainless steel cold-rolled sheets

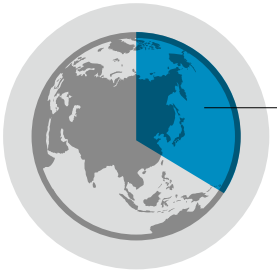
- Corrosion resistance
- Lightweight
- Appearance design



Attractiveness of Steel

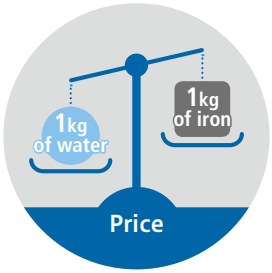
Steel provided by Nippon Steel is an indispensable material that supports our daily lives. With its diverse properties and unlimited potential, steel will continue to contribute to the realization of a sustainable society.

Steel is an abundant, sustainable material that can be recycled again and again

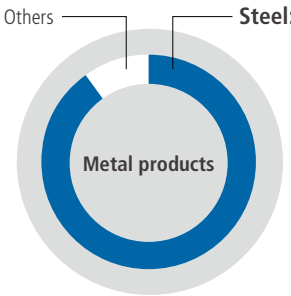


1/3

Iron constitutes **one-third** of the Earth's weight.



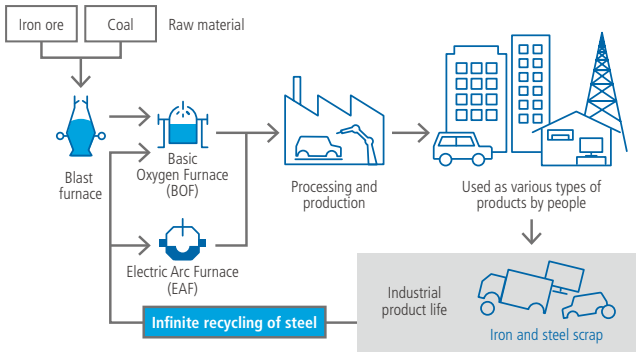
Steel is **cheaper** than PET bottled water on a per-unit- weight basis.



Because steel is abundant, affordable, and easy to process, it is used in a wide range of applications and accounts for **more than 90%** of all metal products.

Steel can be recycled repeatedly into a wide variety of steel products

Steel has unique characteristics over many other materials: it can be easily sorted and most impurities can be removed, allowing it to be recycled with little loss of quality. At the end of a product's life, steel can be recycled into a wide variety of other steel products. Its ability to be recycled repeatedly into virtually any steel product makes steel an ideal material for circular use.



Diverse properties and a wide range of applications

Steel is used in an extremely wide range of applications because of its many outstanding properties, including strength, workability and affordability. As a result, steel has become the material of choice for building the infrastructure that supports our daily lives and economic development.

Steel is such an integral part of our daily lives that modern life would be impossible without steel products. Steel is one of the materials closest to our everyday lives and has developed together with society.

Key properties that support a wide range of applications

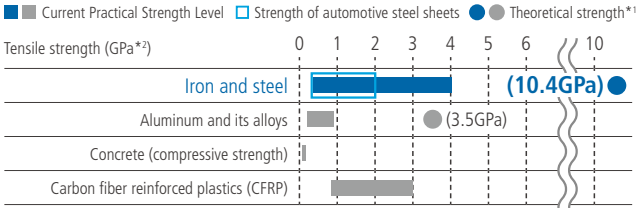
Strength	Weldability	Heat resistance
Toughness	Paintability	Low-temperature resistance
Durability	Magnetic Properties	
Workability	Corrosion resistance	Weathering Properties

Infinite potential

With a theoretical strength far exceeding that of other materials, steel offers enormous potential for future innovation and development.

Steel is a unique material whose properties can be significantly enhanced and diversified through adjustments to carbon and other alloying elements, the combination of temperature and rolling conditions during manufacturing, and the addition of relatively small amounts of alloying elements. By maximizing the value of these characteristics and optimizing its use, further advances can be achieved, unlocking new possibilities for steel.

Potential and Current Practical Strength Levels



*1: Theoretical strength is generally considered to be between 1/5 to 1/7.5 of the shear modulus. In this figure, theoretical strength is calculated as 1/7.5 of the shear modulus.
*2: GPa (gigapascal) is the unit of tensile strengths. G (giga) denotes 10^9.

Steel: An Excellent Material from the Perspectives of LCA and Resource Recycling

Steel Has Lower Environmental Impacts from an LCA Perspective

The Life Cycle Assessment method (LCA) is an approach for evaluating environmental impacts of a product through its entire life cycle. While many aspects of environmental impacts are not visible, LCA makes them visible by assessing environmental impacts across the entire life cycle of a product, from manufacturing and use through disposal and recycling. From an LCA perspective, steel has incredibly low levels of environmental impacts compared to other materials in the manufacturing, use, and recycling stages, as well as throughout the entire life cycle (see the bottom-left figure).

Steel is Recycled Again and Again

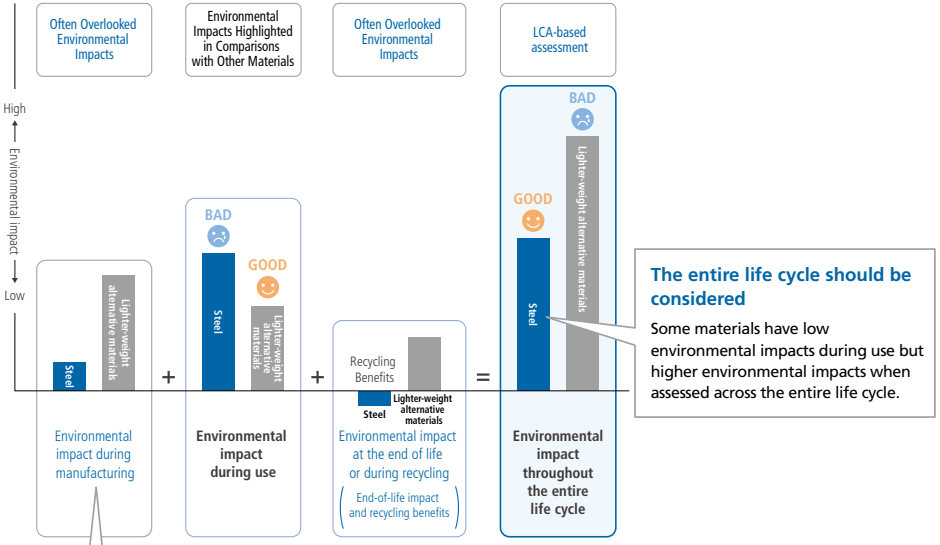
Once iron ore is reduced to iron and made into steel products, it can be recycled again and again into a wide variety of other steel products, enabling steel to remain in continuous circulation. This type of recycling is known as "closed-loop material recycling." Unlike product-level closed-loop, which requires the collection of scrap with the same chemical composition, steel can be recycled repeatedly as a substitute for virgin natural resources without the need for such segregation (see the figure below right). This unique recyclability is one of the characteristics that sets steel apart from other materials.

Environmental Impacts of BF and EAF Steel from an LCA Perspective

Because blast furnace (BF) steel generates large amounts of CO_2 during the reduction of iron ore to iron, it may appear to have a higher environmental impact than electric arc furnace (EAF) steel, which is produced by melting steel scrap using electricity. However, BF steel creates new steel scrap that will contribute to future CO_2 emission reductions through recycling. When the environmental value associated with this future scrap generation is taken into account, the environmental impact of BF steel production is offset. Over multiple recycling cycles, the environmental impact converges to the same level irrespective of the scrap input rate (recycled content) at the production stage.

This approach is specified in ISO 20915 and JIS Q 20915 and has become a global standard. In the automotive sector as well, LCA methodologies for steel that take future recycling benefits into account are becoming standardized.

Assessment of environmental impacts throughout the entire life cycle



The entire life cycle should be considered

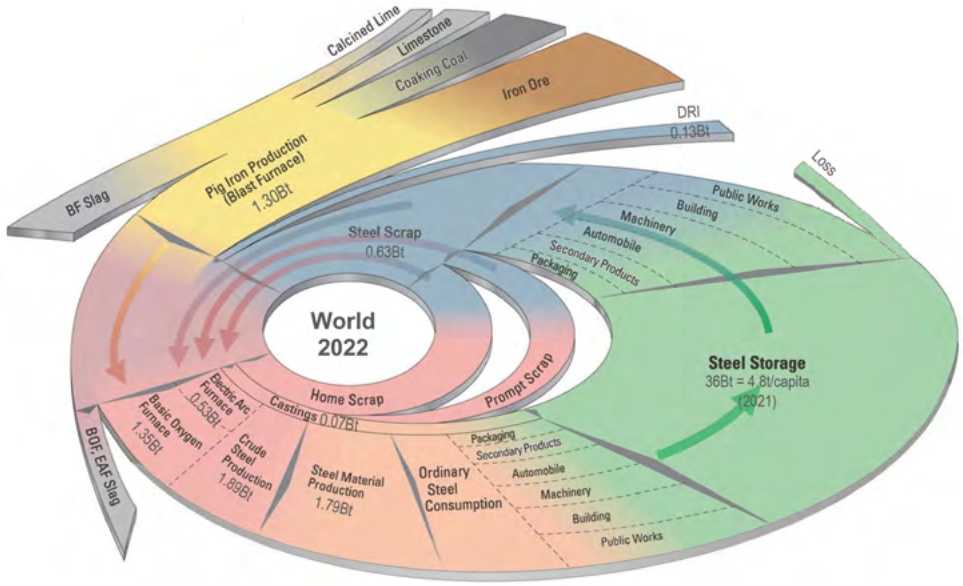
Some materials have low environmental impacts during use but higher environmental impacts when assessed across the entire life cycle.

Although some materials are lighter than steel, steel has much lower environmental impacts during manufacturing than other materials.

Moreover, high-strength steel enables approximately 25% weight reduction compared with conventional steel, resulting in lower environmental impacts.

Going forward, Nippon Steel will continue to advance the carbon neutrality of its steelmaking processes in order to further reduce its impact on climate change.

Steel Resource Recycling (Closed-Loop Recycling)



Efforts to Disclose Environmental Data for Our Products

EPD Verification and Disclosure

Since 2019, Nippon Steel has promoted environmental information disclosure through the SuMPO EPD program and obtained more than 80 EPD verifications covering nearly all of its products and major product categories. This is one of the largest initiatives of its kind in the steel industry. Using primary data for Nippon Steel products, customers can conduct product LCAs and calculate their Scope 3 (upstream) emissions.

Verified products (as of July 2026)

- Seamless, high-frequency welded OCTG and line pipes
- H-shapes
- Steel plates for building and structural applications
- Tinplate, tin-free steel, and laminated steel sheets
- Steel bar and wire products
- Steel sheet products
- Process-saving steel bar and wire products
- Rails
- Electrical steel sheets
- Nickel-plated steel sheets
- Steel sheet piles
- General-purpose steel pipes and tubes (for piping and structural use)
- High-alloy OCTG and line pipes
- Welded steel pipes for mechanical use
- Hot-extruded steel shapes (ordinary steel, special steel, stainless steel)
- Spiral welded steel pipe piles and spiral welded steel pipe sheet piles
- Railway, automotive and machinery parts
- Stainless steel
- Titanium
- Pure nickel sheets

Click the URL below for Nippon Steel's EPD verifications
https://ecoleaf-label.jp/en/epd/search?keyword=Nippon%20Steel

Calculation and Disclosure of Carbon Footprints for Steel Products (CFP)

In October 2025, the Japan Iron and Steel Federation formulated the "Product-specific Guidelines for Calculating the Carbon Footprint of Steel Products"*2 as common calculation guidelines for the steel industry, in accordance with the "Carbon Footprint Guidelines"*1 prepared by the Ministry of Economy, Trade and Industry and the Ministry of the Environment. Furthermore, based on the guidelines above, the Federation established the "GX Steel Guidelines" and the "Guidelines for Calculating the Carbon Footprint of Non-Fossil, Electric Arc Furnace Steel Products," which set out methods for calculating achieved emission reduction amounts and rules for allocating them to products using the mass balance approach or the allocation approach.

Based on these guidelines, and with the aim of improving the calculation transparency and enhancing information provided to customers, Nippon Steel has been disclosing CFP data for all products on its website in FY2026.

*1 Ministry of Economy, Trade and Industry (METI) and the Ministry of the Environment (MOE), Carbon Footprint Guidelines, October 2023.
*2 GX Steel Guidelines and related guidelines: Japan Iron and Steel Federation (JISF).

Click the URL below for our CFP details
https://www.nipponsteel.com/en/product/cfp/certificate.html

COLUMN

Visualizing the Avoided Emissions of NSCarbolex™ Solution through LCA

For products and solutions under the NSCarbolex™ Solution brand, Nippon Steel has been quantifying their avoided emissions in accordance with relevant calculation guidelines.*3 The results for selected products have been disclosed on our website.*4 Since FY2023, Nippon Steel has quantified the avoided emissions of 13 products and solutions across a wide range of sectors, including automotive, home appliances and office equipment, shipbuilding, construction and industrial machinery, energy, civil engineering and construction, railway infrastructure, and containers. By visualizing these avoided emissions, we support our customers' decarbonization efforts in both the manufacturing process and the product-use stages.

*3 The Institute of Life Cycle Assessment, Japan, Guidelines for Calculating the Contribution to Greenhouse Gas Emission Reductions, 2nd Edition, and others
*4 https://www.nipponsteel.com/en/product/nscarbolex/

Contribution to SDGs

The Nippon Steel Group is committed to SDGs through continually supplying steel, a basic element supporting society, in various parts of the world by using its world-leading manufacturing capability.

Steel contributes to make our life more convenient and pleasant, by being used everywhere in our life and society, and as an indispensable part of resilient infrastructure against natural disasters caused by earthquakes, abnormal weather driven by climate change, and other factors. Steel is also an indispensable material element for achieving SDGs, as it helps reduce environmental burden due to its weight reduction, extension of its product life, and others on top of being abundantly available and able to be recycled.

As a supplier of steel, we strive to implement our Three Ecos and innovative technologies and to advance the Carbon Neutral Vision as measures against climate change. We also promote sustainable measures so as not to waste resources. These measures include the use of by-product gases generated in steelmaking, the reuse of recycled water, and the recycling of by-products and waste generated in and out of the Company.

[Examples of specific initiatives]

1 NO POVERTY

- Job creation through the establishment of operating companies in emerging countries P.33
- Reduction of vulnerability to disaster based on the use of the Nonframe method (a construction method to stabilize slopes without damaging the natural environment)

2 ZERO HUNGER

- Use of converter slag fertilizer, a by-product of steelmaking, to improve farming productivity and salt damage on farmland P.109
- Provision of titanium and stainless steel, which have excellent seawater corrosion resistance, for seawater desalination plants, securing agriculture water

3 GOOD HEALTH AND WELL-BEING

- Promotion of air, water, and soil risk management and chemical substance management P.93
- Development and provision of steel products that contain no substances of concern, such as lead and hexavalent chromium

4 QUALITY EDUCATION

- Promotion of employee training to raise skills (i.e., OJT, Off-JT, sending trainees to Junior College for Industrial Technology), hosting technology triathlon P.122
- Study sessions for teachers, internship for students P.128

5 GENDER EQUALITY

- Improvement of the working environment for women, support for career development, and work-life balance P.124
- Increase in female employment and the number of female employees in management P.124
- Prevention of harassment P.125

6 CLEAN WATER AND SANITATION

- Recycling and reuse of limited water resources P.105
- Promotion of water quality risk management P.92
- Provision of titanium and stainless steel for seawater desalination plants
- Provision of lining steel pipes for delivery of clean water

7 AFFORDABLE AND CLEAN ENERGY

- Efficient use of energy, such as 100% use of by-product gases P.105
- Provision of materials for fuel cells that produce energy from hydrogen
- Development and provision of steel materials for high-pressure hydrogen to support a hydrogen-oriented society

8 DECENT WORK AND ECONOMIC GROWTH

- Promotion of DEI P.123
  (i.e., female empowerment, how to work and how to take time off from work, health promotion, and employment of the elderly and the disabled)
- Promotion of DX for workstyle innovation, productivity improvement, and worker safety management P.64-66

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Pursuit of Eco Processes to help raise resources/energy efficiency and reduce environmental burden P.105
- Introduction of advanced technologies through bilateral cooperation (India, ASEAN, etc.) P.98
- Use of steel slag in roadbed materials and materials for civil engineering P.103

10 REDUCED INEQUALITIES

- Thorough compliance training, such as for the Anti-Monopoly Act
- Initiatives to respect human rights in accordance with the Nippon Steel Group Human Rights Policy P.126
- Expanded hiring of women and non-Japanese P.124

11 SUSTAINABLE CITIES AND COMMUNITIES

- Provision of various indispensable Eco Products™ for daily lives P.163-164
- Provision of earthquake-resistance steel materials
- Development of Nonframe method, which protects houses during disasters while maintaining views of nature

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Promotion of air, water, and soil risk management, and chemical substance management P.91-93
- Full recycling of by-products, including slag, dust, and sludge P.103
- Promotion of recycling of waste plastics P.104

13 CLIMATE ACTION

- Promotion of measures against climate change by implementing the Carbon Neutral Vision P.43-57
- Development and provision of NSCarbolex™ Solution products that contribute to reducing CO_2 emissions in society P.52

14 LIFE BELOW WATER

- Regeneration of seaweed beds with the use of steel slag P.99
- Promotion of marine environmental improvement with the use of steel slag P.108
- Voluntary coastal clean-up activities near steelworks P.129
- Collaboration with an NPO, "Mori wa Umi no Koibito" P.128
  (Participation in tree-planting)

15 LIFE ON LAND

- Promotion of air, water, and soil risk management and chemical substance management P.93
- "Creation of Hometown Forests" to promote greenery within steelworks P.108-109
- Site cleaning activities around steelworks P.129

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- Bribery prevention guidelines to be established and made well known P.93
- Elimination of antisocial forces
- Thorough confirmation of non-use of conflict minerals P.118
- Thorough management of security export control

17 PARTNERSHIPS FOR THE GOALS

- Development of Eco solutions to transfer and spread environmental, energy-saving technologies to emerging markets P.98
- Japan-India and Japan-ASEAN regular exchanges among public and private steel-related parties P.98
- Support for human resources development to build an energy management system in emerging countries

Financial Information

Consolidated Statements of Financial Position

[Unit: million yen]	Previous term (FY2024) As of March 31, 2025	**Current term (FY2025) As of March 31, 2026**
Plan assets		
Current assets		
Cash and cash equivalents	672,526	**461,262**
Trade and other receivables	1,430,435	**1,768,226**
Inventories	2,199,096	**2,776,012**
Other financial assets	41,425	**54,705**
Other current assets	205,019	**229,363**
Total current assets	4,548,503	**5,289,570**
Non-current assets		
Tangible fixed assets	3,635,585	**5,899,583**
Right-of-use assets	101,934	**139,478**
Goodwill	71,639	**259,746**
Intangible assets	263,231	**832,800**
Investments accounted for using the equity method	1,600,366	**1,465,536**
Other financial assets	461,378	**536,875**
Defined benefit assets	116,415	**162,276**
Deferred tax assets	135,074	**42,280**
Other non-current assets	8,329	**32,436**
Total non-current assets	6,393,955	**9,371,013**
Total assets	10,942,458	**14,660,583**

[Unit: million yen]	Previous term (FY2024) As of March 31, 2025	**Current term (FY2025) As of March 31, 2026**
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	1,671,352	**2,340,108**
Bonds, borrowings, and lease liabilities	473,466	**506,004**
Other financial liabilities	823	**5,493**
Income taxes payable	126,428	**39,285**
Other current liabilities	63,421	**81,792**
Total current liabilities	2,335,493	**2,972,686**
Non-current liabilities		
Bonds, borrowings, and lease liabilities	2,034,026	**4,668,249**
Other financial liabilities	35	**884**
Defined benefit liabilities	111,552	**160,207**
Deferred tax liabilities	137,014	**335,144**
Other non-current liabilities	420,955	**498,851**
Total non-current liabilities	2,703,584	**5,663,337**
Total liabilities	5,039,077	**8,636,023**
Equity		
Capital	569,519	**569,519**
Capital surplus	578,457	**588,011**
Retained earnings	3,819,934	**3,752,153**
Treasury stock	(58,236)	**(59,023)**
Other components of equity	473,635	**679,786**
Total equity attributable to owners of the parent	5,383,311	**5,530,448**
Non-controlling interests	520,069	**494,111**
Total equity	5,903,380	**6,024,560**
Total liabilities and equity	10,942,458	**14,660,583**

Consolidated Statements of Profit or Loss

[Unit: million yen]	Previous term (FY2024) April 1, 2024 to March 31, 2025	**Current term (FY2025) April 1, 2025 to March 31, 2026**
Sales revenue	8,695,526	**10,063,216**
Cost of sales	(7,323,874)	**(8,618,408)**
Gross profit	1,371,651	**1,444,808**
Selling, general and administrative expenses	(815,817)	**(993,968)**
Share of profit in investments accounted for using the equity method	126,900	**85,412**
Other operating income	79,845	**108,782**
Other operating expenses	(79,343)	**(130,906)**
Business profit (loss)	683,237	**514,128**
Losses on reorganization	(135,277)	**(271,225)**
Operating profit (loss)	547,960	**242,903**
Finance income	20,841	**31,132**
Finance costs	(44,423)	**(101,222)**
Profit (loss) before income taxes	524,377	**172,814**
Income tax expense	(141,405)	**(128,059)**
Profit (loss) for the year	382,972	**44,754**
Profit (loss) for the year attributable to		
Owners of the parent	350,227	**17,158**
Non-controlling interests	32,744	**27,596**
Profit (loss) for the year	382,972	**44,754**
Earnings (loss) per share (yen)		
Earnings (loss) per share (yen)	70.18	**3.28**
Diluted earnings per share (yen)	67.03	**3.28**

Consolidated Statements of Comprehensive Income or Loss

[Unit: million yen]	Previous term (FY2024) April 1, 2024 to March 31, 2025	**Current term (FY2025) April 1, 2025 to March 31, 2026**
Profit (loss) for the year	382,972	**44,754**
Other comprehensive income		
Items that cannot be reclassified to profit or loss		
Changes in fair value of financial assets measured at fair value through other comprehensive income	(22,747)	**72,502**
Premeasurement of defined benefit plans	14,546	**45,643**
Share of other comprehensive income of investments accounted for using the equity method	(4,613)	**6,167**
Total of items that cannot be reclassified to profit or loss	(12,815)	**124,313**
Items that might be reclassified to profit or loss		
Changes in fair value of financial assets measured at fair value through other comprehensive income	—	**(290)**
Changes in the fair value of cash flow hedges	10,222	**23,987**
Foreign exchange differences in translation of foreign operations	108,222	**204,930**
Share of other comprehensive income of investments accounted for using the equity method	3,004	**(39,099)**
Total of items that might be reclassified to profit or loss	121,449	**189,527**
Total other comprehensive income, net of tax	108,634	**313,841**
Total comprehensive income for the year	491,606	**358,595**
Comprehensive income for the year attributable to:		
Owners of the parent	438,493	**319,952**
Non-controlling interests	53,113	**38,643**
Total comprehensive income for the year	491,606	**358,595**