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Overview of the Group's Business

The Nippon Steel Group's business structure consists of steelmaking, engineering, chemicals and materials, and system solutions.

Strategies

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 domestic steelmaking business, while group companies are engaged in the overseas steelmaking business, raw materials business, and other steel businesses which comprise functional, trading, secondary processing, stainless steel, and electric arc furnace.

The "Three non-steel companies" are engaged in the engineering, chemical and materials, and system solutions, perform a supporting function in Nippon Steel's value chain for 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 of the steelmaking business.

We share important strategies throughout the Group and aim to maximize the value of the Group.

Segment		Business overview	Number of Group companies	Number of employees (consol.)
(1) Domestic steel business		Steel products of the six mills in Japan are sold for domestic and export markets. This is a core business of the Nippon Steel Group as these mother mills efficiently produce high-grade steel for a wide range of uses.	1 company (Nippon Steel Corporation)	28,543
Steelmaking	(2) Overseas steel business	We have crude steel production capacity of 19 million tons and steel production capacity of 37 million tons at overseas production bases of approximately 50 consolidated subsidiaries and equity method affiliates in more than 15 countries. We are developing our business per two models: an integrated steelworks and a downstream processing base.	Consolidated subsidiaries (G/GJ Steel, NS-SUS, etc.) Equity method affiliates (AM/NS India, etc.)	
and Steel Fabrication Business	(3) 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 contributes to 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: Moranbah North, Elk Valley Resources, etc.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 "func- tional" (equipment and construction, materials and electric arc furnace companies.Nippon Steel Texeng, Nippon Steel Trading, Nippon Steel Plate, Nippon Steel, sanyo Special Steel, etc.		7 1a- 68,773 3
	(4) Other steel businesses			
(5) Three non-steel companies Engineering and construction		In addition to supporting the steelmaking business through the design and construction of steelmaking facilities, 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.	34 companies (Nippon Steel Engineering, etc.)	4,997
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.	24 companies (Nippon Steel Chemical & Material, etc.)	3,454
System Solutions Business		With its track record of supporting the huge operation systems of steelworks 24 hours a day, 365 days a year, this business provides optimal and stable systems utilizing cutting-edge IT on behalf of a wide range of customers in the manufacturing industry as well as in finance, distribution, and the public sector.	21 companies (NS Solutions, etc.)	7,872
Total			548 companies Nippon Steel, 434 consolidated subsidiaries, 113 equity-method affiliate	s 113,639

(As of the end of March 2024)

Overview of the Group's Business

(1)Domestic steel business

The domestic 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 delivery capabilities, cultivated by responding to our customers' demanding requirements. In addition, we have established an efficient and reliable production and supply system for high-grade steel. This has been made possible by integrating our large-scale blast furnaces, coastal steel mills, and exceptional facilities and operating technologies. Our objective is to transform into a carbon-neutral steel product manufacturing process by 2050.

Value delivered by steelmaking

Compared to other materials, steel is used in a wider range of applications and in 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 accomplished by adding small amounts of various alloys such as manganese and vanadium, controlling the crystal structure through heat treatment or 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 societal 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 steel producers, with leading technology in the field of high-grade steel.

Production share

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

In global terms, former Nippon Steel had the No. 1 share from 1970 to 2000 (except 1998 and 1999). Subsequently, there were consolidations and reorganizations of global steelmakers, and the emergence, consolidation, and reorganizations of Chinese steelmakers, along with China's rapid growth in steel demand and production volume. In 2023 Nippon Steel became No. 4 in the world.

We now aim at "becoming the best steelmaker with worldleading capabilities," not the largest in scale, but by using our three key driving forces, "technology," "cost," and "being global."

[Japan's crude steel production volume by makers]



[(Reference)World ranking in crude steel production volume]

20	00: 850 million	tons			20	07: 1,348 million	tons		2	023: 1,892 million	tons
1	Nippon Steel	28.4		\rightarrow	1	ArcelorMittal	116.4		1	China Baowu Group ⁻	30.8
2	POSCO	27.7			2	Nippon Steel	35.7	1	2	ArcelorMittal	68.9
3	Arbed	24.1 -	Ł	R	3	JFE	34.0		3	Angang	55.9
4	LNM	22.4 -	Ł		4	POSCO	31.1	Э	4	Nippon Steel	43.7
5	Usinor	21.0	ł		5	Baosteel	28.6		5	Hebei Iron and Steel Group	41.3
6	Corus	20.0 -	Ь	- }	6	TATA	26.5		6	Jiangsu Shagang Group	40.5
7	ThyssenKrupp	17.7	Π		7	Angang	23.6		7	POSCO	38.4
8	Baosteel	17.7	Π		8	Jiangsu Shagang Group	22.9		8	Jianlong Group	37.0
9	NKK	16.0 -	ŀ	ł	9	Tangshan Steel	22.8		9	Shougang Group	33.6
10	Riva	15.6	Π		10	U.S. Steel	21.5		10	TATA	29.5
11	Kawasaki Steel	13.0	ŀ	1							
12	Sumitomo Metals	11.6	Π		20	Sumitomo Metals	13.8				
21	Bethlehem	9.1				Nisshin Steel	3.5				
24	LTV	7.4 -	11								
34	lscor	5.5	1								
_	TATA										
	Nisshin Steel	3.3								(source: wo	rldsteel)

[Ways in which the supply of high-grade steel can contribute to the solution of social issues]



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Overview of the Group's Business (1)Domestic steel business

Sales

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

In terms of Nippon Steel's sales by industry, the manufacturing sector represents approximately 60%, of which roughly 30% is the automotive sector, and the civil engineering and construction sector occupies the remaining 40%. The sales contracts to the manufacturing sector tend to have a higher portion of direct contract-based sales, based on our long-term business relationships with customers.

We carry out R&D activities jointly with these customers, develop and manufacture steel products with high functionality, and make proposals for solutions and improvements, such as relating to component design and manufacturing method, in addition to supply of materials, responding to their needs. Moreover, we have established an overseas supply network of steel products, to satisfy needs arising from the customers' global expansion. We have thus strived hard to be a partner contributing

to these customers' value creation. The high-grade steel product technology and solution proposal capacity of Nippon Steel have been developed by responding to needs of internationally competitive manufacturers in Japan. Together with our global production framework, which supports the customers' global development, they have become a part of Nippon Steel's strength.

Strong presence in emerging Asia

Out of Nippon Steel's steel products produced in Japan, roughly 50 to 60% are consumed in Japan and the remaining 40 to 50% are exported. ASEAN countries, South Korea, China, Taiwan, and elsewhere in Asia represent about 60% of the exports. Being closely located to the Asian market with its high growth potential in steel demand is one of advantages of Nippon Steel.

Sales contracts of steel products

Our contracts to sell steel products to customers can be categorized into two types: direct contract-based sales and spot market sales.

In the case of direct contract-based sales, a customer gives a specific order (price, volume, specifications, etc.) to Nippon Steel, which then produces and sells steel products that meet the specifications and needs of the customer, based on the order. A trading company, as an intermediary, is involved in contracts. The sales price of the steel product is determined through direct negotiations with a customer.

A spot market sales contract is a deal wherein a steelmaker sells steel products to a distributor or a trading company without end users being specified. The retailers and trading firms stockpile the steel products which are purchased at their responsibility and risk, and sell them by their own sales efforts, considering the market and other conditions.

[Shipment breakdown by customer sectors]



[Composition by export destination]



[Nippon Steel's sales contracts of steel products]

	Direct contract-based sale Order-based production tied to a specifications Price determination through direct negotiations with a customer	S fic	Spot market sales Sales to a distributor or a trading company without end users being specified			
Domestic sales	Domestic direct contract-based sales	;	Domestic spot market sales			
Exports	Export direct contract-based sales	Ex	port spot market sales			

* Number of non-consolidated order intake in FY2023 (excludes semi-finished products)

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NIPPON STEEL CORPORATION INTEGRATED REPORT 2024

Overview of the Group's Business (1)Domestic steel business

Production

Steel product manufacturing process

The steelmaking process is divided into the upstream process, to melt and reduce iron ore at high temperature, and to solidify the metal, and the downstream process, to make it into products of shapes and properties that meet needs of customers.

Upstream steelmaking process

The upstream process includes the ironmaking process to produce pig iron which is made mainly in a blast furnace; and the steelmaking process that uses pig iron, scrap, alloys, and other materials to manufacture steel products of diverse features. A large area of level land and a massive amount of initial investment are required for the upstream process, which needs massive upstream facilities for diverse processes including reception of raw materials, distributing a high level of supply of energy, and treatment of by-products. Moreover, a blast furnace once blown in will be kept operating ceaselessly for 24 hours a day and 365 days a year for around 15–20 years, with shutdowns for only a few times of few day intervals a year. This also means a 24-hour-a-day operation of most other steelmaking facilities as well, which is realized by four teams of workers engaged in three shifts.

Downstream process

The downstream process is divided into processes for rolling, coating, refining and inspection, enabling manufacturing of products with features required by customers.

Effective production of high-grade steel at manufacturing bases and R&D bases in Japan

In Japan, six steelworks of Nippon Steel Corporation have 13 manufacturing bases, which we call areas, in aggregate. We also have group companies' factories or mills using electric arc furnaces and for secondary processing of steel products. The Nippon Steel Group's domestic crude steel production capacity totals about 47 million tons per year. In addition to three largescale research centers, R&D laboratories at each steelworks put research outcome from the research centers to practical use in advanced technology, by improving equipment closely with



[Steel product manufacturing process]

the manufacturing sites and developing products closely with customers. Nippon Steel Corporation's manufacturing bases and R&D bases in Japan have had a close working relationship with customers for many years. They are a source of value creation that is continually generating operational, equipment, and product technologies—our strengths. We call them mother mills, a base of value creation in our business development.

Efficient, high-grade steel production in large blast furnace, seaside integrated steelworks

All of Nippon Steel Corporation's large blast furnace integrated steelworks in Japan are located in seaside areas, appropriate locations for import of raw materials and export of product shipments. From raw material landing places to upstream and downstream processing facilities, product warehouses, and shipping quays, all the sites are efficiently laid out to comprise a modern steelwork. Most of our 11 blast furnaces (as of the end of FY2023)—the main facilities of the upstream process—are immense, having an average furnace capacity of approximately 4,900m³. In particular, the No. 1 and No. 2 blast furnaces (5,775 m³) in Oita are among the world's largest.

The large blast furnace and seaside integrated steelworks we operate are of a high-efficiency production model, originated in Japan. Our domestic manufacturing bases have established this model, ahead of other countries, and have realized high productivity, cost competitiveness, mass production and stable supply of high-grade steel products, and high quality, using long accumulated operational and equipment technology.

The top-runner approach for continuous improvement in technology level

Our top-runner approach is that all steelworks share their operational and technical knowledge and experience as well as daily and monthly KPI data and arrangements work to have newly set precedents and methods, and groundbreaking advances transferred to and shared by all manufacturing bases. The PDCA system is in place, enabling the enhancement of technical levels. All the steelworks are also connected via a common facility management system. Sharing enormous information by utilizing the DX technology, such as on the problem occurrence rate, component product life, and installation or engineering work schedule, they seek to achieve more efficient, optimal maintenance and repair.

Overview of the Group's Business

Introduction

(2) Overseas steel business

Leveraging the strengths cultivated in "mother mills" in Japan, in overseas markets, Nippon Steel is expanding its plants for integrated manufacturing and downstream processes in the centers of demand, and thereby seeks to ensure that local demand is captured in "districts and areas where demand is promisingly expected to grow" and in "sectors in which our technologies and products are appreciated." At present, the Group's overseas crude steel production capacity is approximately 19 million tons per year and its steel product capacity is approximately 37 million tons.

Capturing local demand in emerging regions

Global steel demand is expected to continue to grow at a moderate pace. Steel demand is expected to grow steadily in the future, especially in the large and high-growth market of Asia (India, ASEAN and others), in line with infrastructure development, progressing urbanization, and industrialization driven by the growth of automotive and other industries.

In order to satisfy such overseas demand, we export high-grade steel and other steel products from Japan, and in "areas where demand is promisingly expected to grow," as well as "sectors in which our technologies and products are appreciated," we satisfy demand through local production in 1) overseas production bases for downstream processes such as cold rolling and plating, and 2) integrated production bases for upstream processes (at blast furnaces, electric arc furnaces, etc.) and downstream processes (rolling, etc.)

We are developing our overseas steelmaking business in a variety of locations with priority bases in ASEAN (our home market), India (where demand is growing), and the United States (the largest market for high-grade steel). As an insider in these markets, we will contribute to their economic growth and solving their social challenges.

Integrated steel mills

We have established an integrated production framework in key overseas markets to capture the growing demand for steel in emerging regions/countries and to add value through integrated production. Our basic expansion policy is focused on capacity expansion of existing facilities and the acquisition of and capital participation in (brownfield investment) integrated steel mills. The aim is to maintain the supply/demand balance in the market amid the trend of overcapacity in crude steel production and to avoid the risks associated with new startups.

Downstream plant

To meet the demand for high-grade steel for automobiles, home appliances and other products from local production facilities of Japan-based customers, semi-finished products are supplied from Japan or by local joint venture partners to local processing plants that supply cold rolled products, plated products and steel pipe products, etc. to customers there.



Simple aggregation of the nominal capacity of each company. Figures in parenthesis reflect the equity ratio of companies with less than 50% ownership.



* 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 30% stake to which Nippon Steel plays a significant role in supplying materials.

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Overview of the Group's Business

(3) Raw material business

Nippon Steel had made minor investments in raw material mines owned and operated by major resource companies; the investments have supported reliable procurement of raw materials. We used to procure approximately 20% of the iron ore and coking coal we use from invested mines, but this proportion has increased to about 30% for coking coal after we made 20% investment in Elk Valley Resources Ltd. (EVR JV), a Canadian coking coal company, in January 2024.

These investments have made a significant contribution to consolidated earnings in the face of continued high market prices for raw materials. We have thus materialized a consolidated profit structure, which is less susceptible to the external environment.

Going forward, we intend to increase our investment and transform this endeavor into a comprehensive "business." Our goal is to go beyond procurement and create an integrated business framework that spans raw materials, manufacturing, and distribution. By leveraging our understanding of user needs and our expertise in raw material utilization technologies, we will work to ensure the stable procurement of quality raw materials and mitigate the impact of future market fluctuations in the raw material market.

	[Invested mines of Nippon Ste	el]		Year participated	Nippon Steel's ownership	Major shareholder	Production capacity (mn tons/year
	Iron are and pollet	Australia	Robe River	1977	14.0%	Rio Tinto 53.0%	70
	from ore and penet	Brazil	NIBRASCO	1974	33.0%	VALE 51.0%	10
		Moranbah North*	1997	6.25%*	Anglo American 88.0%	12	
		Australia	Warkworth	1990	9.5%	Yancoal 84.5%	8
	Coal		Bulga	1993	12.5%	Glencore 85.9%	7
	The carbon-neutral steel production		Foxleigh	2010	10.0%	Middlemount South 70.0%	3
proces	of coking coal.		Boggabri	2015	10.0%	Idemitsu Kosan 80.0%	7
			Coppabella and Moorvale	1998	2.0%*	Peabody 77.3%	5
		Canada	Elk Valley Resources	2024	20.0%	Glencore 77.0%	27
	Alloy (niobium)	Brazil	СВММ	2011	2.5%	Moreira Salles 70.0%	0.15

* Including the following equity stake owned by Nippon Steel Trading Co., Ltd.: Moranbah North 1.25%, Coppabella and Moorvale 2.00%

[Trends in the proportion of own mines]



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Overview of the Group's Business

(4) Other group companies

Nippon Steel Corporation's other group companies support the domestic steel business in various areas, from upstream to downstream in the steelmaking and steel fabrication value chain and enhance value therein. In the same way as Nippon Steel, these companies have achieved stable earnings by strengthening their structure through restructuring and integration, streamlining facilities and improving margins.

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

Nippon Steel's steel business is supported by a group of companies engaged in the production, logistics and equipment of steelworks.

Major functional subsidiaries	Nippon Steel's ownership	Business description
Nippon Steel Texeng	100%	Engineering, maintenance, and operation of machinery, electrical instrumentation, systems, and construction of steel production facilities
Krosaki Harima	42.88%	Manufacture and sale of all refractory materials; and design, installation, building and repair of various kiln furnaces
Nippon Steel Logistics	100%	Marine transport, factory transport and work subcontracting, port transport, warehousing, truck transportation, and customs services
Nippon Steel Slag Products	100%	Manufacture and sale of steel slag 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 description
Nippon Steel Trading	80%	Sales, exports and imports of steel products and other products

[Steelmaking value chain and other group companies]



Secondary processors

Secondary processing companies of the Nippon Steel Group are engaged in manufacturing and sales of higher-valueadded secondary processed products, which respond to end customers' needs, mainly using steel products of Nippon Steel as material and the Group's advanced technologies.

Major secondary processing subsidiaries	Nippon Steel's Ownership	Business description		
Nippon Steel Coated Sheet	100%	Galvanized sheets, colored galvanized sheets, coated steel sheets, construction materials		
Nippon Steel Metal Products	100%	Construction materials, civil engineering materials, colored galvanized sheets		
Nippon Steel Pipe	100%	Carbon steel pipes for machine structure, welded stainless steel pipes, carbon steel pipes for building structure		
Nippon Steel Drum	100%	Drums		
Nippon Steel SG Wire	100%	Piano wires, coated wires, oil tempered wires		
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	84.96%	High-tension bolts		
Nippon Steel Wire	51.04%	Steel wires for cold heading, hard steel wires, high carbon chrome bearing steel wires		
Geostr	40.37%	RC segments, steel segments, other civil engineering RC products		

Stainless steel and electric arc furnace manufacturers

The electric arc furnace (EAF) manufacturers of the Nippon Steel Group manufacture and sell distinctive products and have topclass competitiveness in their respective fields.

Major stainless steel/ EAF steelmaking subsidiaries	Nippon Steel's ownership	Business description	
Nippon Steel Stainless Steel	100%	Manufacture and sale of stainless steel	
Nippon Steel Structural Shapes	100%	Manufacture and sale of H-beams	
Osaka Steel	60.62%	Manufacture and sale of equal angles, channels, I beam, round bars, deformed bars, joints for reinforcing bars, rails, elevator guide rails, rim bars, colored angles, etc.	
Sanyo Special Steel	52.95%	Manufacture and sale of special steel materials and pipes	
Oji Steel	51.49%	Manufacture and sale of flat bars, square bars, and steel blocks	

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Overview of the Group's Business

(5) Three non-steel segments

Three non-steel segments, which originally were parts of Nippon Steel's steel business, support the steel business and create synergies.

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.



[Steelmaking value chain and three non-steel segments]

	1) Engineering and construction	2) Chemicals and Materials	3) System solutions
Segment companies	Nippon Steel Engineering	Nippon Steel Chemical & Material	NS Solutions
Synergies with the steelmaking business	Design and construction of steelmaking facilities	By-product recycling Use of development seeds and basic technologies Multi-material capability	Provision of IT solutions
Sales (FY2023)	¥ 409.2 billion	¥ 260.8 billion	¥ 311.5 billion
% of sales to the steelmaking business	About 10-20%	Less than 10% (Manufacture of coal chemical products from tar, a by-product of steel mill)	About 20%
History and business overview	The company started as an engineering division of Nippon Steel (currently Nippon Steel Corporation) in 1974 and spun off as an independent company in 2006. We support infrastructure in Japan and overseas in a variety of fields, from the construction of environment and energy-related plants to super-high-rise buildings and huge steel structures.	In October 2018, the businesses of Nippon Steel & Sumikin Chemical and Nippon Steel & Sumikin Materials were merged to form Nippon Steel Chemical & Material. By combining the material design and manufacturing technologies of Nippon Steel & Sumikin Chemical (as aromatic chemical synthesis, refining and compounding) with the material technologies of Nippon Steel & Sumikin Materials (thin foils, fine wires, and fine particles), the company plays a part in strengthening the comprehensive material support capabilities of the Nippon Steel Group.	The Electronics and Information Communication Division and the Information Systems Division of Nippon Steel (now Nippon Steel Corp.) 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. Based on its many years of supporting systems in the steel industry 24 hours a day, 365 days a year, the company provides an optimal stable system that utilizes cutting-edge IT for a wide range of customers including financials, retailers, and the public sector beside the steel industry.

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Overview of	Overview of the Group's Business (5) Three non-steel segments 1) Engineering and construction									
1) Eng	1) Engineering and construction Nippon Steel Engineering Co., Ltd.									
Our Missio	n, Our Values and O	Our Vision								
Our Missio	n		Our Val	ues		Our	Vision			
Leveraging te will provide o we can contr industries.	Leveraging technologies and ideas that go one step ahead, we will provide optimal engineering solutions to our clients so that we can contribute to the development of global society and industries. On-site Technology Human Capital Technology Contribute to the development of technologies and services for decarbonization and national resilience Social implementation of technologies and services for decarbonization and building resilient and disaster-resistant cities Improve productivity and implement business innovation Every single employee will refine his or her aspirations and continue to improve productivity and implement business innovation							Jes ut also on and inue to		
We are involv the creation c	ed in numerous project: of resilient, disaster-resis	s in Japan and overseas stant communities throu	s, utilizing our compreh ugh our business activit	ensive engineering skill les.	ls. Our mission is to acti	vely promote DX and co	ontribute to the realization	on of a carbon-neutral society	and	
	Environment and	l energy		Urban infra	astructure		Steeln	naking plants		
We are contributi engineering, proc maintenance (0&	ng to the creation of a sustaina urement and construction (EPC M) of environmental and energ	ble, circular economy through C) as well as operation and y-related facilities and plants.	As a steel en support the a "Steel × Idea	gineering company with a tho creation of resilient and disaste as = Power."	rough knowledge of the materia er-resistant cities by making ful	al steel, we We pro I use of Produc	vide plants that realize the thre ts, and Eco Solutions) to custor	e ecos of the steel industry (Eco Proces mers in Japan and overseas.	s, Eco	
FY	2023 consolidated revenu	⊪¥ 268.2 bn		FY2023 consolidated re	venue ¥ 112.8 bn		FY2023 consolidat	ed revenue ¥ 39.2 bn		
		1	NS-SSB [®] , a	n iron seismic						

Japan's first jacket type foundation (Ishikari Bay offshore wind power plant), supporting an 8MW wind turbine



Coke dry quenching equipment (CDQ) recovers thermal energy from coke and contributes to reducing CO₂ emissions from steelworks



1: Nippon Steel Corporation took over the steelmaking plant business of Nippon Steel Engineering Co., Ltd. (excluding coke dry quenching equipment business, etc.) on October 1, 2023, through a simple absorption-type split. 2: Since the above consolidated revenues by sector are before adjustment of inter-sectoral transaction value, the combined amount differs ¥11 billion in total from the revenue of ¥409.2 billion of Nippon Steel Engineering Co., Ltd.

[Major Group companies of Nippon Steel Engineering Co., Ltd.]

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)

Overview of the Group's Business (5) Three non-steel segments 1) Engineering and construction

Synergies in the Nippon Steel Group

The Engineering and Construction business aims at equipping society with CO₂ capture, CCS, hydrogen and ammonia technologies, jointly taking on the challenge of "Nippon Steel Carbon Neutral Vision 2050."

We will propose solutions to the diverse needs of society and industry by utilizing the steel products, various other products and services of the Nippon Steel Group and our engineering capabilities, including design, procurement and construction methods.

Future risks and opportunities, and business strategy

Risks

• Long-term contraction of domestic market

 Impact of Japan's declining labor population on supply chains (future concerns about stable procurement of goods/services, quality/delivery, etc.)

Opportunities

Global acceleration of carbon neutral promotion in all kinds of industries
 Increasing needs for building resilient, disaster-resistant cities and maintaining and renewing aging social and industrial infrastructure
 Accelerated progress and social implementation of digital technology

Business strategy

• Efforts in growth areas toward carbon neutrality (CN)

Obtaining a solid market position in the CN-related business area

Offshore wind force (including 0&M), CO2 recovery (ESCAPTM), storage and utilization, hydrogen and ammonia-related facilities (pipelines, receiving, shipping, storage facilities, etc.), utilization of biomass, etc.

• Development of renewable energy power supply business (expansion and sophistication of energy management system including storage battery technology, etc.)

• Expansion of Zero Emission Building (ZEB), the highest rank contributing to CO2 reduction in large-scale logistics facilities, etc.

• Initiatives for enhancing resilience and the area of aging infrastructure

- Expansion of material 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
- Development of new service-type businesses for needs for manpower reduction and CO₂ emission reduction
- Development of smart cleaning service (cleaning of plant equipment, piping, etc. using ultrasonic waves and prevention of adhesion of dirt)
- Deployment of next-generation aquaculture production system
- Smarter engineering operations using digital technology to improve productivity

The value creation process



Sustainability initiatives

We hold meetings of the Sustainability Committee, chaired by the president, four times a year.

Based on the Sustainability Policy (Quality, Health & Safety, Compliance, Environment, Procurement, Human Rights, Human Resources, and Social Contribution), we are also implementing the PDCA cycle of activities in cooperation with Group companies.

Our six priority SDGs

Among the 17 Sustainable Development Goals (SDGs), we have identified six priority goals that the Nippon Steel Engineering Group can make a significant contribution to through the execution of our business activities.



Contributing to CO₂ emissions reduction through decarbonization and low-carbon products

We have set a goal of achieving a sales composition ratio of more than 50% for decarbonized and low-carbon products by 2025 (its effect on CO₂ emissions reduction is equivalent to 32 million t-CO₂/year).



Corporate Vision	Introduction	Message from the President	Strategies	Financial Strategy	Sustainability	Corporate Governance	Basic Information	NIPPON STEEL CORPORATION INTEGRATED REPORT 2024	140

Overview of the Group's Business (5) Three non-steel segments 2) Chemicals and materials

2) Chemicals and materials Nippon Steel Chemical & Material Co., Ltd.

Our Mission

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

The Nippon Steel Chemical and Material Group, created through the business integration in October 2018, is developing its business activities with the basic philosophy of "Master Materials, Pioneer the Future," aiming to realize an affluent society through advanced chemical and material technologies, contribute to the global environment, and achieve co-creation and co-prosperity with customers and the growth and happiness of employees.

Nippon Steel Chemical & Material Group Mission

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 & Happiness

Management Principles

We will develop corporate activities with emphasis on the following items, conduct fair and transparent management, and continue to grow as a company that is widely trusted by society.

- Contribution to the global environment
 Realization of a society that is healthy and rich in humanity
- Co-creation and co-prosperity with customers Realization of the growth and happiness of employees

Action guidelines

- Trust : We follow the laws and social rules, always consider things from the perspective of society and our customers, and aim to earn the trust of 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 through friendly 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.

Chemical products

Coal chemicals

Pitch coke, pitch, naphthalene, phthalic anhydride, carbon black, industrial gases

FY2023 consolidated revenue ¥58.0 hn

Aromatic chemicals, styrene monomers, bisphenol A, divinylbenzene, functional chemicals, lubricating materials

FY2023 consolidated revenue ¥110.0 bn



Functional materials/composite materials

Circuit board materials, epoxy resins, display materials, metal foils, 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



NS Styrene Monomer Co., Ltd.

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

Needle coke for electric furnace

electrodes

Nippon Steel Carbon Co., Ltd.

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Overview of the Group's Business (5) Three non-steel segments 2) Chemicals and materials

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.

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.

Picture: Needle coke, carbon black, etc.

Future risks and opportunities, and 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

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).

· Realization of carbon neutrality, and development of materials and technologies contributing to

Development of distinctive and differentiated technologies and products

Efforts to improve productivity and diversify raw material and fuel sources



Opportunities

global environmental protection

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.

Sustainability initiatives

Earning the trust of stakeholders Ensuring compliance and strengthening product safety

Manufacturing that prioritizes safety, the environment, disaster prevention, and quality

As manufacturing companies, the Nippon Steel Chemical & Material Group has clearly established the guiding principle that "safety, environment, disaster prevention, and guality take priority over production, shipments, and cost" and is working to earn the continued trust of all stakeholders, including customers, suppliers, local communities, society, and employees and their families.

Promoting responsible care activities

Responsible Care (RC) activities are activities in which manufacturing companies voluntarily ensure that the environment, safety, and human health are not harmed from product development through manufacturing, distribution, use, and final consumption to disposal, while disclosing the results of their activities and communicating with society. The Nippon Steel Chemical & Material Group has established the Responsible Care Committee, which deliberates and decides on important matters related to RC activities, including the Environmental Management Policy, RC Activity Policy, and the company-wide RC Activity Promotion Plan, and implements company-wide cross-sectional activities.

 RC activity promotion items Occupational safety and health, environmental preservation,

security and disaster prevention, and product safety

Business strategy

- Through stable production and quality improvement of "needle coke" used in steelmaking electric furnaces, we will contribute to the realization of carbon neutrality by producing high-grade steel in large electric furnaces.
- We will continue to develop differentiated products that make full use of our unique advanced chemical and material technologies. Semiconductor peripheral materials such as bonding wires, ceramic particles, circuit boards, functional resins, and high-performance metal foils are indispensable for the refinement and sophistication of various electronic devices, the progress of CASE, and the spread of 5G/6G communications. We will develop these various materials and members and provide them to society.
- By improving the production process and building an optimal business portfolio, we will establish a system that can flexibly respond to changes in the business environment.

Value creation process

	Inputs	Business activities	Outputs and outcomes
Human capital	Employees: 3,454 (consolidated) (As of March 31, 2024)	Developing our unique chemical and material business	Diverse product lines/creation of social value
Intellectual capital	R&D expenses ¥4.3 bn Patents Domestic: 1,000 approx. Overseas: 1,400 approx. (As of March 31, 2024)	As companies that handle various materials other than steel within the Nippon Steel Group, we are engaged in a wide variety of chemical and materials businesses. Utilizing our unique technology, in which organic and inorganic materials are combined, we supply useful products to society in a wide range of business areas,	Effective use of steel by-products Production of needle coke for graphite electrodes for electric arc furnaces used in the recycling of steel scrap Production of aromatic chemicals used as raw materials for commodity plastics, Recycling of plastic waste
Manufacturing capital Natural capital	Manufacturing bases Domestic: 17, Overseas: 7 Energy usage: 100 thousand KL/year (crude oil equivalent) Industrial water: 23mn m ³ (FY2022 results)	including coal chemicals/chemical products and various functional materials. We are promoting business activities with the aim of "realizing an affluent society" and "contributing to the global environment" as set forth in our corporate philosophy.	Provision of high-performance products Providing various materials indispensable for high-performance electronic devices (circuit boards, functional resins, metal foils, display/semiconductor peripheral materials, battery materials, etc.) Production of metal carriers for on-hourt care purification
Consolidated financial capita	I Interest-bearing debt ¥7.6 bn D/E ratio 0.05 (As of March 31, 2024)		Production of metal carriers for exhaust gas purification Development of social infrastructure
Social and other related capita	Coexistence with local communities, Co-creation and co-prosperity with customers		 Repair and reinforcement of social infrastructure such as highways, steel bridges, and tunnels, using carbon fiber composite materials

Picture: High-performance metal foil. HDD suspension, metal substrates

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Overview of the	e Group's Business	(5) Three non-steel segme	nts 3) System solution						
3) Syste	em solutio	NS Solution	s Corporation						

Purpose/Vision/Values



Our Business

With our comprehensive capabilities backed by cutting-edge technology and deep business knowledge, we will produce solutions that are truly valuable to our customers and the future society.

Business Solutions

This segment consists of 1) "Manufacturing, Nippon Steel Group," which is mainly engaged in digitalization of the manufacturing sector; 2) "Retail and Services, Digital Platformer," which supports the distribution and retail sector and digital platformers, and 3) "Financial Services."

Consulting & Digital Services

The segment consists of 1) the domain of IT infrastructure solutions and large-scale IT infrastructure engineering, which has long been provided for the public sector and 2) horizontal versatile solutions such as AI solutions and other digital services. These include "Digital Workplace Solutions" and "IT Outsourcing," which are the areas of focus.

FY2023 consolidated revenue ¥79.1 bn

FY2023 consolidated revenue ¥231.5 bn (including ¥62.5 bn for Nippon Steel)



[Major Group companies of NS Solutions Corporation]

Domestic subsidiaries	NS Solutions Hokkaido Corporation, NS Solutions East Japan Corporation, NS Solutions Chubu Corporation, NS Solutions Kansai Corporation, NS Solutions Kyushu Corporation, NS Solutions BizTech Corporation, NSSLC Service Corporation, Network Value Components Ltd., NS Financial Management Consulting, Inc., Financial Engineering Group, Inc., Act., NCI Systems Integration, Inc., NIPPON STEEL Hitachi Systems Solutions, Inc.
Overseas subsidiaries	NS Solutions (Shanghai) Co., Ltd., NS Solutions Asia Pacific Pte. Ltd., Thai NS Solutions Co., Ltd., PT. NSSOL SYSTEMS INDONESIA, PT. SAKURA SYSTEM SOLUTIONS, NS Solutions USA Corporation, NS Solutions IT Consulting Europe Ltd.

customer.

Opportunities

generative Al

Sustainability

Nippon Steel Corporation accounts for approximately 20% of

NS Solutions' consolidated sales, making it the company's largest

While NS Solutions is contributing to Nippon Steel' DX by the

power of advanced and cutting-edge installment, the company is continuing to enhance its corporate value by acquiring clients

including Japan's leading global manufacturers, Internet service

platform providers, major financial institutions, and government

agencies through synergies such as customer trust and stable

Innovation in system development and operation through innovative technologies such as

Full-scale development of platforms to promote information distribution and utilization across industries

Expansion of digital services through industry cloud adoption

human resource recruitment capabilities in the Nippon Steel brand.

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Synergies in the Nippon Steel Group

For the steelmaking industry, computer systems are an important foundation for supporting all business activities, such as receiving orders, production, shipping, and quality control, and for utilizing various data.

Accumulation of knowledge and ensuring the continuity of human resource supply by NS Solutions Corporation is essential for Nippon Steel to differentiate itself in the steel industry and maintain its competitiveness.

Future risks and opportunities, and business strategy

Risks

- Shortage of IT personnel due to the declining domestic working population
- Reduced barriers for companies to become involved in digital business, and customers' increased in-house production
- ${\ensuremath{\bullet}}$ Major changes in customer behavior due to sudden changes in global economic situations

Business strategy

"Social Value Producer with Digital," a new concept report compiled by NS Solutions, reflects our willingness to more actively participate in society and unleash new possibilities by ourselves with the aid of digital technology. Until now, we have worked to solve customer issues as a partner that stands close to customers. From now on, however, we aim to be a "producer" who creates new systems for the world in collaboration with many related parties, and who brings new value to society. To achieve this, we will focus on the following three points.

• Realization of a variety of ways to deliver value

- We will provide new value through three business models, using assets accumulated through the conventional SI model as the core.
- 1. Provide sustainable IT services through the next-generation SI model 2. Provide best practices through asset utilization models
- 3. Provide a platform for co-creation and co-existence through a platform provision model
- Utilize and strengthen our long-accumulated knowledge and technological capabilities

Shift to a new business model by strengthening human capital and utilizing the entire field of Nippon Steel Group companies, with our accumulated technologies and knowledge as the core. • Expand value proposition

Expand value provision targets into new markets for NS Solutions, in addition to seeking growth in the existing market domains.

NSSOL 2030 Vision

Imagine and deliver the future of society through the power of digital

Target structure (Aim: by the early 2030s)							
Sales: The 500 billion yen level	Operating profit: 100 billion yen level						
Operating margin: 20% level	ROE: 15% level						

Sustainability initiatives

Materiality	Main initiatives	Main SDGs
Remediation of social challenges through IT	 Contribute to the improvement of operational efficiency through the introduction of business systems and IT in various manufacturing industries, as well as measures against the declining working population. Contribute to the establishment and improvement of the national life infrastructure through system development and other activities for government and public offices, research institutes, financial institutions, rallway and telecommunications service providers, platformers, etc. Contribute to solving local issues by supporting the promotion of DX and smart cities at local governments. 	3 BORNELLE
Steady provision of IT services as social infrastructure	Provide robust and efficient IT services that apply advanced technologies such as cloud native.	12 mmake compared CO
Creation of opportunities for diverse human resources to play active roles	 Create female managerial positions through measures to develop female leaders. Promote various D&I measures, such as the establishment of dedicated portals to promote mutual understanding among employees with diverse attributes and characteristics. Promote "self-selected" skill development (establishing an autonomous training system, etc.) 	5 mm 6 mm 8 mm entre 10 mm 10 mm
Reduction of environmental impact*	 Continue to steadily promote the achievement of the Scope 1+2 reduction target of GHG emissions, and promote the introduction of green power. Provide cloud services through highly energy-efficient data centers. 	7 ortenant for Concentration 13 state Concentration 13 state Concentration 14 state Concentration 15 state Concentration 16 state 17 state 18 st
Pursuit of governance and compliance as a trusted member of	 Further enhance corporate governance as a company with an audit and supervisory committee. Thoroughly implement the Global Business Conduct. Strengthen the risk management system. 	

* April 2022: Announced support for the TCFD. Aim to reduce Scope 1 and 2 of GHG emissions by half in FY2030 vs. FY2018 and to achieve carbon neutrality by FY2050.

The value creation process



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Global Production System (Steel Production Bases) (As of March 2024)



Names of steelworks	Names of areas	Product		
A North Ninnon Works	Muroran Area	Bars & wire rods		
	Kamaishi Area	Bars & wire rods		
	Naoetsu Area	Titanium & special stainless steel		
Past Ninnon Works	Kashima Area	Flat products, Pipes & tubes		
	Kimitsu Area	Flat products, Bars & wire rods, Pipes & tubes, Plates		
3 Nagoya Works	—	Flat products, Pipes & tubes		
	Wakayama Area	Pipes & tubes, Structural shapes		
4 Kansai Works	Osaka Area	Railway, Automotive & machinery parts		
	Amagasaki Area	Pipes & tubes		
	Hanshin Area	Flat products		
5 Setouchi Works	Hirohata Area	Flat products		
	Kure Area	Flat products (Stopped commercial production in September 2023)		
6 Kyushu Works	Yawata Area	Flat products, Bars & wire rods, Structural shapes, Rails, Titanium		
	Oita Area	Flat products, Plates, Pipes & tubes		



Establishment		nt Company	Product	Steel production capacity (10,000 tons/year)	Investment ratio; partner (%)
	1963*	1 NSPT	Pipes & tubes	16	59
	2 1995*	² NS-SUS	Flat products/tinplates	100	95
	3 1997*	3 NSSPT	Bars & wire rods	10	67
	4 1997	VNSP	Pipes & tubes	5	60
	5 2005	INSP	Pipes & tubes	4	61
	6 2009*	4 LATINUSA	Tinplates	16	39 Krakatau
	2 009	CSVC	Flat products	120	34 CSC
	8 2010	NPV	Pipes & tubes	6	80
	2011*	4 TSW	Bars & wire rods	2	51
	0 2012	TPP	Bars & wire rods	1	80
	1 2012	KNSS	Flat products	48	85 ^{∗₅} Krakatau
	2012	KOS	Structural shapes Concrete steel bars	50	86⁺⁵ Krakatau
	1 2013*	6 NSBS	Flat products	96	50 BlueScope
	2015	VAM®BRN	Pipes & tubes		60 Vallourec
	1022*	4 G Steel	Flat products	158	60
	1022*	4 GJ Steel	Flat products	150	58



Establishment		ablishment	Company	Product	Steel production capacity (10,000 tons/year)	Investment ratio; partner (%)
1 2001		2001	Ningbo Sanyo Special Steel Products Co., Ltd.	Bars & wire rods	3	89
_	2	2003	Huizhou Nippon Steel Forging	Crankshafts	2.1 mn units	60
	8	2003	Nippon Steel Pipe Guangzhou*1	Pipes & tubes	2	66
	4	2004	BNA*2	Flat products	262	50 Baoshan Iron & Steel Co., Ltd.
	Ø	2004	Nippon Steel Pipe Wuxi	Pipes & tubes	2	81
	6	2009*3	Suzuki Garphyttan	Bars & wire rods	1	100
	0	2011	WINSteel	Tinplates	80	50 Wuhan Iron and Steel (Group) Corp.
	8	2013	NSCh	Bars & wire rods	4	50

*1 Stopped commercial production in September 2024

*2 Sale of equity interest in August 2024

*3 Acquisition year

*1 TSP invested by former Sumikin in 1963 and SNP invested by former Nippon Steel in 1994 merged in 2016 and renamed NSPT

*2 Invested in 1988 in a tinplate maker STP, which was integrated and absorbed

*3 SP invested by former Sumikin in 1997 and NBC Thailand invested by former Nippon Steel in 2006 merged in 2013 and renamed NSSPT

*4 Acquisition year

*5 Economic equity including preferred stock (equity ratio with voting rights of KNSS: 80%, KOS: 80%) *6 Equity participation year

Legends of world map 🔸 Integrated steel mill 🛛 Downstream process

The steel product demand for each region is assumed using results for 2022 announced by the World Steel Association.

As for indirect equity through subsidiaries, their investment ratios stated here do not take into account the parent company's investment ratio of these subsidiaries unless otherwise stated.

Global Production System (Steel Production Bases)



Est	ablishment	Company	Product	Steel production capacity (10,000 tons/year)	Investment ratio; partner (%	
0	2010	SMAC	Crankshafts	2.2 mn units	40	_
2	2010	NSPI	Pipes & tubes	2	86	_
8	2012	JCAPCPL	Flat products	60	49 Tata Steel	_
	2012*1	SSMI	Bars & wire rods	24	85	
5	2019*2	ArcelorMittal Nippon Steel India	Flat products, Plates, Pipes & tubes	960	40 ^{*3} ArcelorMittal	-

*1 Equity participation year

*2 Equity participation year

*3 Investment ratio in AM/NS Lux (holding company)



tablishment	Company	Product	capacity (10,000 tons/year)	Investment ratio; partner (%)
1984	Wheeling-Nippon Steel	Flat products	60	100
1989	NSPA	Pipes & tubes	8	80
1990	ICI	Crankshafts	4.0 mn units	80
1996	IPF	Bars & wire rods	4	100
2009*1	Suzuki Garphyttan	Bars & wire rods	2	100
2010	Tenigal	Flat products	40	49 Ternium
2011*1	Standard Steel	Car wheels Car axle	20	65 *2
2012	MNSP	Pipes & tubes	2	74
2013*3	NSBS	Flat products	44	50 BlueScope
2014*1	AM/NS Calvert	Flat products	440*4	50 ArcelorMittal
2015	SMM	Bars & wire rods	2	91
	1984 1989 1990 1990 1990 2009*1 2010 2011*1 2012 2013*3 2014*1 2015	Company 1984 Wheeling-Nippon Steel 1989 NSPA 1990 ICI 1990 ICI 1990 IPF 2009*1 Suzuki Garphyttan 2010 Tenigal 2011*1 Standard Steel 2012 MNSP 2013*3 NSBS 2014*1 AM/NS Calvert 2015 SMM	Abilishment Company Product 1984 Wheeling-Nippon Steel Flat products 1989 NSPA Pipes & tubes 1999 ICI Crankshafts 1990 ICI Crankshafts 1996 IPF Bars & wire rods 2009*1 Suzuki Garphyttan Bars & wire rods 2010 Tenigal Flat products * 2011*1 Standard Steel Car wheels Car axle 2012 MNSP Pipes & tubes 2013*3 NSBS Flat products 2014*1 AM/NS Calvert Flat products 2015 SMM Bars & wire rods	Babilishment Company Product Steel capacity (10,000 tons/year) 1984 Wheeling-Nippon Steel Flat products 60 1989 NSPA Pipes & tubes 8 1990 ICI Crankshafts 4.0 mn units 1996 IPF Bars & wire rods 4 2009*1 Suzuki Garphyttan Bars & wire rods 2 2010 Tenigal Flat products 40 2011*1 Standard Steel Car wheels Car axle 20 2012 MNSP Pipes & tubes 2 2013*3 NSBS Flat products 44 2014*1 AM/NS Calvert Flat products 440*4 2015 SMM Bars & wire rods 2



Establishment	Company	Product	Steel production capacity (10,000 tons/year)	Investment ratio; partner (%)
1958	USIMINAS	Flat productsm, Plates	690	12*1 Ternium
2 1999	UNIGAL*2	Flat products	103	30 Usiminas

*1 Economic equity including preferred stock (shareholding ratio with voting right is 22%)

*2 Excluding UNIGAL's capacity from the regional total due to semi-finished products being supplied by USIMINAS

*1 Acquisition year

*2 Investment ratio in Standard Steel Holdings

*3 Equity participation year *4 5.3 million tons/year in steel production capacity, including the outsourced rolling process of stainless steel

NIPPON STEEL CORPORATION INTEGRATED REPORT 2024

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Global Production System (Steel Production Bases)

Introduction





110 100 * A company to which Nippon Steel plays an important role in supply of semi-finished products is added in the Group's worldsteel-based steel product production capacity.

*1 Acquisition year

*2 Suzuki Garphyttan includes KTS Wire.

2018*1

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Strategic Establishment of Brand Families

Nippon Steel Group's brand mark



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 as "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 but yet flexible image of steel.

Our Thoughts incorporated in the corporate logo



Aiming to become the best steelmaker with world-leading capabilities

Basic Information

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

"One of 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 showcase 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 manufactures almost all types of steel products manufactured in the world and has a comprehensive supply system, which includes secondary processed products. 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. Steadily, globally, and over a long time we provide products and services that respond to customers' needs, contributing to their value creation and to sustainable growth of society.



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Products and Applications



Steel for

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Attractiveness of Steel

Introduction

Steel is one of the most familiar materials and is indispensable for our daily lives. Thanks to its diverse properties and infinite potential, steel will continually contribute to a sustainable society.

Steel is an abundant, sustainable material that can be reborn endlessly



"Steel" as endlessly reborn in new steel products

Steel is easily sorted from a mixture with other materials and can be endlessly recycled without causing deterioration in guality - guite a unique characteristic. Steel is a perfect material for recycling as it can be recycled endlessly into all kinds of steel products after the end of its product life.



Diverse properties and a wide range of applications

Due to diverse advantages such as strength and easiness to work, steel has been used in a wide range of applications and deserves recognition as the most outstanding material for the infrastructure of society, a material that supports people's lives and overall economic development.

Steel is close to us and we cannot live without steel products. Steel is for here for all of us now and will be with us in the future.

[Diverse properties that support a wide range of applications]

Strength	Strength Weldability	
Toughness	Paintahility	
louginicaa	T diffeolity	Cold resistance
Robustness	Magnetism	oolu roolotanoe
Workability	Corrosion resistance	Weather resistance

Infinite potential

Steel is a material with immense potential due, in part, to it having a much higher theoretical strength than other materials.

In addition to the adjustment of carbon and other components, the combination of temperature and rolling in the manufacturing stage and the addition of alloys enable steel to be a unique material whose properties can be greatly diversified. Further development and mastery of its optimal use will allow us to pursue new steel possibilities.

[Potential capacity and present application level of material strength]

Present application level	Strength	of she	et mater	ials fo	or auto	omobiles		Theoretica	l strength*1
Tensile strength (GPa*2)	() -	12	3	4	5	6	((10	_
Iron a	ind steel			- 1		(1().4G	Pa)	
Aluminun	n and alloy					3.5GPa	a)	$\rangle\rangle$	_
Concrete (compressive	e strength)	I			1			\rangle	
	(CFRP)							\geq	

*1: Theoretical strength is said to be 1/5 to 1/7.5 of the modulus of rigidity. The above data uses 1/7.5. *2: Gigapascal (GPa) is a unit to measure tensile strength. Giga denotes a factor of one billion (109)

Attractiveness of Steel

Steel as an outstanding material from the Life Cycle Assessment (LCA) perspective

Importance of Life Cycle Assessment (LCA)

The Life Cycle Assessment method (LCA) is a way of thinking to evaluate environmental impact of a product over its entire life cycle. While many aspects of environmental impact cannot be seen, the LCA is an attempt to visualize the impact over the life cycle of a product, from production of its raw material to use, disposal and recycling of the end product.

From the LCA perspective, steel's environmental impactimpact can be said to be extremely low relative to other materials. In order to continue to supply steel as a sustainable material, while taking advantage of its excellent LCA characteristics, we aim to realize carbon-neutral steel production process.



Financial Strategy

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Environmental impact of steel made via the BF and EAF routes, using an LCA approach

The blast furnace (BF) route to reduce iron ore to make steel may appear to generate a higher environmental impact than the method that melts steel scrap in an electric arc furnace (EAF) to make steel. However, the BF route creates steel products that generate steel scrap that, through recycling, has an effect of CO₂ emission reduction. As that scrap recycling effect offsets, the CO₂ emissions in the BF process, environmental impact of the BF and EAF routes in total terms are the same as steel is repeatedly recycled.

This approach is recognized in the ISO 20915 and the JIS Q 20915 and is becoming a global standard.

Efforts to disclose environmental data on our products

SuMPO EPD (Environment Product Declaration)'s calculation and disclosure

Since 2019, we have been actively disclosing data such as our products' LCA-based data on emissions to the environment through SuMPO EPD (formerly known as EcoLeaf).

An EPD is an environmental label that is compliant with the international standard ISO 14025. It calculates the environmental impact (CO₂ emissions, and others) of each product in accordance with the ISO 20915 standard, including raw material extraction and transportation, product manufacturing, and recycling effects. The result is issued for each product after verification and certification by a third party (SuMPO).

EPDs disclose information on the global warming potential (GWP) and other various environmental impact values. When calculating CO₂ emissions upstream of Scope 3 at customers who purchase our products, more realistic primary data rather than secondary data such as databases can be used.

*SuMPO EPD is managed and operated by the Sustainable Management Promotion Organization (a general incorporated association). The name was changed from "EcoLeaf" to "SuMPO EPD" in April 2024.

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

Status of EPD certification

To date, we have obtained more than 60 SuMPO EPD certifications covering almost all of our products, which overwhelmingly exceeds the number issued by other companies in the same industry.

EPDs are also used as the basic data for emission reductions required by NSCarbolex[™] Neutral. Since we have disclosed EPDs for almost all of our products, NSCarbolex Neutral is applicable to almost all of our products.

[Certified products] (as of June 2024)

- Seamless, high-frequency welded OCTG/line pipes
- Welded light gauge steel H sections
- Steel plates for building structures
- Tinplate, tin-free steel and laminated steel sheets
- High-tensile strength steel sheets for building structures
- Steel bars and wire products
- Structure steel plates
- Steel sheet products
- Process-omission steel bar products
- Process-omission steel wire products
- Steels for containers and packaging

- Rail products
- Electrical steel sheets
- Nickel plated steel sheets
- Steel sheet pile products
- Domestic general-purpose steel pipes and tubes (for piping and structural use)
- Titanium sheets
- High-alloy OCTG and line pipes
- Welded steel pipes for mechanical use
- Spiral welded steel pipe piles and spiral welded steel pipe sheet piles
- Titanium plates

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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 impact 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 to not waste resources. These measures include use of by-product gases generated in steelmaking, reuse of recycled water, and recycling of by-products and waste generated in and out of the Company.





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 Improvement of working environment for women, support for career formation and work-life balance 🛄 P.110

Study sessions for teachers, internship for students DP.115

Promotion of employee training to raise skills (i.e., OJT, Off-JT, sending

trainees to Junior College for Industrial Technology), hosting technology

• Increase in female employment and the number of female employees in management DP.110

Prevention of harassment <u>P.112</u>

triathlon 🛄 P.109



- Promotion of water quality risk management D P.80
- · Provision of titanium and stainless steel for seawater desalination plants · Provision of lining steel pipes for delivery of clean water
- Efficient use of energy, such as 100% use of by-product gases 🛄 P.93

 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 D P.43

Promotion of diversity & inclusion D P.110



(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 to improve workstyle, productivity, worker safety management. etc. 🛄 P.52-57

 Pursuit of Eco Processes to help raise resource/energy efficiency and reduce environmental impactimpacts D P.93



Use of steel slag in road materials and materials for civil engineering DP.91

• Thorough compliance training, such as for the Anti-Monopoly Act 10 REDUCED

- Eliminating unfair discrimination, based on the respect on human rights <=> Ü P.113
 - Expanded hiring of women and non-Japanese DP.108



- · Provision of various indispensable Eco Products for daily lives P.148-149
- · Provision of earthquake-resistance steel products
- · Development of Nonframe method, which protects houses from disaster while maintaining views of nature



- · Promotion of air, water, soil risk management and chemical substance management DP.79-82
- Full recycling of by-products, including slag, dust, and sludge DP91
- Promotion of recycling of waste plastics Description



- Promotion of measures against climate change by implementing the Carbon Neutral Vision 🛄 P.36-46
- Development and provision of Eco Products, such as high-tensile, lightweighted, energy-efficient steel sheets and light-weight railway wheels and axles for high-speed railways 🛄 P.43



- Regeneration of seaweed beds with the use of steel slag DP.88
- Promotion of sea area environmental improvement with the use of steel slag
- Voluntary clean-up activities at seashore nearby steelworks Definition P.116 Collaboration with an NPO, "Mori wa Umi no Koibito" Dentation with an NPO, "Mori wa Umi no Koibito" (participation in tree-planting)



 Promotion of air, water, soil risk management and chemical substance management DP.82

- "Creation of Hometown Forests" to promote greenery within steelworks 💭 P.96-97
- Site cleaning activities around steelworks DP.116



 Bribery prevention guidelines to be established and made well known D P.118-122

- · Elimination of antisocial forces
- Thorough confirmation of no use of conflict material DP.105
- . Thorough management of security export control
- Eco solutions to transfer and spread environmental, energy-saving technologies to emerging markets Defined P.87



- Japan-India and Japan-ASEAN regular exchanges among public and private steel-related parties D P.87
- Support for human resources development to build an energy management system in emerging countries

[Examples of specific initiatives]



 Job creation through establishment of operating companies in emerging countries 💟 P.27

• Reduction of vulnerability to disaster based on use of Nonframe method (construction method to stabilize slopes without damaging the natural environment)



• Use of converter slag fertilizer, a by-product of steelmaking, to improve farming productivity and salt damage in farmland DP.97

· Provision of titanium and stainless steel, which have excellent seawater corrosion resistance, for seawater desalination plants, securing agriculture water



- · Promotion of air, water, soil risk management and chemical substance management D P.82
- Development and provision of steel products that contain no substances of concern, such as lead and hexavalent chromium







Financial Information

Consolidated Statements of Financial Position

<millions of="" yen=""></millions>	March 31, 2023	March 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	670,410	448,892
Trade and other receivables	1,062,384	1,587,979
Inventories	2,085,971	2,276,665
Other financial assets	28,176	33,927
Other current assets	223,575	212,919
Total current assets	4,070,518	4,560,384
Non-current assets		
Property, plant and equipment	3,183,638	3,380,436
Right-of-use assets	83,935	100,601
Goodwill	65,062	70,207
Intangible assets	157,444	177,853
Investments accounted for using the equity method	1,210,542	1,537,936
Other financial assets	528,794	675,942
Defined benefit assets	124,628	127,579
Deferred tax assets	136,349	75,893
Other non-current assets	6,185	7,791
Total non-current assets	5,496,581	6,154,242
Total assets	9,567,099	10,714,627

	<millions of="" yen=""></millions>	March 31, 2023	March 31, 2024
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade and other payables		1,592,137	1,890,718
Bonds, borrowings and lease liabil	ities	403,028	541,495
Other financial liabilities		5,878	7,036
Income taxes payable		51,917	80,269
Other current liabilities		40,839	62,353
Total current liabilities		2,093,802	2,581,874
Non-current liabilities			
Bonds, borrowings and lease liabil	ities	2,296,322	2,170,148
Other financial liabilities		323	146
Defined benefit liabilities		185,441	116,309
Deferred tax liabilities		37,685	140,532
Other non-current liabilities		307,105	349,737
Total non-current liabilities		2,826,879	2,776,874
Total liabilities		4,920,682	5,358,748
Equity			
Common Stock		419,524	419,799
Capital surplus		399,366	398,914
Retained earnings		3,079,144	3,525,585
Treasury stock		(58,054)	(58,149)
Other components of equity		341,173	491,576
Total equity attributable to owners	of the parent	4,181,155	4,777,727
Non-controlling interests		465,261	578,150
Total equity		4,646,417	5,355,878
Total liabilities and equity		9.567.099	10.714.627

Basic Information

Total comprehensive income for the year

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Financial information

Consolidated Statements of Profit or Loss

<millions of="" yen=""></millions>	March 31, 2023	March 31, 2024
Sales revenue	7,975,586	8,868,097
Cost of sales	(6,682,028)	(7,481,331)
Gross profit	1,293,557	1,386,765
Selling, general and administrative expenses	(579,411)	(730,388)
Share of profit in investments accounted for using the equity method	102,915	144,326
Other operating income	181,497	178,085
Other operating expenses	(82,102)	(109,131)
Business profit (loss)	916,456	869,657
Losses on reorganization	(32,810)	(90,995)
Operating profit (loss)	883,646	778,662
Finance income	8,091	21,540
Finance costs	(24,888)	(36,230)
Profit (loss) before income taxes	866,849	763,972
Income tax expense	(128,117)	(176,074)
Profit (loss) for the year	738,732	587,898
Profit (loss) for the year attributable to		
Owners of the parent	694,016	549,372
Non-controlling interests	44,715	38,526
Profit (loss) for the year	738,732	587,898
Earnings (loss) per share		
Basic earnings (loss) per share (Yen)	753.66	596.59
Diluted earnings per share (Yen)	671.89	527.96

Consolidated Statements of Comprehensive Income or Loss

_		
<millions of="" yen=""></millions>	March 31, 2023	March 31, 2024
Profit (loss) for the year	738,732	587,898
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	32,577	125,783
Remeasurements of defined benefit plans	16,567	17,570
Share of other comprehensive income of investments accounted for using the equity method	1,355	9,179
Subtotal	50,500	152,533
Items that might be reclassified to profit or loss		
Changes in the fair value of cash flow hedges	(7,779)	1,570
Foreign exchange differences in translation of foreign operations	88,768	81,716
Share of other comprehensive income of investments accounted for using the equity method	56,700	(12,886)
Subtotal	137,688	70,400
Total other comprehensive income, net of tax	188,188	222,933
Total comprehensive income for the year	926,920	810,831
Comprehensive income for the year attributable to		
Owners of the parent	874,564	748,961
Non-controlling interests	52,356	61,870

926,920

810,831

Basic Information

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Changes in Financial Status

			JGAA	P					IFR	IS		
	FY	2014	2015	2016	2017	[2018	2019	2020	2021	2022	2023
Operating Results (End of fiscal year	ar) <millions of="" yen=""></millions>					Operating Results (End of fisc	al year) <millions< td=""><td>of yen></td><td></td><td></td><td></td><td></td></millions<>	of yen>				
Neteslas	Nippon Steel*1	5,610,030	4,907,429	4,632,890	5,668,663	D	6 177 047	E 001 E05	4 900 070	6 909 900	7 075 500	0.000.007
Net sales	Sumitomo Metals	_	_	_	_	Kevenue	6,177,947	5,921,525	4,829,272	6,808,890	7,975,586	8,868,097
Ordinary profit (loss)	Nippon Steel	451,747	200,929	174,531	297,541	Duainasa arafit	226 041	(004 417)	110.046	029 120	016 456	960 657
	Sumitomo Metals	_	-	-	-	Business prom	330,941	(204,417)	110,040	936,130	910,450	009,007
Profit (loss) before income taxes	Nippon Steel	376,188	230,778	181,692	289,860	Drofit hofere income tou	049 760	(402 570)	(9,656)	916 592	966 940	762 070
	Sumitomo Metals	_	-	-	-		240,709	(423,372)	(8,030)	010,000	800,849	103,912
Profit (loss) attributable to owners of parent	Nippon Steel	214,293	145,419	130,946	195,061	Profit for the year attributable to	251 160	(421 512)	(22,422)	627 221	604 016	540 272
	Sumitomo Metals	_	_	_		owners of parent	231,109	(431,513)	(32,432)	037,321	094,010	545,572
Canital expenditure*2	Nippon Steel	304,389	304,643	351,038	411,930	Canital expenditure	440 830	481 310	474 489	407 448	437 622	457 358
	Sumitomo Metals	_	_	_	_	Capital experiature	440,000	401,010	-17-,105	407,440	407,022	407,000
Depreciation and amortization*3	Nippon Steel	320,046	308,276	304,751	340,719	Depreciation and amortization	408 616	417 339	290 863	330 611	340 171	262.000
	Sumitomo Metals			_	_		400,010	417,005	200,000	000,011	040,171	000,002
Research and development costs	Nippon Steel	62,966	68,493	69,110	73,083	Research and development costs	72 043	77 691	65 336	66 431	70 555	72 743
	Sumitomo Metals						12,040	11,001	00,000	00,401	10,000	12,140
Financial Position (End of fiscal yea	ar) <millions of="" yen=""></millions>					Financial Position (End of fisca	al year) <millions o<="" td=""><td>of yen></td><td></td><td></td><td></td><td></td></millions>	of yen>				
Tabel accests	Nippon Steel	7,157,929	6,425,043	7,261,923	7,592,413	Total assets	0.040.500	7 444 065	7 572 046	0.750.046	0 567 000	10 714 607
Total assets	Sumitomo Metals	-	-	-	-		8,049,528	7,444,965	7,573,946	8,752,346	9,567,099	10,714,627
	Nippon Steel	2,978,696	2,773,822	2,948,232	3,145,450	Total equity attributable to owners of parent	0.000.700	0.641.619	0.750.006	2 466 700	4 101 155	4 777 707
Snareholders equity-4	Sumitomo Metals	_	-	-	-		3,230,700	2,041,010	2,759,990	3,400,799	4,101,155	4,///,/2/
T- 4-1 4 +4	Nippon Steel	3,547,059	3,009,075	3,291,015	3,515,501	Total equity attributable to owners of parent	2 607 267	2 006 621	2 121 207	2 907 009	4 646 417	E 255 070
Iotal net assets	Sumitomo Metals	_	-	-	-	Total equity	3,007,307	2,990,031	3,131,307	3,897,008	4,040,417	5,555,676
Internet bearing debits	Nippon Steel	1,976,591	2,008,263	2,104,842	2,068,996	Interest bearing debt	0.260.021	0.000.001 0.400.744	0 550 000	2 652 206	2 600 251	0.744.044
	Sumitomo Metals	_	_	_	_	Interest-bearing debt	2,309,231	2,400,741	2,009,202	2,000,090	2,099,331	2,711,044
Cash Flows (End of Fiscal year) <m< td=""><td>lillions of yen></td><td></td><td></td><td></td><td></td><td>Cash Flows (End of Fiscal yea</td><td>) <millions of="" td="" yen:<=""><td>></td><td></td><td></td><td></td><td></td></millions></td></m<>	lillions of yen>					Cash Flows (End of Fiscal yea) <millions of="" td="" yen:<=""><td>></td><td></td><td></td><td></td><td></td></millions>	>				
	Nippon Steel	710,998	562,956	484,288	458,846		150.011	404.000	100 105			
Cash flows from operating activities	Sumitomo Metals	_	_	_	_	Cash flows from operating activities	452,341	494,330	403,185	615,635	661,274	1,010,159
	Nippon Steel	(263,667)	(242,204)	(343,738)	(353,419)		(001.005)	(0.45, 0.07)	(000.005)	(070.000)	(0.00 500)	(740.054)
Cash flows from investing activities	Sumitomo Metals	_	_	_	_	Cash flows from investing activities	(381,805)	(345,627)	(389,035)	(378,866)	(366,580)	(710,054)
	Nippon Steel	(451,843)	(337,555)	(135,054)	(89,190)		(40.000)	(14.500)	50.004	(01.00.4)	(107.055)	(540.045)
Cash flows from financing activities	Sumitomo Metals	-	-	-	-	Cash flows from financing activities	(42,900)	(14,582)	52,694	(61,304)	(197,655)	(543,945)
Amounts per Share of Common Sto	ock*6 <yen></yen>					Amounts per Share of Commo	n Stock <yen></yen>					
Profit (loss) attributable to owners of parent	Nippon Steel	23.48	158.71*7	147.96	221.00	Racic earnings per share	281 77	(468 74)	(35.22)	692 16	753 66	596 59
per share	Sumitomo Metals	_	_	_	_	Dasic carriings per sildre	201.11	(+00.74)	(00.22)	032.10	100.00	030.03
Cash dividends per share	Nippon Steel	5.5	45.0*8	45	70	Cash dividends per share	80	10	10	160	180	160
סמסוו מואותכוועס אבו סוומוכ	Sumitomo Metals	_	_	-			50	10	10	100	100	150

*1 Up to September 2012 for Nippon Steel; October 2012 to March 2019 for Nippon Steel & Sumitomo Metal (NSSMC); from April 2019 for Nippon Steel.

*2 Only for "Tangible fixed assets," construction base.

*3 The amounts stated for "Sumitomo Metals" for fiscal 2011 and before are only for "Tangible fixed assets." The amounts stated for "Nippon Steel" and the amounts for "Sumitomo Metals" for the first half of fiscal 2012 (April 1 to September 30) include "Intangible fixed assets" excluding "Goodwill."

*4 "Shareholders' equity" stated here is the sum of "Shareholders' equity" as stated in the balance sheet and "Accumulated other comprehensive income." The difference between "Shareholders' equity" and "Total net assets" is "Non-controlling interests in consolidated subsidiaries."

*5 The amounts of "Outstanding borrowings" (the sum of "Borrowings," "Corporate bonds," and "Commercial paper") are stated.

*6 On October 1, 2015, NSSMC performed a 1-for-10 share consolidation.

*7 Profit attributable to owners of parent per share for fiscal 2015 is calculated assuming the 1-for-10 share consolidation was performed at the beginning of the year

*8 The interim dividend for fiscal 2015 would be converted into ¥30 based on this share consolidation, and after adding the fiscal 2015 year-end dividend of ¥15 the annual dividend for fiscal 2015 works out to be ¥45 per share.

Figures in parentheses indicate negative figures.

Changes in Financial Status

			JG	AAP	
	FY	2014	2015	2016	2017
Financial Indices					
Return on sales ((Ordinary profit / Net sales)	Nippon Steel*1	8.1%	4.1%	3.8%	5.2%
Return on equity ((Profit attributable to	Ninnan Staal	7.6%	5 1%		6.4%
owners of parent / Shareholders' equity	Sumitomo Metals		- 3.170	4.070	
Shareholders' equity ratio ((Shareholders'	Nippon Steel	41.6%	43.2%	40.6%	41.4%
equity / Total assets) × 100) <%>	Sumitomo Metals	-	_	_	_
Number of shares issued as of the end of	Nippon Steel	9,503,214	950,321	950,321	950,321
the period*2 <in thousands=""></in>	Sumitomo Metals				
Share price at the end of the period ^{*2} < Yen>	Nippon Steel	302.5	2,162.0	2,565.0	2,336.5
	Sumitomo Metals	_	_		
Consolidated Net Sales by Industry	Segment*3 <millions of="" td="" y<=""><td>en></td><td></td><td></td><td></td></millions>	en>			
Steelmaking and steel fabrication		4,939,239	4,283,923	4,052,261	5,017,245
Engineering and construction		348,699	315,727	267,545	294,268
Urban development		-	-	_	-
Chemicals		212,777	181,823	174,227	200,767
New materials		36,449	36,280	34,519	37,050
System solutions		206,032	218,941	232,512	244,200
Elimination of inter-segment transactions		(133,168)	(129,267)	(128,175)	(124,868)
Consolidated Profit by industry seg	ment*3 <millions of="" yen=""></millions>				
Steelmaking and steel fabrication		401,987	160,088	138,017	245,708
Engineering and construction		18,758	12,163	6,838	9,110
Urban development		_	-	-	-
Chemicals		6,898	1,093	4,518	15,480
New materials		2,482	3,073	1,786	1,919
System solutions		16,565	19,493	22,113	23,292
Elimination of inter-segment transactions		5,053	5,017	1,256	2,030
Non-Financial Performance					
	Nippon Steel (Consolidated)	4,732	4,453	4,517	4,682
Crude steel production	Nippon Steel (Non-consolidated)*	4,496	4,217	4,262	4,067
< ten thousand tons>	Sumitomo Metals (Non-consolidated)*	⁵ —	_	_	_
Steel products shipments (Non-consolidated)	Nippon Steel	4,188	3,962	3,978	3,779
<ten thousand="" tons=""></ten>	Sumitomo Metals*6	-	_	_	_
Average steel selling price (Non-consolidated)	Nippon Steel	87.2	77.1	72.6	84.7
<thousands of="" per="" ton="" yen=""></thousands>	Sumitomo Metals*6	-	_	-	-
Export ratio (Value basis, non-consolidated)*7	Nippon Steel	47%	45%	42%	41%
<%>	Sumitomo Metals*6	_	_	_	_
Number of employees (consol.)	Nippon Steel	84,447	84,837	92,309	93,557
	Sumitomo Metals	_	_	_	_

	IFRS						
	2018	2019	2020	2021	2022	2023	
Financial Indices							
Return on sales ((Business profit / Revenue) × 100)	5.5%	∆4.8%	2.3%	13.8%	11.5%	9.8%	
Return on equity	7.9%	△14.7%	△1.2%	20.5%	18.1%	12.3%	
Ratio of total equity attributable to owners of the parent	40.1%	35.5%	36.4%	39.6%	43.7%	44.6%	
Number of shares issued as of the end of the period	950,321	950,321	950,321	950,321	950,321	950,549	
Share price at the end of the period	1,954.0	925.4	1,886.5	2,171.0	3,120.0	3,668.0	
Consolidated revenue by indu	stry segment <	Villions of yen>					
Steelmaking and steel fabrication	5,454,536	5,257,344	4,228,449	6,153,632	7,245,547	8,076,345	
Engineering and construction	356,707	340,404	324,468	279,260	352,231	409,233	
Chemicals	247,067	215,733	178,678	249,816	274,586	260,834	
System solutions	267,503	273,294	252,476	271,325	292,513	311,572	
Internal revenue or transfer among industry segments	(147,867)	(165,251)	(154,799)	(145,144)	(189,292)	(189,887)	
Consolidated business profit l	by industry seg	nent <millions of<="" th=""><th>yen></th><th></th><th></th><th></th></millions>	yen>				
Steelmaking and steel fabrication	274,672	(325,341)	63,522	871,051	861,443	821,065	
Engineering and construction	9,474	10,717	17,708	6,302	11,674	(1,340)	
Chemicals	25,095	18,477	7,631	25,377	16,170	15,390	
System solutions	26,576	26,162	23,948	30,859	32,111	35,588	
Elimination of inter-segment transactions	1,122	(14,433)	(2,764)	4,539	(4,944)	(1,046)	
Non-Financial Performance							
Crude steel production (Consolidated)	4,784	4,705	3,765	4,446	4,032	4,051	
Crude steel production (Non-consolidated)	4,100	3,954	3,300	3,868	3,425	3,499	
Steel products shipments (Non-consolidated)	3,797	3,631	3,122	3,556	3,147	3,203	
Average steel selling price (Non-consolidated)	89.9	87.3	86.1	117.7	148.9	144.8	
Export ratio (Value basis, non-consolidated)	40%	40%	36%	42%	43%	44%	
Number of employees (Consolidated)	105,796	106,599	106,226	106,528	106,068	113,639	

Basic Information

*1 Up to September 2012 for Nippon Steel; October 2012 to March 2019 for Nippon Steel & Sumitorno Metal (NSSMC); from April 2019 for Nippon Steel.

*2 On October 1, 2015, NSSMC performed a 1-for-10 share consolidation.

*3 Figures for fiscal 2012 and earlier are for Nippon Steel. Figures in parentheses indicate either negative figures or elimination.

Following the business integration of Nippon Steel City Produce, Inc. and Kowa Real Estate Co., Ltd. on October 1, 2012, the business segment classification has been changed to include the results for "Urban development" in "Elimination of inter-segment transactions" for "Net sales by segment" and "Profit (loss) by segment" from fiscal 2012.

*4 "Crude steel production" of Nippon Steel from October 2012 to March 2018 includes that of Nippon Steel & Sumikin Koutetsu Wakayama Corporation.

*5 *Crude steel production" of Sumitomo Metals includes those of Sumitomo Metals (Kokura), Ltd. (merged with Sumitomo Metals on January 1, 2012) and of Sumikin Iron & Steel Corporation.

*6 "Steel products shipments," "Average steel selling price," and "Export ratio" of Sumitomo Metals include those of Sumitomo Metals (Kokura), Ltd. (merged with Sumitomo Metals on January 1, 2012), Sumitomo Metals (Naoetsu), Ltd. (merged with Sumitomo Metals on January 1, 2012), and Sumikin Iron & Steel Corporation.

Suminoring Metals on January 1, 2012, Suminoring Metals (Nadestsu), Ltd. (merged with Suminoring Metals on January 1, 2012), and Suminin iron & Steel Corporation *7 "Export ratio" of Nippon Steel indicates the ratios of exports to total steel sales. "Export ratio" of Sumitomo Metals indicates the ratios of exports to total net sales. Figures in parentheses indicate negative figures.

Total Shareholder Return, Stock Price and Market Cap, and Strategic Shareholdings

Fiscal year	2019	2020	2021	2022	2023
Total shareholder return (TSR) <unit: %="">*1</unit:>	47.9	97.6	120.3	178.1	214.3
(Comparative indicator: Dividend-included TOPIX) <unit: %=""></unit:>	(90.5)	(128.6)	(131.2)	(138.8)	(196.2)
Highest share price <unit: ¥="">*2</unit:>	2,081.0	1,954.0	2,381.0	3,294.0	3,847.0
Lowest share price <unit: ¥="">*2</unit:>	857.0	798.1	1,690.5	1,838.0	2,705.5
Market capitalization (fiscal year end) <unit: billion="" ¥=""></unit:>	879.4	1,792.8	2,063.1	2,965.0	3,486.6
Strategic shareholdings <number different="" held="" of="" stocks=""></number>	308	301	284	264	252
Amount reported on the balance sheet <unit: billion="" ¥=""></unit:>	237.8	262.6	255.9	219.2	269.7
(Ref) Nikkei Stock Average (fiscal year end) <unit: ¥=""></unit:>	18,917.01	29,178.80	27,821.43	28,041.48	40,369.44

Strategies

*1 Total shareholder return is obtained by dividing the return (dividends and capital gains) from stock investment by the invested amount (share price).

TSR = (Share price at the end of each fiscal year + Cumulative per-share dividends paid since FY2019) / Share price at the end of FY2018

*2 The Company's share price is based on that of the First Section of the Tokyo Stock Exchange up to April 3, 2022 and that of the Prime Market of the Tokyo Stock Exchange from April 4, 2022.

Stock data (as of March 31, 2024)

Head Office

2-6-1, Marunouchi, Chiyoda-ku, Tokyo 100-8071, Japan Phone: +81-3-6867-4111 URL: https://www.nipponsteel.com/en/

Inception

April 1, 1950

Common Stock ¥419,799 million

Stock Code 5401

Common Shares (Issued) 950,321,402 shares

Common Shares (Authorized) 2,000,000,000 shares

Number of Shareholders 629,748

Listings

Tokyo Stock Exchange Prime Market Nagoya Stock Exchange Premier Market Fukuoka Stock Exchange Sapporo Securities Exchange

ADR Information

Type: Sponsored Level-1 ADR program Trading market: OTC (Over-the-counter) ADR ratio: 3 ADR:1 Share of common stock Ticker symbol: NPSCY CUSIP number: 65461T101 Depositary Bank: The Bank of New York Mellon Contact for inquiries regarding our ADR program: **BNYMellon Shareowner Services** P.O. Box 43006, Providence, RI 02940, USA U.S. toll Free : 888-BNY-ADRS (888-269-2377) International Callers : +1-201-680-6825 Email: shrrelations@cpushareownerservices.com Website: https://www.adrbnymellon.com/

Registration Agent

Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan Phone inquiries 0120-785-401 (Toll-free for domestic phone calls only) +81-3-3323-7111 (Outside Japan)

Number of Shares per Trading Unit 100 shares

Share Ownership by Category

Ratio of shares held to the total number of common shares (issued)



Financial institutions	30.6%
Overseas investors	20.6%
Individuals and others in Japan	32.2%
l Other companies	9.9%
Securities companies	3.7%
Treasury stock	3.0%

[Principal Shareholders]

Name	Shares owned (Thousands)	Shareholding ratio*
The Master Trust Bank of Japan, Ltd. (Trust Account)	119,863	13.0
Custody Bank of Japan, Ltd. (Trust Account)	46,803	5.1
Nippon Life Insurance Company	19,179	2.1
STATE STREET BANK WEST CLIENT - TREATY 505234	17,424	1.9
Meiji Yasuda Life Insurance Company	13,712	1.5
J.P. Morgan Securities Japan Co., Ltd.	12,859	1.4
Nippon Steel Group Employee Shareholding Association	12,337	1.3
Mizuho Bank, Ltd.	11,046	1.2
Sumitomo Mitsui Banking Corporation	10,252	1.1
MUFG Bank, Ltd.	8,933	1.0

*The shareholding ratio is calculated after treasury stock owned by Nippon Steel Corporation is excluded from the number of common shares (issued).

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Corporate Vision	Introduction	Message from the President	Strategies	Financial Strategy	Sustainability	Corporate Governance	Basic Information	NIPPON STEEL CORPORATION INTEGRATED REPORT 2024	159
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Stock-Related Information

[Share price]



External Awards

Award name	Sponsor	Detail
JSTP Medal (its highest award)	Japan Society for Technology of Plasticity (a general incorporated association)	Development of cold forming technology for ultra-high-tensile steel sheet (Nippon Steel)
La Liste Ethical & Sustainability Award	La Liste	Nippon Steel received the world's first "special award" outside of the food category for its contribution to the improvement of the marine environment and biodiversity through the "Creation of Sea Forests," which is aligned with the philosophy of La Liste (a world-class restaurant site) to maintain and develop food culture. (Nippon Steel)
The 70th Okochi Memorial Production Prize	Okochi Memorial Foundation (a public interest incorporated foundation)	Development of coke strength improvement technology that contributes to low-carbon blast furnaces and cost reduction (Nippon Steel)
The 56th Ichimura Prize in Industry against Global Warming for Excellent Achievement	Ichimura Foundation for New Technology (a public interest incorporated foundation)	High-efficiency, dedicated woody biomass-fired power generation technology that contributes to carbon neutrality (IHI, Nippon Steel)
iF Design Award 2024	If International Forum Design (Germany)	Nippon Steel was recognized for its development of a product (designing titanium TranTixxi) that combines titanium's characteristics with beauty and exceptional environmental performance using proprietary technologies. The world's first non-ferrous metal material that has won this award.
2024 Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology (Development Category)	Ministry of Education, Culture, Sports, Science and Technology (MEXT)	Development of highly ductile steel plate for ships with excellent collision safety (National Institute of Maritime, Port and Aviation Technology, Imabari Shipbuilding, Nippon Steel)
2024 AMPP Fellow Honor Award	AMPP (The Association for Materials Protection and Performance, USA)	Recognition of the contributions to the advancement of the industry through the development of high-performance materials and applied technologies related to corrosion control in the field of energy, including petroleum and gas development, as well as significant contributions over many years to the operation of the committees for establishment of testing method standards and academic conferences
2024 National Commendation for Invention "Invention Award"	Japan Institute of Invention and Innovation (a public interest incorporated association)	Invention of chromium resource recycling and environmentally harmonized steelmaking process of stainless steel (Nippon Steel)
54th Japan Welding Engineering Society Award "Welding Notable Invention Award"	The Japan Welding Engineering Society (a general incorporated association)	Invention of a method for producing steel sheets, tailored blanks, and steel pipes (Patent No. 7056738) Outline of patent: A patent for tailored blanks of aluminized hot-stamped steel sheets (Nippon Steel)

Disclaimer regarding the Integrated Report 2023

This integrated report is not a disclosure document statutory required by the Act on Financial Instruments and Exchange and other laws and does not guarantee the accuracy and completeness of the information. This report contains statements that constitute forward-looking statements including expectations based on the assumptions, projections, and plans as of the published date of this report. It should be noted that actual business results and other matters could differ materially from the details contained in this report. This report is not prepared for the puppose of providing the basis for an investment decision.

In addition, the information concerning details of products and services, which is stated in the report, is for the purpose of explaining their features and functions, and does not warrant individual products and services.

The Company is not responsible for any damages or loss incurred due to the information available in this report.

Contact us

If you have any inquiries about the Integrated Report 2024, please contact:

Nippon Steel Corporation Please use the "Contact Us" function on Nippon Steel's website: https://www.nipponsteel.com/en/contact

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