



May 13, 2026

To Whom It May Concern:

Company name: Nippon Steel Corporation
Representative: Tadashi Imai
Representative Director, President and COO
(Code number: 5401, TSE Prime, NSE, FSE, and SSE)
Contact: Public Relations Department
Corporate Communications Division
Telephone: +81-3-6867-2135, 2141, and 2146

Notice of Absorption-type Merger (Simplified Merger) of Sanyo Special Steel Co., Ltd.

Nippon Steel Corporation (the “Company”) and Sanyo Special Steel Co., Ltd. (Sanyo Special Steel), a wholly owned subsidiary of the Company, hereby announce that their respective Boards of Directors, at meetings held today, resolved to conduct a merger (the “Merger”) with the Company as the surviving company and Sanyo Special Steel as the dissolving company, effective as of April 1, 2027, as follows. Since the Merger is a simplified merger involving a wholly owned subsidiary, the disclosed matters and contents are partially omitted.

1. Purpose of the Merger

Based on its high-cleanliness steel manufacturing technology, Sanyo Special Steel has been supplying products such as bearing steel with the largest market share in Japan, while promoting globalization through integrated manufacturing mainly in Europe and India. In addition, Sanyo Special Steel is developing a resource recycling-oriented business by using iron and steel scrap as its main raw material.

Going forward, domestic demand for the bars, wire rods and specialty steel products will weaken due to declining domestic demand caused by a shrinking population, China’s excessive production and export push, and the trend toward electrification of automobiles over the medium to long term. These factors are expected to intensify competition in Japan. On a global scale, however, population increase and economic growth are expected to expand the market in countries like India, global demand for locally produced materials is likely to increase in North America and Europe against the backdrop of industrial protection in these regions, and the need to comply with environmental regulations is also expected to grow. In addition, the business environment surrounding the bars, wire rods and specialty steel products business is becoming more complex, as market growth is expected in high-value-added fields such as semiconductors, energy, and aerospace.

Based on this understanding of the environment, in April 2025, the Company made Sanyo Special Steel a wholly owned subsidiary of the Company in order to expand profit opportunities and strengthen business strategies through the integration and optimization of the bars, wire rods and specialty steel products business and pursue further optimal production systems for the entire Group. Both companies have since strived jointly to demonstrate synergy effects.

Specifically, we have promoted initiatives such as expanding sales and strengthening our ability to propose technological solutions through cooperation in sales and technology, improving cost competitiveness through raw material measures such as scrap procurement, and deepening and expanding our global strategy. At the same time, we have decided to consolidate production of steel products and free-forged products manufactured

by similar facilities at both companies from the Company's Osaka Area of Kansai Works to Sanyo Special Steel, and to relocate to Sanyo Special Steel or suspend the relevant facilities in the Osaka Area. We have thus been working on initiatives that contribute to the enhancement of the corporate value of the Group as a whole, such as the decision to relocate.

At this juncture, by recognizing that a more unified organizational and business operation will contribute to further maximizing synergies at an early stage, we have decided to absorb Sanyo Special Steel into the Company. We will accelerate our global growth strategy and expand our presence in growth fields and high-value-added fields by integrating all resources, such as products, knowledge, and human resources, in each of the manufacturing, sales, technology, and research fields. We will make steady progress in establishing our position as the best steelmaker with world-leading capabilities, and that overwhelmingly leads the market in the bars, wire rods and specialty steel products field.

Through the Merger, the Nippon Steel Group will strive to contribute to its customers even more than before, and work to achieve further profit growth.

2. Summary of the Merger

(1) Schedule

Date of Board resolution (both companies): May 13, 2026

Date of conclusion of merger agreement: May 13, 2026

Effective date of merger: April 1, 2027

Notes:

Since the Merger falls under the category of a simplified merger as stipulated in Article 796, Paragraph 2 of the Companies Act for the Company and a short-form merger as stipulated in Article 784, Paragraph 1 of the Companies Act for Sanyo Special Steel, neither company will hold a general meeting of shareholders to approve the merger agreement.

The Merger shall become effective only upon receipt of a notification confirming the completion of the review by the Inspectorate of Strategic Products (ISP) under the Swedish Screening of Foreign Direct Investments Act.

(2) Method of the Merger

The Merger will be an absorption-type merger, with the Company as the surviving company and Sanyo Special Steel as the dissolving company, and Sanyo Special Steel will be dissolved upon the Merger.

(3) Details of the Allotment with the Merger

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

(4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights upon the Merger
Not applicable.

3. Outline of the Companies Involved in the Merger

(1) The Company

1. Company Name	NIPPON STEEL CORPORATION	
2. Head Office	2-6-1 Marunouchi, Chiyoda-ku, Tokyo	
3. Leadership	Tadashi IMAI, Representative Director, President and COO	
4. Business	Steelmaking and steel fabrication, engineering and construction, chemicals and materials, system solutions	
5. Capital (as of March 31, 2026)	JPY 569,519 million	
6. Date of Establishment	April 1, 1950	
7. Number of Outstanding Shares (as of March 31, 2026)	5,373,633,760 shares	
8. Fiscal Year End	March 31	
9. Major Shareholders and Shareholding Ratios (as of March 31, 2026)	The Master Trust Bank of Japan, Ltd. (Trust Account)	13.9%
	Custody Bank of Japan, Ltd. (Trust Account)	4.0%
	THE CHASE MANHATTAN BANK, N.A.	1.9%
	LONDON SECS LENDING OMNIBUS	

	ACCOUNT	
	Nippon Life Insurance Company	1.8%
	JP MORGAN CHASE BANK 385642	1.8%
	JP MORGAN CHASE BANK 385781	1.4%
	STATE STREET BANK AND TRUST COMPANY 505001	1.4%
	Nippon Steel Group Employees Shareholding Association	1.3%
	Meiji Yasuda Life Insurance Company	1.3%
	Mizuho Bank, Ltd.	1.1%
10. Financial Position and Operating Results for the Latest Fiscal Year (Consolidated/IFRS)		
Fiscal Year	Fiscal year ended March 31, 2026	
Total Equity	JPY 6,024,560 million	
Total Assets	JPY 14,660,583 million	
Equity Attributable to Owners of the Parent per Share	JPY 1,058.19	
Revenue	JPY 10,063,216 million	
Business Profit*	JPY 514,128 million	
Operating Profit	JPY 242,903 million	
Profit Before Income Taxes	JPY 172,814 million	
Profit for the Year Attributable to Owners of the Parent	JPY 17,158 million	
Basic Earnings per Share	JPY 3.28	

Note: Business profit on consolidated statements of profit or loss indicates the results of sustainable business activities and is an important measure to compare and evaluate Nippon Steel Group's consolidated performance continuously. It is defined as being deducted cost of sales, selling general and administrative expenses and other expenses from revenue, and added share of profit in investments accounted for using the equity method and other operating income. Other operating income and expenses are composed mainly of dividend income, foreign exchange gains or losses, and losses on disposal of fixed assets.

(2) Sanyo Special Steel

1. Company Name	Sanyo Special Steel Co., Ltd.
2. Head Office	3007, Nakashima, Shikama-ku, Himeji, Hyogo Prefecture
3. Leadership	Kazuhisa Fukuda, President and Representative Director
4. Business	Steel products, metal powders, formed and fabricated materials, and others
5. Capital (as of March 31, 2026)	JPY 53,800 million
6. Date of Establishment	January 11, 1935
7. Number of Outstanding Shares (as of March 31, 2026)	54,507,307 shares
8. Fiscal Year End	March 31
9. Major Shareholder and Shareholding Ratio (as of March 31, 2026)	Nippon Steel Corporation 100%
10. Financial Position and Operating Results for the Latest Fiscal Year (Nonconsolidated/Japanese GAAP)	
Fiscal Year	Fiscal year ended March 31, 2026
Total Equity	JPY 203,358 million
Total Assets	JPY 284,985 million
Equity Attributable to Owners of the Parent per Share	JPY 3,732.74
Net Sales	JPY 171,356 million
Operating Income	JPY 9,436 million
Ordinary Income	JPY 13,034 million
Net Income Attributable to Owners of the Parent	JPY 10,205 million
Basic Earnings per Share	JPY 187.33

4. Situation After the Merger

There will be no changes in the the Company's trade name, location of head office, name and title of the representative, business descriptions, paid-in capital or fiscal year-end as a result of the Merger.

5. Future Prospects

As the Merger is between the Company and its wholly-owned subsidiary Sanyo Special Steel, the impact on the Company's consolidated results of operation will be negligible.

(Reference) The Company's consolidated earnings forecast for fiscal 2026 (as announced on May 13, 2026) and consolidated results for fiscal 2025

	Revenue	Business Profit	Profit Attributable to Owners of the Parent	Basic
Forecasts for Fiscal 2026 (ending March 31, 2027)	JPY 11,000,000 million	JPY 530,000 million	JPY 220,000 million	JPY 42
Results for Fiscal 2025 (ended March 31, 2026)	JPY 10,063,216 million	JPY 514,128 million	JPY 17,158 million	JPY 3.28

Note: Forecasts are not factored in the impact of the Middle East situation.

End