

(Translation) Please note that the official text of this document has been prepared in Japanese. The information herein stated is provided only for reference purposes. The company is not responsible for the accuracy of the information. To the extent there is any discrepancy between the English translation and original Japanese version, please refer to the Japanese version.

Corporate Governance Report

Last Update: July 7, 2026
Nippon Steel Corporation
Representative Director and President and COO
Tadashi Imai
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<https://www.nipponsteel.com/en>

The corporate governance of Nippon Steel Corporation (the “Company” or “NIPPON STEEL”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

- (1) The Company has established a corporate governance system suited to the businesses of the NIPPON STEEL Group in order to achieve the sound and sustainable growth of the NIPPON STEEL Group and increase its corporate value over the medium- to long-term, in response to the delegation of responsibilities by and trust of all stakeholders, including its shareholders and business partners.
- (2) The basic structure of NIPPON STEEL’s corporate governance is as follows.
 - a. Reasons for Adopting a Company with an Audit & Supervisory Committee

The Company has adopted a company structure with an Audit & Supervisory Committee for the purpose of, among others, expediting management decision-making, enhancing discussions by the Board of Directors relating to matters such as the formulation of management policies and strategies by limiting the number of items for deliberation by the Board of Directors, and strengthening the supervisory function of the Board of Directors over management.
 - b. Corporate Governance System

Currently, the Board of Directors of NIPPON STEEL is comprised of fifteen (15) members, of whom ten (10) are Directors (excluding Directors who are Audit & Supervisory Committee Members) and five (5) are Directors who are Audit & Supervisory Committee Members. By all Directors appropriately fulfilling their respective roles and responsibilities, prompt decision-making is achieved corresponding to changes in the management environment, and multifaceted deliberations and objective and transparent decision-making by the Board of Directors are secured. In addition, Directors who are Audit & Supervisory Committee Members have voting rights on the Board of Directors regarding decisions on proposals for the election and dismissal of Directors as well as the election and dismissal of Representative Directors, and other decisions in general regarding business execution (excluding decisions that have been delegated to Directors). The Audit & Supervisory Committee has the authority to give its opinions at the General Meeting of Shareholders regarding the election, compensation, etc. of Directors, excluding Directors who are Audit & Supervisory Committee Members.

This structure strengthens the supervisory function of the Board of Directors over management.

In accordance with a provision in the Articles of Incorporation, the Board of Directors of NIPPON STEEL delegates part of the decisions regarding execution of important operations (excluding matters listed in each item of Article 399-13, Paragraph 5 of the Companies Act) to the Representative Director and Chairman and Representative Director and President, thereby expediting management decision-making, and limiting the number of items for deliberation by the Board of Directors and enhancing discussions by the Board of Directors relating to matters such as the formulation of management policies and strategies. In order for all Outside Directors to obtain the necessary information and sufficiently fulfill their roles, the Chairman, the President and other senior management regularly hold meetings with all Outside Directors to share the management challenges and exchange opinions.

Independent Outside Directors account for one-third (5 out of 15) of all members of the Company's Board of Directors.

(Board of Directors' structure)

Name	Position
[Directors (excluding Directors who are Audit & Supervisory Committee Members)]	
Eiji Hashimoto	Representative Director, Chairman and CEO
Tadashi Imai	Representative Director, President and COO (Chairperson)
Takahiro Mori	Representative Director, Vice Chairman and Executive Vice President
Naoki Sato	Representative Director and Executive Vice President
Takashi Hirose	Representative Director and Executive Vice President
Hirofumi Funakoshi	Representative Director and Executive Vice President
Hiroyuki Minato	Representative Director and Executive Vice President
Nobuhiro Fujita	Representative Director and Executive Vice President

Jun Sawada	Director	Outside Director	Independent Director
Miharu Koezuka	Director	Outside Director	Independent Director

[Directors who are Audit & Supervisory Committee Members]

Kazumasa Shinkai	Senior Audit & Supervisory Committee Member (full-time)		
Takeshi Yamane	Audit & Supervisory Committee Member (full-time)		
Kenji Hiramatsu	Audit & Supervisory Committee Member	Outside Director	Independent Director
Aiko Sekine	Audit & Supervisory Committee Member	Outside Director	Independent Director
Sumiko Takeuchi	Audit & Supervisory Committee Member	Outside Director	Independent Director

(Note) The details of each member, including titles and brief personal histories, are described in “4. Corporate Governance, etc., (2) Status of Officers, (a) List of Officers” in “IV. Status of the Reporting Company” of the 101st Term Annual Securities Report.

(Annual Securities Report,

URL: <https://www.nipponsteel.com/en/ir/library/annualsecuritiesreport.html>)

c. Establishment and Operation of the Internal Control System

To comply with applicable laws and regulations, and ensure the integrity of financial reports and the effectiveness and efficiency of business and affairs, NIPPON STEEL establishes and appropriately operates an internal control system, and strives to continually improve it. To create a sound and open organization, NIPPON STEEL establishes the internal control environment by emphasizing dialogue in and outside the workplace, regularly conducting attitude surveys with all employees, and establishing a whistleblower system to receive consultation and reports from officers and employees of NIPPON STEEL and the Group companies, as well as their families and others.

d. Appropriate Information Disclosure

To enhance management transparency and advance a correct understanding by stakeholders on the management situation of the Group, NIPPON STEEL not only seeks to disclose information in accordance with applicable laws and regulations and the rules of financial instruments exchanges on which NIPPON STEEL is listed, but also seeks to disclose financial and non-financial information at an appropriate timing, in an easily understandable manner, and accurately.

e. Regular Examination and Review of Corporate Governance

NIPPON STEEL regularly examines and reviews, at the Board of Directors, the corporate governance structure, its operating situation, and other relevant facts and circumstances, including the analysis and evaluation of the effectiveness of the Board of Directors as a whole so that NIPPON STEEL will be able to make improvements autonomously, considering the opinions of Outside Directors. For the specific initiatives and situations

regarding the NIPPON STEEL's corporate governance, please see each item of this report.

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

NIPPON STEEL conducts all matters related to every principle of the Code.

[Disclosure Based on the Principles of the Corporate Governance Code]

[Principle 1.4] (Strategic Shareholdings)

(1) Policy on Strategic Shareholdings

NIPPON STEEL, from the standpoint of sustainable growth and improvement of its corporate value in the mid- to long-term, believes that it is extremely important to maintain and develop the relationships of trust and alliance with its extensive range of business partners and alliance partners both in Japan and overseas, which have been cultivated through its business activities over the years. Accordingly, NIPPON STEEL shall continue to hold strategic shareholdings which are judged to contribute to maintaining and strengthening its business foundation such as the business relationships and alliance relationships between NIPPON STEEL and the investees, enhancing the profitability of both parties and thereby improving the corporate value of NIPPON STEEL and the Group. Regarding companies for which we confirm to be able to achieve the objectives described above without holding their shares after sufficient dialogues, we will proceed with the sale of shares in such companies.

(2) Examination of the Appropriateness of the Strategic Shareholdings

NIPPON STEEL confirms the appropriateness of its strategic shareholdings by specifically examining all shareholdings to determine, among others, whether the purpose of each shareholding is appropriate and whether the benefit and risk associated with each shareholding are commensurate with the cost of capital. Of these shareholdings, each shareholding with the market value exceeding a certain threshold is examined each year at the Board of Directors. The total market value of the shareholdings examined at the Board of Directors accounts for approximately 80% of the total market value of the strategic shareholdings held by NIPPON STEEL on a consolidated basis (as of March 31, 2026).

The number of stocks held as strategic shareholdings by NIPPON STEEL on a non-consolidated basis was 250, as of March 31, 2026 (total value on the balance sheet was 300.4 billion yen), while 495 were held as of October 1, 2012, when Nippon Steel & Sumitomo Metal Corporation was founded.

(3) Basic Policy on Exercise of Voting Rights Concerning Strategic Shareholdings

Regarding the voting rights concerning each strategic shareholding, NIPPON STEEL exercises its voting rights upon comprehensively evaluating whether the agenda of the General Meeting of Shareholders of the investee company contributes to the improvement of the respective corporate values of NIPPON STEEL and the investee company. Specifically, NIPPON STEEL formulates criteria for the exercise of voting rights which set forth guidelines for judgment according to the type of agenda items such as the appropriation of surplus, the election of Directors and Audit & Supervisory Board Members, etc., and exercises its voting rights based on these criteria together with the results of the examination of the appropriateness of the shareholdings in (2) above.

[Principle 1.7] (Related Party Transactions)

Regarding transactions (including indirect transactions) between NIPPON STEEL and Directors, NIPPON STEEL verifies the contents of each transaction. If the transactions fall under conflict-of-interest transactions, in accordance with applicable laws and regulations and NIPPON STEEL's internal rules, the "Rules for Board of Directors," NIPPON STEEL seeks approval at, and reports to, the Board of Directors, and confirms that all those transactions will not harm NIPPON STEEL.

Also, regarding the transactions between NIPPON STEEL, on the one hand, and other related parties, on the other hand, NIPPON STEEL verifies the contents of each transaction; subject to applicable laws and regulations, it discloses the transactions appropriately, depending on their importance and nature.

[Supplementary Principle 2.4.1] (Ensuring Diversity in the Promotion to Core Human Resources):

(1) Approach to Ensuring Diversity

NIPPON STEEL aims to create and deliver valuable and attractive products and ideas by respecting diverse values and utilizing individuality through smooth communication and collaboration. With respect for all human rights being a prerequisite for corporate activities, NIPPON STEEL has worked to eliminate as unjust the discriminatory treatment of workers based on nationality, race, religion, creed, gender, age, sexual orientation, and disability.

Amid changes to the environment surrounding NIPPON STEEL, in order to continue to grow with the aim of becoming "the best steelmaker with world-leading capabilities" from the present and into the future, NIPPON STEEL is reinforcing diversity, equity and inclusion (DEI), based on the recognition that it is important for diverse employees to be able to be productive, perform at their best, be empowered, and feel proud and fulfilled.

Specifically, the Board of Directors has authorized the Company to work on DEI measures, and a dedicated organization to promote DEI measures has been established and is promoting various initiatives.

(2) Voluntary and Measurable Targets for Ensuring Diversity and Their Status

Concerning the promotion of female employees' participation and career advancement, based on the various programs and work environments that have been established, NIPPON STEEL has established the following targets to support female employees to continue to demonstrate their abilities through career development and to further promote them to managerial positions, and is working toward achieving them.

[Target] Aim to increase the number of female employees in administrative positions by at least four times and possibly seven times by 2030 from 36 in 2020.

[Status] 111 employees as of April 2026

Note that the Company's basic policy is to secure optimum human resources based on its business strategies and the circumstances in each region, regardless of nationality. For this reason, the Company does not set hiring targets or goals for promoting foreign nationals to managerial positions. Meanwhile, for mid-career hiring, the Company has set specific hiring targets and is proceeding with recruitment in a planned manner to respond to changes in the business environment and the growing need for specialized expertise. However, since its goal is to strengthen business competitiveness by securing human resources capable of becoming immediate players, the Company does not set specific targets for promoting mid-career hires to managerial positions.

NIPPON STEEL will continue to work on creating an organization where diverse employees can perform at their individual best, regardless of whether they are new graduates, mid-career hires, or foreign nationals, and on developing human resources, including stable new graduate hires, as well as active hiring of postdoctoral researchers such as highly specialized doctoral personnel, NSC's alumni (former employees), and mid-careers capable of becoming immediate players, to enable the Company to appropriately deal with priority issues such as overseas business expansion, taking on the challenge of carbon neutrality, and DX strategy.

(3) Policies for Human Resources Development and Internal Environment Development to Ensure Diversity, and Their Status

The Group's basic philosophy is to "pursue world-leading technologies and manufacturing capabilities, and contribute to society by providing excellent products and services." We state in our management principles that we will "develop and bring out the best in our people to make our Group rich with energy and enthusiasm," and we have long been working on human resources development as an important theme.

Amidst significant environmental changes, such as intensifying recruitment competition due to the recent decreasing population, diversifying individual career perspectives, and labor market fluidity, NIPPON STEEL believes developing human resources and promoting the further advancement of employees are extremely important for the realization of its management strategies. Accordingly, NIPPON STEEL is implementing various initiatives aimed at developing human resources, promoting the further advancement of a diverse workforce, and improving productivity, while striving to ensure its sustained competitiveness.

Details on "Voluntary and Measurable Targets for Ensuring Diversity and Their Status" and "Policies for Human Resources Development and Internal Environment Development to Ensure Diversity, and Their Status" are disclosed in NIPPON STEEL's Annual Securities Report.

(Annual Securities Report,
URL: <https://www.nipponsteel.com/en/ir/library/annualsecuritiesreport.html>)

[Principle 2.6] (Roles of Corporate Pension Funds as Asset Owners)

In order to ensure the payment of pension benefits to beneficiaries in the future, NIPPON STEEL carries out the management of pension assets to achieve long-term and stable asset formation. The Accounting & Finance Division manages the pension assets under a contract-type defined-benefit corporate pension plan. Persons in charge within the Accounting & Finance Division, who are rotated every several years, manage the pension assets in accordance with NIPPON STEEL's basic policy on pension fund management and strive to exercise the roles expected of asset owners, while at the same time reinforcing their expertise through the utilization of outside consultants and other means.

The persons in charge of pension fund management confirm with each fund manager its investment performance, management policy, management system, management process, etc. at occasions such as quarterly investment reporting sessions, and comprehensively evaluate all of the investment products and the fund managers. In addition, NIPPON STEEL periodically convenes the Fund Management Committee comprising personnel including officers in charge of the Accounting & Finance, Corporate Planning, Human Resources and Legal Division, to confirm the soundness of pension financing and the appropriateness of the internal management system by checking the investment performance and through the deliberation and approval of the management policy.

Furthermore, NIPPON STEEL avoids any conflicts of interest that may arise between the beneficiaries and NIPPON STEEL by entrusting the management of its pension fund to several Japanese and overseas fund managers and by delegating the authority to exercise the relevant voting rights to each fund manager.

NIPPON STEEL has expressed its support for and acceptance of the intent of the Asset Owner Principles.

[Principle 3.1] (Full Disclosure)

(1) Corporate Philosophy, Management Strategies, and Management Plans

◆ Corporate Philosophy

As a fundamental philosophy, the Group will pursue world-leading technologies and manufacturing capabilities, and contribute to society by providing excellent products and services. In order to achieve this, the Group has the following management principles:

- (i) We continue to emphasize the importance of integrity and reliability in our actions.
- (ii) We provide products and services that benefit society and grow in partnership with our customers.
- (iii) We pursue world-leading technologies and manufacturing capabilities.
- (iv) We continually anticipate and address future changes, innovate from within, and pursue unending progress.
- (v) We develop and bring out the best in our people to make our Group rich with energy and enthusiasm.

◆ Employee Action Guidelines

In order to realize the above Corporate Philosophy, NIPPON STEEL has established the following “NIPPON STEEL Group Employee Action Guidelines” that express the daily attitude and frame of mind of its employees.

What we strive for:

Creativity, Innovation and Growth

We constantly seek self-improvement, pursue ambitious goals with enthusiasm, and continuously challenge ourselves to do better.

What we value most:

Self-empowerment, Workplace and Essentiality

We observe rules, keep our promises and pierce to the heart of matters by actively investigating the facts.

What we encourage:

Dialogue, Collaboration and Sharing of Knowledge

We build mutual trust through dialogue and collaboration, and seek to pass on our spirit and skills to the next generation.

We will be guided by these principles, and act fairly and equitably throughout the world.

◆ Management Strategies and Management Plans

In December 2025, the Company formulated the “2030 Medium- to Long-term Management Plan,” aiming to become “the best steelmaker with world-leading capabilities,” which contributes to realizing a sustainable and prosperous society through the creation of customer value, and achieving continued growth. Under the 2030 Medium- to Long-term Management Plan, which

begins in fiscal year 2026, we anticipate an even more severe business environment. By further strengthening the earnings base of domestic operations and executing the global growth strategy for overseas operations, we will restore our position as the World's Best Steelmaker.

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

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

Please refer to NIPPON STEEL's website for details of the 2030 Medium- to Long-term Management Plan.

(Business Plan & Strategy

URL: <https://www.nipponsteel.com/en/ir/library/strategy.html>)

(2) Basic Views and Guidelines on Corporate Governance

Please refer to I-1 "Basic Views" of this report.

(3) Board Policies and Procedures in Determining the Compensation of Directors

a. Content of policies

The policies regarding the decisions on the amount of compensation, etc. for Directors of NIPPON STEEL are as detailed in items (a) and (b) below.

NIPPON STEEL abolished its retirement benefits for Directors in 2006. Furthermore, the policies relating to their bonuses were removed from the "Policies regarding the Decisions on the Amount of Compensation" for Directors, etc. in 2013.

(a) Directors (excluding Directors who are Audit & Supervisory Committee Members)

a) Basic policy, and composition of compensation

Compensation for the Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) consists of (i) fixed monetary compensation, (ii) performance-linked monetary compensation, and (iii) performance-linked stock compensation.

The fixed monetary compensation and the performance-linked monetary compensation are paid monthly. The base amounts of fixed monetary compensation and performance-linked monetary compensation (i.e., the amount of compensation when the Company's consolidated performance reaches a certain level) are determined for each Director's position in consideration of compensation level

commensurate with the skills and responsibilities required. The amount of performance-linked monetary compensation varies within a certain range based on the Company's consolidated performance. The amounts of the fixed monetary compensation and the performance-linked monetary compensation for each Director are determined within the limit approved by the General Meeting of Shareholders.

The performance-linked stock compensation is based on a trust-type stock compensation system. Pursuant to the share delivery regulations established by the Board of Directors, each Director (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) is awarded points according to their position and the Company's consolidated performance, taking into consideration compensation level commensurate with the skills and responsibilities required. The Director receives the delivery of the number of Company shares (those acquired by the trust established through the Company's monetary contributions) equivalent to the number of points so awarded through the trust upon his or her retirement, as a general rule.

Compensation for Outside Directors (excluding Outside Directors who are Audit & Supervisory Committee Members) consists solely of fixed monetary compensation, which is paid monthly.

The amount of fixed monetary compensation for each Outside Director is determined within the limit approved by the General Meeting of Shareholders taking into consideration compensation level commensurate with the skills and responsibilities required.

b) Policy on performance-linked compensation

As indicators for performance-linked monetary compensation and performance-linked stock compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors), the Company uses consolidated underlying annual profit/loss (which is consolidated business profit/loss excluding inventory valuation impact and other items, and recognized as representing the Company group's actual profitability) in order to set an appropriate compensation commensurate with performance for the corresponding term, while taking into account other factors including the revenue targets in the medium- to long-term management plan.

c) Policy on the ratio of compensation by type

With regard to the ratio of fixed monetary compensation, performance-linked monetary compensation and performance-linked stock compensation, the ratio of performance-linked compensation (i.e., performance-linked monetary compensation and performance-linked stock compensation) is set higher for higher level positions in order to provide appropriate incentives according to the position and performance.

For the Representative Director, Chairman, and the Representative Director, President, the ratio of "fixed compensation (i.e., fixed monetary compensation) to performance-linked compensation (i.e.,

performance-linked monetary compensation and performance-linked stock compensation)” is set at approximately 5:7 at the base amount (when the Company achieves 600 billion yen in consolidated underlying annual profit/loss). This ratio varies within the range of 3:7 to 10:0 depending on the Company’s performance. In addition, for the Representative Director, Chairman, and the Representative Director, President, the performance-linked stock compensation accounts for approximately 40% of their performance-linked monetary compensation.

d) Method for determining compensation for each individual

The specific amount and details of fixed monetary compensation, performance-linked monetary compensation, and performance-linked stock compensation for each Director (excluding Directors who are Audit & Supervisory Committee Members) are determined by a resolution of the Board of Directors after deliberation by the Nomination and Compensation Advisory Committee, a majority of whose members are Outside Directors.

(b) Directors who are Audit & Supervisory Committee Members

Compensation for Directors who are Audit & Supervisory Committee Members consists solely of fixed monthly compensation. The Company determines the amount of monthly compensation for each Director within the limited amount approved by the General Meeting of Shareholders by considering the duties of the Director’s position and whether the Director is full-time or part-time.

b. Methods of determining the policies

The policies described in a. above for Directors (excluding Directors who are Audit & Supervisory Committee Members) are determined by resolution of the Board of Directors, after the deliberation of the “Nomination and Compensation Advisory Committee,” while for Directors who are Audit & Supervisory Committee Members, the policies described in a. above are determined through discussion by Directors who are Audit & Supervisory Committee Members.

The Nomination and Compensation Advisory Committee conducts discussions on a wide range of topics including the system of Directors’ compensation and the appropriateness of the compensation levels by position, taking into account the survey results of directors’ compensation levels of other companies obtained from the third-party research organizations.

(4) Policies on and Procedures in the Nomination of Director Candidates and the Appointment and Dismissal of Senior Management

a. Policies on the Nomination of Director Candidates and the Appointment of Senior Management

For the nomination of Director candidates, and the appointment of senior management, NIPPON STEEL’s policy is to consider not only each individual’s experience, insight, and expertise, but also the size of each of the Board of Directors and the Audit & Supervisory Committee as a whole, and the balance of candidates comprising these respective boards (including the number of Outside Directors) so that NIPPON STEEL will establish an

optimum board composition in which each individual is able to appropriately fulfill its role and responsibilities and properly respond to the management challenges of the Group's business.

NIPPON STEEL believes the appointment of the President and other senior management to be one of the most important roles/functions of the Board of Directors. To ensure that optimum human resources who are capable of realizing the sustainable growth of the entire Group and the mid- to long-term improvement of its corporate value are appointed to the office of President and other senior management in a timely manner, NIPPON STEEL provides various opportunities for Directors and Executive Officers who are to become successor candidates to improve their credentials by strategically assigning and rotating them to various positions, and by other means as well.

b. Procedures in the Nomination of Director Candidates and the Appointment of Senior Management

The nomination of Director candidates and the appointment of senior management are resolved at the Board of Directors after discussion at the "Nomination and Compensation Advisory Committee," a majority of whose members are Outside Directors.

The Nomination and Compensation Advisory Committee conducts discussions and deliberations from various perspectives, in accordance with the policies stated in a. above, taking into account, among others, the sizes of the entire Board of Directors and the Audit & Supervisory Committee and the balance among the candidates who will comprise the members.

The nomination of candidates for Directors who are Audit & Supervisory Committee Members will be submitted to the Board of Directors for deliberation, after approval at the Audit & Supervisory Committee.

c. Procedures in the Dismissal of the President and Other Senior Management

In the event that any disqualification for Directors as stipulated by laws and regulations occurs to the President or other senior management, NIPPON STEEL shall dismiss him or her from the President or other managerial positions by the resolution of the Board of Directors. In addition, in the event that the President or other senior management has engaged in any acts suspected of committing fraud or breach of trust, or in the occurrence of an incident to the President or other senior management that has caused significant hindrance to the continuation of duties, etc., NIPPON STEEL may dismiss him or her from the President or other managerial positions by the resolution of the Board of Directors, while also taking into account discussions and deliberations at the "Nomination and Compensation Advisory Committee" as necessary.

(5) Explanations for the Appointment, Dismissal and Nomination of Each Individual in the Appointment and Dismissal of Senior Management and the Nominations of Director Candidates by the Board of Directors Based on the above (4)

NIPPON STEEL explains the nomination, appointment and dismissal of each individual in nominating Director candidates, as well as the appointment and dismissal of senior management, by indicating NIPPON STEEL's management system, including the allocation of each individual's responsibilities, the designation of managerial positions, and other related matters, and each individual's brief personal history in reference

materials attached to the “Notice of the General Meeting of Shareholders,” the “Securities Report” and press releases related to managerial personnel matters.

In addition, the reasons for the appointment and independence of Outside Directors are explained in reference materials attached to the “Notice of the General Meeting of Shareholders” and also indicated in [Directors] of “Organizational Composition and Operation” of II-1 of this report for your reference.

[Supplementary Principle 3.1.3] (Initiatives on Sustainability and Investments in Human Capital and Intellectual Properties)

1. Initiatives on Sustainability

The NIPPON STEEL Group’s corporate philosophy states that we will “pursue world-leading technologies and manufacturing capabilities, and contribute to society by providing excellent products and services,” and we recognize that responding to sustainability issues is the foundation that supports the existence and growth of the Group. Based on this recognition, the Board of Directors has established the materiality of sustainability issues, such as safety and health, environment (including climate change countermeasures), disaster prevention, quality, DEI, and human resources development, and each responsible division plays a central role in promoting initiatives. Details on each initiative are disclosed in the Integrated Report.

NIPPON STEEL discloses information in accordance with Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We have positioned climate change countermeasures as the most important management issue, and have announced the “Nippon Steel Carbon Neutral Vision 2050” as our own initiative, and are taking on the challenge of achieving carbon neutrality by 2050. Details are disclosed in the Integrated Report.

(Integrated Report URL:

https://www.nipponsteel.com/en/ir/library/annual_report.html)

2. Investments in Human Capital and Intellectual Properties

NIPPON STEEL’s basic philosophy is to “pursue world-leading technologies and manufacturing capabilities, and contribute to society by providing excellent products and services.” We state in our management principles that we will “develop and bring out the best in our people to make our Group rich with energy and enthusiasm,” and we have long been working on human resources development as an important theme. Under these circumstances, amidst significant environmental changes, such as intensifying recruitment competition due to the recent decreasing population, diversifying individual career perspectives, and labor market fluidity, NIPPON STEEL believes that developing human resources and promoting the further advancement of our employees are extremely important for the realization of its management strategies. Accordingly, NIPPON STEEL is responding to this through various initiatives aimed at developing human resources, promoting the further advancement of a diverse workforce, and improving productivity, while striving to ensure its sustained competitiveness.

Details are disclosed in the Annual Securities Report.

(Annual Securities Report, URL:

<https://www.nipponsteel.com/en/ir/library/annualsecuritiesreport.html>)

Based on the Medium- to Long-term Management Plan aimed at sustainable growth, NIPPON STEEL works on “R&D” and “protection and use of intellectual property.” In particular, NIPPON STEEL has positioned initiatives for R&D related to hydrogen reduction steelmaking, etc., and its practical application toward a carbon neutral society as the most important management issues. In addition, with regard to the promotion of

DX strategies that lead to the reform of business and production processes, NIPPON STEEL is accelerating its efforts to become a digitally advanced company in the global steel industry. NIPPON STEEL has one of the largest numbers of researchers of any steel company in the world, boasting a world-leading standard of technical development capabilities. These research resources are allocated according to priority, and each project is carried out according to a road map that sets forth milestones, goals, and returns. In addition, NIPPON STEEL secures the most advanced newly created technologies as intellectual properties (IPs) and utilizes them in business activities based on the Medium- to Long-term Management Plan, thereby contributing to society. The business divisions, R&D divisions, and the Intellectual Property Division collaborate to enrich and accumulate IPs that contribute to the Company's business in terms of both quality and quantity, and strategically utilize them in every aspect of the Company's business activities, including ensuring competitive advantage and capturing and creating new business opportunities. The Company's R&D expenses are 82.7 billion yen (fiscal year 2025 results on a consolidated basis), with approximately 16,000 patents in Japan, which is top in the steel industry, and approximately 16,000 patents overseas (both figures valid as of March 31, 2026 on a non-consolidated basis).

Details of this human capital and intellectual capital are disclosed in the Integrated Report as important capital that is input into the Company's value creation process. In addition, DEI, human resources development, and R&D and intellectual property management are positioned as the Company's materiality of sustainability issues.

(Integrated Report URL:

https://www.nipponsteel.com/en/ir/library/annual_report.html)

[Supplementary Principle 4.1.1] (Brief Summary of the Scope of Matters Delegated to the Management)

In accordance with a provision in the Articles of Incorporation, the Board of Directors of NIPPON STEEL delegates part of the decisions regarding execution of important operations (excluding matters listed in each item of Article 399-13, Paragraph 5 of the Companies Act) to the Representative Director and Chairman and Representative Director and President, thereby expediting management decision-making, and limiting the number of items for deliberation by the Board of Directors and further enhancing discussions by the Board of Directors relating to matters such as the formulation of management policies and strategies. The execution of important matters concerning the management of NIPPON STEEL and NIPPON STEEL Group is determined at the Board of Directors (held about once per month) after deliberations in the Corporate Policy Committee (held once a week, in principle) comprised of the Chairman, President, Executive Vice Presidents, and other members, pursuant to NIPPON STEEL's rules.

NIPPON STEEL has introduced an Executive Officer system for setting clear responsibilities and improving management efficiency by more prompt decision-making.

[Principle 4.9] (Independence Standards of Independent Directors)

NIPPON STEEL decides the independence of Outside Directors in accordance with the independence standards set by financial instruments exchanges in Japan (e.g. Tokyo Stock Exchange), considering each individual's personal relationship, capital relationship, transaction relationship, and other interests with NIPPON STEEL. For the interests between the Outside Directors, on the one hand, and the NIPPON STEEL, on the other hand, on which the NIPPON STEEL bases its decisions, please refer to [Directors] of "Organizational Composition and Operation" of II-1 of this report.

[Supplementary Principle 4.10.1] (Strengthening the Independence of the Nomination and Compensation Committee)

The “Nomination and Compensation Advisory Committee,” a majority of whose members are Outside Directors, has been established to conduct discussions and deliberations on a wide range of topics relating to the nomination and compensation of the Directors in general, including the compositions of the entire Board of Directors and the Audit & Supervisory Committee, the system and levels of the Directors’ compensation, and other topics.

The Nomination and Compensation Advisory Committee comprises five members, the Representative Director and Chairman, Eiji Hashimoto, the Representative Director and President, Tadashi Imai, and Outside Directors Jun Sawada, Mihar Koezuka, and Kenji Hiramatsu. The President serves as the chairman of the Committee. The Nomination and Compensation Advisory Committee, as a general rule, is held twice a year (in fiscal year 2026, held in May and scheduled in December).

The Company decides the independence of Outside Directors in accordance with the independence standards set by financial instruments exchanges in Japan (e.g. Tokyo Stock Exchange), considering each individual’s personal relationship, capital relationship, business relationship, and other interests with the Company. In addition, since each Outside Director has been judged to possess independence, the Company has reported all of them as Independent Directors to each financial instruments exchange in Japan (e.g. Tokyo Stock Exchange).

[Supplementary Principle 4.11.1] (View on the Balance between Knowledge, Experience, and Skills of the Board of Directors as a Whole, and on Diversity and Appropriate Board Size)

To establish a structure for prompt decision-making and effective corporate governance corresponding to changes in the management environment, the Board of Directors will be an appropriate size for the Group’s business lineup and management challenges, and be comprised of members, considering the balance among experience, insights, and expertise of the Board of Directors as a whole and its diversity.

Specifically, the Board of Directors as a whole must have the necessary skills and experience in consideration of the Group’s Corporate Philosophy and Medium- to Long-Term Management Plan, and each Director primarily has the skills and experiences outlined in Reference Documents of the “Notice of the General Meeting of Shareholders.” For the balance of the Board of Directors as a whole and its diversity, please also see “b. Corporate Governance System” of I-1, (2) of this report.

In addition, the Articles of Incorporation provide that the number of Directors is twenty (20) or less and the number of Directors who are Audit & Supervisory Committee Members is seven (7) or less. Currently, NIPPON STEEL’s Board of Directors consists of a total of fifteen (15) Directors, including ten (10) Directors (excluding Directors who are Audit & Supervisory Committee Members) (consisting of eight (8) Executive Directors who were employees of NIPPON STEEL with intimate knowledge of NIPPON STEEL’s businesses, and two (2) Outside Directors who have deep insight) and five (5) Directors who are Audit & Supervisory Committee Members (consisting of two (2) Directors who were employees of NIPPON STEEL with intimate knowledge of NIPPON STEEL’s businesses, and three (3) Outside Directors who have deep insight). Outside Directors account for one-third (5 out of 15) of all members of the Company’s Board of Directors.

(Notice of the General Meeting of Shareholders,

URL: <https://www.nipponsteel.com/en/ir/individual/meeting.html>)

[Supplementary Principle 4.11.2] (Directors Serving Concurrently as Directors, Audit and Supervisory Board Members, or Management at Other Listed Companies)

When deciding Director candidates, NIPPON STEEL confirms that each candidate is able to appropriately fulfill their role and responsibilities, including confirming whether the candidate concurrently serves as a director, an audit and supervisory board member, or the management at other listed companies. Whether Directors serve concurrently as directors, audit and supervisory board members or management at other listed companies are disclosed every year in reference

materials attached to “Notice of the General Meeting of Shareholders” and in “Business Report,” among others.

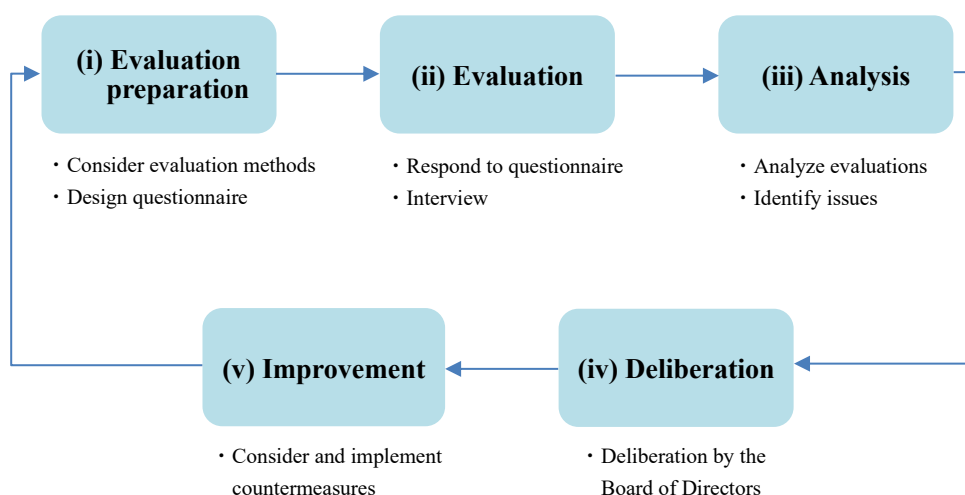
(Notice of the General Meeting of Shareholders,
URL: <https://www.nipponsteel.com/en/ir/individual/meeting.html>)

[Supplementary Principle 4.11.3] (Analysis and Evaluation of the Effectiveness of the Board of Directors as a Whole)

To improve the effectiveness of the Board of Directors, NIPPON STEEL analyzes, evaluates, and improves the effectiveness of the Board of Directors as follows.

1. Evaluation Process

NIPPON STEEL evaluates the effectiveness of the Board of Directors through a five-step process of (i) evaluation preparation, (ii) evaluation, (iii) analysis, (iv) deliberation, and (v) improvement. In the (ii) evaluation phase, we conduct quantitative analysis through a comparison of the number of agenda items submitted for deliberation or reported to the Board of Directors and the number of hours of deliberation, as well as the attendance rate and the number of opinions expressed by each Director at the meetings of the Board of Directors, with those of prior years, while conducting questionnaires and individual interviews with each Director to grasp specific issues.



2. Evaluation of Effectiveness for Fiscal Year 2025

NIPPON STEEL, at the Board of Directors meeting held in May 2026, analyzed and evaluated the effectiveness of the Board of Directors for fiscal year 2025, confirming that on the whole, the Board of Directors functions effectively because all of the matters submitted for deliberation or reported to the Board of Directors pursuant to the Companies Act or NIPPON STEEL’s rules (such as the formulation of management policies and management strategies, matters regarding important business strategies and risk management, status of the carbon neutrality and diversity & inclusion initiatives, and measures to secure human resources and support employee participation and career advancement) were discussed and deliberated among Inside and Outside Directors, from the point of view of improvement of NIPPON STEEL’s corporate value in the mid- to long-term and other various perspectives, with relevant information being appropriately provided in advance.

In addition, from the standpoint of further enhancing the effectiveness of the Board of Directors, based on the opinions voiced by each Director in the effectiveness evaluation in fiscal year 2025, NIPPON STEEL will make improvements to the proceedings of the Board of Directors meetings in order to increase efficiency of the meeting administration and prioritize the deliberations, and will continue to share a wide range of information and exchange opinions by actively using forums other than the Board of Directors meetings.

[Supplementary Principle 4.14.2] (Training Policy for Directors)

NIPPON STEEL, via relevant officers, explains its corporate philosophy and the Group business lineups, among others, to each Outside Director individually once they assume their positions. In addition, after the assumption, NIPPON STEEL proactively provides opportunities for them to visit steelworks and research laboratories, and to have dialogue with the Chairman, the President, and the Vice Presidents. NIPPON STEEL also explains anew to Executive Directors and Directors who are Audit & Supervisory Committee Members, both of whom were employees of NIPPON STEEL, their responsibilities under important applicable laws and regulations such as the Companies Act, and NIPPON STEEL's rules, upon the assumption of their positions.

Moreover, NIPPON STEEL provides opportunities for Directors to attend exchanges of opinions with outside experts and executives of other companies, as well as lectures and seminars.

[Principle 5.1] (Policy for Dialogue with Shareholders)

With a view to achieving sustainable growth and improvement of NIPPON STEEL's corporate value in the mid- to long-term, NIPPON STEEL takes various measures to enhance constructive dialogue with the shareholders. With regard to the dialogue with the shareholders and investors, the Corporate Communications Division works in conjunction with other divisions of NIPPON STEEL to enhance the measures related to the dialogue with the shareholders and investors.

Specifically, for shareholders, in addition to striving to actively provide information to the shareholders and sincerely responding to their questions and comments in the General Meeting of Shareholders, NIPPON STEEL holds plant tours regularly in various locations. For institutional investors (domestic/overseas, passive/active management, etc.), NIPPON STEEL holds briefings on financial results in each quarter, briefings on the Medium- to Long-Term Management Plan, the Carbon Neutral Vision, GX, steelworks/research laboratory tours, small meetings for investors and various conferences, visits to overseas institutional investors, and more. Through these activities, NIPPON STEEL engages in dialogue with people in appropriate areas of responsibility (analysts/portfolio managers/officers in charge of ESG/officers in charge of exercise of voting rights, etc.), depending on the content of the explanation, regarding its management strategies, business lineups, business performance, and initiatives for sustainability issues. The President and other senior management and an officer in charge of IR attend these dialogues, as necessary. The opinions and other comments from the shareholders and investors received through the above-listed initiatives are shared among management and internal divisions as needed, and reported and fed back to the Board of Directors and others responsible for the dialogue with the shareholders and investors on a regular basis.

Insider information (undisclosed material facts) is appropriately managed in accordance with NIPPON STEEL's internal rules, "Rules on Insider Information Management and Insider Trading Regulations."

In addition, NIPPON STEEL conducts surveys to identify substantial shareholders of NIPPON STEEL's shares to understand the shareholder structure, and use this information for constructive dialogue with shareholders and investors.

“NIPPON STEEL Corporate Disclosure and Dialogue Policy” is posted on the NIPPON STEEL’s website. Please see that site for reference (URL:
<https://www.nipponsteel.com/en/ir/management/disclosure.html>).

[Measures to Realize Management with Awareness of Cost of Capital and Stock Price]

Details	Disclosure of initiatives (update)
Disclosure in English	Yes
Date of Update	October 2, 2025

- Explanation

In regard to NIPPON STEEL’s analysis of the current situation, management strategies, and initiatives to realize management with awareness of the cost of capital and stock price, analysis of the current situation and initiatives are disclosed on page 68 of the Integrated Report 2025, and the management strategies are disclosed on pages 19-59.
(Integrated Report URL: https://www.nipponsteel.com/en/ir/library/annual_report.html)

[Status of Dialogue with Shareholders, etc.]

NIPPON STEEL conducts dialogue with shareholders and institutional investors in accordance with the basic policy described in [Principle 5-1] (Policy for Dialogue with Shareholders) above. The status of implementation in fiscal year 2025 is described in III-2. below.

During the dialogue with shareholders and institutional investors, shareholders and institutional investors were mainly interested in “domestic and overseas (especially China) steel supply and demand and market trends,” “trends in the Company’s sales prices and raw material prices,” “sophistication status of order mix,” “objectives of partnership between U.S. Steel and Nippon Steel, progress, and procurement of funds,” “implementation status of the 2030 Medium- to Long-term Management Plan,” “status of initiatives for Carbon Neutral Vision 2050,” and “dividend policy.”

2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%
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[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	729,415,300	13.93
Custody Bank of Japan, Ltd. (Trust Account)	208,824,850	3.99
THE CHASE MANHATTAN BANK, N.A. LONDONSECS LENDING OMNIBUS ACCOUNT	96,933,537	1.85
Nippon Life Insurance Company	95,895,990	1.83
JP MORGAN CHASE BANK 385642	94,009,187	1.80
JP MORGAN CHASE BANK 385781	72,665,650	1.39
STATE STREET BANK AND TRUST COMPANY 505001	72,641,946	1.39
Nippon Steel Group Employees Shareholding Association	70,301,735	1.34
Meiji Yasuda Life Insurance Company	68,563,590	1.31
Mizuho Bank, Ltd.	55,233,330	1.06

Controlling Shareholder (except for Parent Company)	—
Parent Company	None

Supplementary Explanation

- In addition to the above, there are 139,070,152 treasury shares owned by NIPPON STEEL (shareholding ratio: 2.7%).
- The number of shares held by The Master Trust Bank of Japan, Ltd. (Trust Account) includes 3,356,438 hundred shares held in an investment trust and 75,087 hundred shares held in a pension trust.
- The number of shares held by Custody Bank of Japan (Trust Account) includes 1,283,765 hundred shares held in an investment trust and 141,449 hundred shares held in a pension trust.
- In a Statement of Changes to a Statement of Large Volume Holding made available for public inspection as of April 6, 2026, it is stated that Nomura Securities Co., Ltd., and its joint holders, NOMURA INTERNATIONAL PLC, NOMURA SECURITIES INTERNATIONAL, Inc., and Nomura Asset Management Co., Ltd., held the following shares of NIPPON STEEL as of March 31, 2026. However, they are not included in the above major shareholders because NIPPON STEEL is unable to confirm the actual number of shares held by the said companies as of March 31, 2026. The details in the Statement of Changes are as follows:

Name / Company name	Number of share certificates, etc. held (shares)	Ownership ratio (%)
Nomura Securities Co., Ltd.	13,810,167	0.26
NOMURA INTERNATIONAL PLC	42,523,701	0.78
NOMURA SECURITIES INTERNATIONAL, Inc.	0	0.00
Nomura Asset Management Co., Ltd.	228,922,550	4.26
Total	285,256,418	5.23

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market, Nagoya Stock Exchange Premier Market, Sapporo Stock Exchange Main Board, Fukuoka Stock Exchange Main Board
Fiscal Year-End	March
Type of Business	Iron & Steel
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	More than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholders

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5. Other Special Circumstances which may have Material Impact on Corporate Governance

(Significance of having listed subsidiaries)

NIPPON STEEL aims at the Group's sound and sustainable growth, improvement of its corporate value in the medium- to long-term, and winning the trust of society under the "Corporate Philosophy of the NIPPON STEEL Group." Under this guiding principle, the Company has set basic rules in the Rules for Control of Group Companies to manage group companies, built and is maintaining an internal control system suitable for the Group's businesses, and ensures appropriate implementation of the system, including PDCA management such as formulation of consolidated management plans and management of consolidated financial results. For example, the Company conducts assessment of the management soundness of all group companies, including listed subsidiaries, at least once a year based on financial data and reports the results to the Corporate Policy Committee and the Board of Directors.

The Company reviews on a continuous basis its capital policy concerning individual group companies from a comprehensive perspective, taking into account factors including their positions in the Group's business strategies and capital efficiency. With respect to the relationships between the Company and its listed subsidiaries, the Company considers its relationships with the listed subsidiaries, including the current capital holding therein, as appropriate from three perspectives: the reasons for the Company to have those listed subsidiaries in the Group; the reasons for those listed subsidiaries to belong to the Group; and the necessity for those companies to be listed companies. Further, the Company conducts a review as necessary in response to changes in the business environment and its group strategy while taking into account the perspective of not disadvantaging minority shareholders. As a result of such review, for example, the Company made Nisshin Steel Co., Ltd., a then-listed subsidiary, a wholly-owned subsidiary in 2019, Nippon Steel Trading Corporation, a then-equity method listed affiliate, a consolidated and unlisted subsidiary in 2023, Sanyo Special Steel Co., Ltd., a listed subsidiary, a wholly-owned subsidiary on April 25, 2025, and KROSAKI HARIMA CORPORATION, a listed subsidiary, a wholly-owned subsidiary on April 1, 2026.

The Company considers that independent decision-making is ensured and autonomous management is conducted at each of its listed subsidiaries, with more than one-third of Directors of each of those subsidiaries being Independent Outside Directors in accordance with the principle of the Corporate Governance Code.

The Company takes proper measures, including deciding the terms and conditions of parent-subsidary transactions on the basis of standard commercial terms and conditions with other customers, market prices, and other reasonable criteria, in order to ensure that the minority shareholders of the listed subsidiaries are not disadvantaged. For the subsidiaries listed on the Prime Market of the Tokyo Stock Exchange, the Company has established a system to set up a special committee if a significant parent-subsidary transaction or action occurs.

In light of the above, NIPPON STEEL currently has three listed subsidiaries, and views that the significance of these listed subsidiaries are as follows.

- NS Solutions Corporation

The main business of NS Solutions Corporation is the provision of engineering and consulting pertaining to computer systems, outsourcing and other services using advanced IT.

Following the spinoff of NIPPON STEEL's information systems division in April 2001 (through a business integration with NIPPON STEEL's wholly-owned subsidiary), NS Solutions Corporation went public in October 2002, with the aim of establishing its presence in the industry, securing human resources, and raising funds for growth.

Computer systems in the steelmaking business support all aspects of business activities, including order acceptance, production, shipment, and quality control, and are an important foundation for utilizing a variety of data. The accumulation of know-how and securing the continuity of advanced human resource supply by making NS Solutions Corporation a subsidiary are essential for NIPPON STEEL to achieve differentiation in the steel industry and maintain its competitiveness. In addition, the implementation of advanced IT in the steelmaking business and the promotion of DX by NS Solutions Corporation are generating significant synergies with NIPPON STEEL.

Furthermore, NS Solutions Corporation applies achievements and technologies developed through the steelmaking business to NIPPON STEEL Group companies, while making use of them to offer various services to external customers. The Company therefore believes operating NS Solutions Corporation as a subsidiary contributes to maximizing the value of the subsidiary and the NIPPON STEEL Group.

- OSAKA STEEL CO., LTD.

The main business of Osaka Steel Co., Ltd. is the manufacture and marketing of shapes, bars, and billets.

Osaka Steel Co., Ltd. became a subsidiary in 1990 to promote collaboration with NIPPON STEEL.

The steel products of Osaka Steel Co., Ltd. are mainly destined for construction, civil engineering, shipbuilding, and industrial machinery. Osaka Steel Co., Ltd. provides products that meet the needs of its customers in cooperation with NIPPON STEEL and its Group companies. Furthermore, Osaka Steel Co., Ltd. collaborates with NIPPON STEEL in various areas, such as production and technology in every process from steelmaking to rolling.

As such, the Company believes operating Osaka Steel Co., Ltd. as a subsidiary contributes to maximizing the value of the subsidiary and the NIPPON STEEL Group.

- GEOSTR Corporation

The main business of Geostr Corporation is the manufacture and marketing of concrete and metal products for civil engineering and building construction work.

In October 2011, Geostr Corporation, which was a company accounted for using the equity method, absorbed Tokyo Econ Kentetu Co., Ltd. (NIPPON STEEL's consolidated subsidiary at that time) through an absorption-type merger, with the aim of unifying segment (tunnel lining materials) manufacturing divisions in the Group, integrating management resources, strengthening cooperation through enhancing efficiency of manufacturing divisions, and increasing the Group's corporate value. As a result of the merger, Geostr Corporation became a consolidated subsidiary of NIPPON STEEL,

By having Geostr Corporation as a subsidiary, it will be possible to share the steel production and utilization technologies developed by NIPPON STEEL and Geostr Corporation's concrete production and utilization technologies, thereby achieving high product competitiveness in segment products for civil engineering materials. In addition, the collaboration between the two companies enables them to respond to a wide range of customer needs and to conduct swift sales activities, such as proposing optimal products that meet use condition of customers, with a full range of segment specifications.

As such, operating Geostr Corporation as a subsidiary helps create synergies with civil engineering materials products of the NIPPON STEEL Group and increase the value of NIPPON STEEL's construction products business. The Company therefore believes it contributes to maximizing the value of the subsidiary and the NIPPON STEEL Group.

(Significance of having listed affiliates)

The Company has ten listed affiliates, Godo Steel, Ltd., TOPY INDUSTRIES, LTD., KYOEI STEEL LTD., Nippon Denko Co., Ltd., NICHIA STEEL WORKS, LTD., NS United Kaiun Kaisha, Ltd., NIPPON COKE & ENGINEERING CO., LTD., SANKO METAL INDUSTRIAL CO., LTD., SANYU CO., LTD., and TAKASAGO TEKKO K.K., mainly aimed at improving the Company's consolidated profits.

All of these affiliates are part of the Steelmaking and Steel Fabrication segment of the Company's portfolio. Although the Company has dispatched Audit & Supervisory Board Members to some of these affiliates in order to ensure appropriate risk management, there are no contracts with any of these affiliates regarding matters requiring the Company's consent or governance. In addition, as the Company's voting rights ratio in each affiliate is less than the majority, we recognize that the independence of each affiliate from the Company is ensured and that there is little concern over the risk of conflicts of interest between the Company and the other shareholders of each affiliate.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision in Management

1. Organizational Composition and Operation

Organization Form	Company with an Audit & Supervisory Committee
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	20
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	15
Appointment of Outside Directors	Appointed
Number of Outside Directors	5
Number of Independent Directors	5

Outside Directors' Relationship with NIPPON STEEL (1)

Name	Attribute	Relationship with NIPPON STEEL*										
		a	b	c	d	e	f	g	h	i	j	k
Jun Sawada	From another company											
Miharu Koezuka	From another company								△			
Kenji Hiramatsu	Other											
Aiko Sekine	CPA											
Sumiko Takeuchi	Other											

* Categories for "Relationship with NIPPON STEEL"

* "○" when the director presently falls or recently fell under the category;

"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or recently fell under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of NIPPON STEEL or its subsidiaries

b. Non-executive director or executive of a parent company of NIPPON STEEL

c. Executive of a fellow subsidiary of NIPPON STEEL

d. A person whose major client or supplier is NIPPON STEEL or an executive of such person

e. Major client or supplier of NIPPON STEEL or an executive of such client or supplier

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from NIPPON STEEL besides compensation as a director/audit & supervisory board member

g. Major shareholder of NIPPON STEEL (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier of NIPPON STEEL (which does not fall under any of d, e, or f) (the director himself/herself only)

i. Executive of a company with which NIPPON STEEL mutually appoints outside directors/audit & supervisory board members (the director himself/herself only)

j. Executive of a company or organization that receives donations from NIPPON STEEL (the director himself/herself only)

k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Jun Sawada	Yes	Not applicable	[Reasons for Appointment as an Outside Director] NIPPON STEEL believes that Mr. Sawada is well-qualified for the position by his deep insight and ample experience in corporate management. [Reasons for Designation as an Independent Director] He does not conflict with either the independence standards or attribute information as set by each financial instruments exchange on which NIPPON STEEL is listed (e.g. the Tokyo Stock Exchange), and does not have any special interests in NIPPON STEEL. Because NIPPON STEEL believes that there is no possibility of a conflict of interest between him and the general shareholders as stated above, NIPPON STEEL has designated him as an Independent Director.

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Miharu Koezuka	Yes	Ms. Koezuka had previously been an executive officer of Takashimaya Company, Limited, from which NIPPON STEEL purchases goods and other items. However, she is no longer an executive officer of the company. Since the amount of transactions with the said company accounts for less than 1% of the consolidated selling, general and administrative expenses of NIPPON STEEL, the said company is not a specified associated service provider of NIPPON STEEL.	[Reasons for Appointment as an Outside Director] NIPPON STEEL believes that Ms. Koezuka is well-qualified for the position by her deep insight and ample experience in corporate management. [Reasons for Designation as an Independent Director] Ms. Koezuka had previously been an executive officer of Takashimaya Company, Limited, from which NIPPON STEEL purchases goods and other items. However, she is no longer an executive officer of the company. Since the amount of transactions with the said company accounts for less than 1% of the consolidated selling, general and administrative expenses of NIPPON STEEL, the said company is not a specified associated service provider of NIPPON STEEL. She does not conflict with the independence standards as set by each financial instruments exchange on which NIPPON STEEL is listed (e.g. Tokyo Stock Exchange), and does not have any special interests with NIPPON STEEL. Because NIPPON STEEL believes that there is no possibility of a conflict of interest between her and the general shareholders as stated above, NIPPON STEEL has designated her as an Independent Director.

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Kenji Hiramatsu	Yes	Not applicable	[Reasons for Appointment as an Outside Director] NIPPON STEEL believes that Mr. Hiramatsu is well-qualified for the position by his deep insight regarding international affairs, economy, culture, etc., that he accumulated at the Ministry of Foreign Affairs as well as ample experience as Ambassador Extraordinary and Plenipotentiary and other important positions. [Reasons for Designation as an Independent Director] He does not conflict with either the independence standards or attribute information as set by each financial instruments exchange on which NIPPON STEEL is listed (e.g. the Tokyo Stock Exchange), and does not have any special interests in NIPPON STEEL. Because NIPPON STEEL believes that there is no possibility of a conflict of interest between him and the general shareholders as stated above, NIPPON STEEL has designated him as an Independent Director.

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Aiko Sekine	Yes	Not applicable	[Reasons for Appointment as an Outside Director] NIPPON STEEL believes that Ms. Sekine is well-qualified for the position by reason of her deep insight as a certified public accountant possessing deep familiarity with corporate accounting, and her ample experience as a Partner of an audit corporation and Chairman and President of Japanese Institute of Certified Public Accountants and other important positions. [Reasons for Designation as an Independent Director] She does not conflict with either the independence standards or attribute information as set by each financial instruments exchange on which NIPPON STEEL is listed (e.g. the Tokyo Stock Exchange), and does not have any special interests in NIPPON STEEL. Because NIPPON STEEL believes that there is no possibility of a conflict of interest between her and the general shareholders as stated above, NIPPON STEEL has designated her as an Independent Director.

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Sumiko Takeuchi	Yes	Not applicable	[Reasons for Appointment as an Outside Director] NIPPON STEEL believes that Ms. Takeuchi is well-qualified for the position by reason of the deep insight she has cultivated as a researcher in the fields of environment and energy at an NPO and universities, as well as her ample experience in corporate management. [Reasons for Designation as an Independent Director] She does not conflict with either the independence standards or attribute information as set by each financial instruments exchange on which NIPPON STEEL is listed (e.g. the Tokyo Stock Exchange), and does not have any special interests in NIPPON STEEL. Because NIPPON STEEL believes that there is no possibility of a conflict of interest between her and the general shareholders as stated above, NIPPON STEEL has designated her as an Independent Director.

[Audit & Supervisory Committee]

Committee's composition and attributes of Chairperson

	Audit & Supervisory Committee
All Committee Members	5
Full-time Members	2
Inside Directors	2
Outside Directors	3
Chairperson	Inside Director

Appointment of Directors and/or Employees to Assist the Audit & Supervisory Committee	Appointed
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Matters related to the independence from Executive Directors of Directors and/or employees to assist the Audit & Supervisory Committee

NIPPON STEEL has established the Audit & Supervisory Committee Members' Office and has assigned six (6) full-time employees (dedicated staff members), in order to assist the Audit & Supervisory Committee in the smooth execution of its duties. No Directors have been assigned to assist the Audit & Supervisory Committee in its duties.

Dedicated staff members are full-time employees and perform their duties under the direction of the Audit & Supervisory Committee. In addition, the Head of the Human Resources Division discusses with the Audit & Supervisory Committee in advance the transfer and evaluation, etc. of the dedicated staff members to ensure their independence from the executive divisions and the effectiveness of the Audit & Supervisory Committee's instructions to the dedicated staff members.

Cooperation among the Audit & Supervisory Committee, Accounting Auditors, and Internal Audit Departments

- Cooperation between the Audit & Supervisory Committee and the Accounting Auditor

At the beginning of a fiscal year, the Audit & Supervisory Committee and the Accounting Auditor exchange opinions on matters of concern from the previous fiscal year, items of focus in the audit and other matters, based on the audit plan drafted by the Accounting Auditor, which outlines the scope of the audit, the audit structure, and priority audit items for the period, among others, so that an effective accounting audit will be executed.

Moreover, at each quarter, the Audit & Supervisory Committee Members appointed by the Audit & Supervisory Committee receive a report on the progress and the results of review and other procedures from the Accounting Auditor and exchange opinions regarding matters including non-financial information.

Furthermore, at the end of a fiscal year, the Audit & Supervisory Committee receives the Auditor's Report and a report on the audit results including the priority audit items for the period from the Accounting Auditor, and uses such reports for the basis of the Audit Report, which is subsequently prepared by the Audit & Supervisory Committee.

In addition, the Audit & Supervisory Committee Members appointed by the Audit & Supervisory Committee and the Accounting Auditor cooperate and mutually contribute to forming their respective audit opinions by exchanging opinions on audit activities regularly.

- Cooperation between the Audit & Supervisory Committee and Internal Audit Departments

The Audit & Supervisory Committee Members appointed by the Audit & Supervisory Committee attend quarterly meetings of the Risk Management Committee, and the Audit & Supervisory Committee receives regular reports from the Internal Control & Audit Division, and both parties exchange opinions to ensure close collaboration. In addition, the Audit & Supervisory Committee regularly interviews functional divisions managing important risks, such as safety, environment, disaster prevention, quality assurance and other matters, on the status of their respective activities, to enhance the effectiveness of audit activities. In addition, the Audit & Supervisory Committee shares information on litigation with the Legal Division. Moreover, the Internal Control & Audit Division and functional divisions formulate an annual plan based on the opinions of the Audit & Supervisory Committee.

- Cooperation between the Accounting Auditor and Internal Audit Departments

The Internal Control & Audit Division reports quarterly to the Accounting Auditor with respect to the contents and related matters of the discussions at the Risk Management Committee, and discusses appropriately with the Accounting Auditor the development and operation of the internal control system relating to financial reports, to pursue its continuous improvement.

[Voluntary Committee]

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Compensation Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Compensation Committee
Committee's Name	Nomination and Compensation Advisory Committee	Nomination and Compensation Advisory Committee
All Committee Members	5	5
Full-time Members	0	0
Inside Directors	2	2
Outside Directors	3	3
Outside Experts	0	0
Other	0	0
Chairperson	Inside Director	Inside Director

Supplementary Explanation

The "Nomination and Compensation Advisory Committee," a majority of whose members are Outside Directors, has been established to conduct discussions and deliberations on a wide range of topics relating to the nomination and compensation of the Directors in general, including the compositions of the entire Board of Directors and the Audit & Supervisory Committee, the system and levels of the Directors' compensation, and other topics.

The Nomination and Compensation Advisory Committee comprises five members, the Representative Director and Chairman, Eiji Hashimoto, the Representative Director and President, Tadashi Imai, and Outside Directors Jun Sawada, Miharu Koezuka and Kenji Hiramatsu. The President serves as the chairman of the Committee. The Nomination and Compensation Advisory Committee, as a general rule, is held twice a year (in fiscal year 2026, held in May and scheduled in December).

[Independent Directors]

Number of Independent Directors	5
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Matters relating to Independent Directors

NIPPON STEEL decides the independence of Outside Directors in accordance with the independence standards set by the financial instruments exchanges in Japan (e.g. Tokyo Stock Exchange), considering each individual's personal relationship, capital relationship, business relationship, and other interests with NIPPON STEEL.

As stated above, since NIPPON STEEL believes that each of the Outside Directors is independent, NIPPON STEEL has reported all of them as Independent Directors to each financial instruments exchange in Japan (e.g. Tokyo Stock Exchange).

[Incentives]

Incentive Policies for Directors	○	Introduction of Performance-linked Compensation
		Introduction of Stock Options
		Other
		Not implemented

Supplementary Explanation

In accordance with “a. Content of Policies” indicated in (3) under I-1. [Principle 3.1] (Full Disclosure) of this report, compensation for the Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) consists of (i) fixed monetary compensation, (ii) performance-linked monetary compensation, and (iii) performance-linked stock compensation.

As indicators for performance-linked monetary compensation and performance-linked stock compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors), the Company uses consolidated underlying annual profit/loss (which is consolidated business profit/loss excluding inventory valuation impact and other items, and recognized as representing the Company group’s actual profitability) in order to set an appropriate compensation commensurate with performance for the corresponding term, while taking into account other factors including the revenue targets in the medium- to long-term management plan.

Compensation for Outside Directors (excluding Directors who are Audit & Supervisory Committee Members) consists solely of fixed monetary compensation, which is paid monthly.

Compensation for Directors who are Audit & Supervisory Committee Members consists solely of fixed monthly compensation.

The specific amount of monthly compensation for each Director (excluding Directors who are Audit & Supervisory Committee Members) is determined by the Board of Directors after deliberation by the “Nomination and Compensation Advisory Committee,” a majority of whose members are Outside Directors. The specific amount of monthly compensation for each Director who is an Audit & Supervisory Committee Member is determined by discussions of the Directors who are Audit & Supervisory Committee Members.

Recipients of Stock Options

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Supplementary Explanation

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[Director Compensation]

Disclosure of Individual Directors' Compensation	Selected Directors
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Supplementary Explanation

The total amounts for all the Directors (excluding Directors who are Audit & Supervisory Committee Members), all the Outside Directors (excluding Directors who are Audit & Supervisory Committee Members), all the Directors who are Audit and Supervisory Committee Members, and all the Outside Directors who are Audit & Supervisory Committee Members are disclosed in the Annual Securities Report and the Business Report. In addition, when the total amount of consolidated compensation and other consideration for an individual Director is one hundred million (100,000,000) yen or more, such total amount is disclosed in the Annual Securities Report. When the total amount of consolidated compensation and other consideration for an individual Executive Officer (excluding those concurrently serving as Directors) is one hundred million (100,000,000) yen or more, information on such Executive Officer is disclosed on a voluntary basis.

In fiscal year 2025, total compensation amounts of 2,374,650,000 yen were paid to eleven (11) Directors (excluding Directors who are Audit & Supervisory Committee Members) (including compensation of 38,520,000 yen to two (2) Outside Directors) and 209,640,000 yen paid to five (5) Directors who are Audit & Supervisory Committee Members (including compensation of 57,780,000 yen to three (3) Outside Directors who are Audit & Supervisory Committee Members).

* The amounts stated above include the compensation paid to one (1) Director (excluding Directors who are Audit & Supervisory Committee Members) who resigned at the conclusion of the 101st General Meeting of Shareholders held on June 24, 2025.

Policy on Determining Compensation Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

This is indicated in (3) "Board Policies and Procedures in Determining the Compensation of Directors" of I-1. [Principle 3.1] (Full Disclosure) of this report for reference.

[Supporting System for Outside Directors]

NIPPON STEEL supports the performance of responsibilities by Outside Directors by assigning a sufficient number of staff members in the General Administration Division and the Audit & Supervisory Committee Members' Office, and timely and appropriately providing company information such as offering prior explanations about the matters to be submitted for deliberation or reported to the meetings of the Board of Directors and other important meetings. The Audit & Supervisory Committee Members' Office has dedicated staff members that support Directors who are Audit & Supervisory Committee Members, in order to ensure their independence from the Directors (excluding Directors who are Audit & Supervisory Committee Members). Under the direction of all Directors who are Audit & Supervisory Committee Members, including Outside Directors, such staff members support supervisory activities and otherwise engage in work relating to supervision.

[Status of persons who retired from Representative Director and President or other position]

Name	Position / title	Description of duties	Working arrangements/terms (full-time/part-time with/without compensation)	Date of resignation from office of President	Term of office
Takashi Imai	Senior Advisor, Honorary Chairman	Expresses opinions upon the request of management. Also serves as executive of some outside organizations.	Part-time without compensation	March 31, 1998	None
Akio Mimura	Senior Advisor, Honorary Chairman	Expresses opinions upon the request of management. Also serves as executive of some outside organizations.	Part-time without compensation	March 31, 2008	None
Hiroshi Tomono	Senior Advisor	Expresses opinions upon the request of management. Also serves as executive of some outside organizations.	Part-time with compensation	March 31, 2014	None
Shoji Muneoka	Senior Advisor	Expresses opinions upon the request of management. Also serves as executive of some outside organizations.	Part-time with compensation	March 31, 2014	None
Kosei Shindo	Senior Advisor	Expresses opinions upon the request of management. Also serves as executive of some outside organizations.	Full-time with compensation	March 31, 2019	June 2029

Total number of Senior Advisors/Advisors who served as Representative Director and President or other equivalent positions	5
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2. Matters on Functions of Business Execution, Supervision, Nomination, and Compensation Decisions (Overview of Current Corporate Governance System)

A summary of and views on the current corporate governance system are indicated in the I-1 “Basic Views” of this report.

Please also see I-1 “Basic Views” of this report, in addition, the following supplementary explanations about business execution, auditing and supervision, nomination, and compensation decisions, among others, and the chart at the end.

(1) Business Execution and activities of the Board of Directors

In accordance with a provision in the Articles of Incorporation, the Board of Directors of NIPPON STEEL delegates part of the decisions regarding execution of important operations (excluding matters listed in each item of Article 399-13, Paragraph 5 of the Companies Act) to the Representative Director and Chairman and Representative Director and President, thereby expediting management decision-making, and limiting the number of items for deliberation by the Board of Directors and further enhancing discussions relating to matters such as the formulation of management policies and strategies. The execution of important matters concerning the management of NIPPON STEEL and NIPPON STEEL Group is determined at the Board of Directors (held about once per month) after deliberations in the Corporate Policy Committee (held once a week, in principle) comprised of the Chairman, President, Executive Vice Presidents, and other members, pursuant to NIPPON STEEL’s rules.

As corporate committees engaging in deliberations before the Corporate Policy Committee and the Board of Directors, there are 18 company-wide committees, depending on their respective purposes and areas (as of April 1, 2026).

The status of attendance at the meetings of the Board of Directors held in the fiscal year ended March 31, 2026 (15 meetings in total) for those who attended the meetings of the Board of Directors held after the conclusion of the 102nd General Meeting of Shareholders is as follows.

	Name	Attendance rate	
Directors (excluding Directors who are Audit & Supervisory Committee Members)			
Inside Director	Eiji Hashimoto	100%	
	Tadashi Imai	100%	
	Takahiro Mori	100%	
	Naoki Sato	100%	
	Takashi Hirose	100%	
	Hirofumi Funakoshi	100%	
	Hiroyuki Minato	100%	
	Nobuhiro Fujita	100%	*1
Outside Director	Jun Sawada	-	*2
	Miharu Koezuka	-	*2
Directors who are Audit & Supervisory Committee Members			
Inside Director	Kazumasa Shinkai	100%	
	Takeshi Yamane	-	*2
Outside Director	Kenji Hiramatsu	100%	
	Aiko Sekine	100%	
	Sumiko Takeuchi	100%	

*1 Status of attendance at the 11 meetings of the Board of Directors held since his/her appointment.

*2 Appointed on June 23, 2026.

(2) Supervision

(i) Supervision by the Board of Directors

The Board of Directors is comprised of fifteen (15) members, of whom ten (10) are Directors (excluding Directors who are Audit & Supervisory Committee Members) and five (5) are Directors who are Audit & Supervisory Committee Members. Outside Directors account for one-third (5 out of 15) of all members of the Company's Board of Directors.

Of the above, the Directors (excluding Directors who are Audit & Supervisory Committee Members) are comprised of eight (8) Executive Directors who were employees of NIPPON STEEL with intimate knowledge of NIPPON STEEL's businesses, and two (2) Outside Directors who have vast experience in, and deep insights into, corporate management. The Directors who are Audit & Supervisory Committee Members are comprised of two (2) Directors who were employees of NIPPON STEEL with intimate knowledge of NIPPON STEEL's businesses, and three (3) Outside Directors, each of whom has vast experience in and deep insights into such areas as international affairs, economies, cultures, corporate accounting, environment and energy, respectively.

At NIPPON STEEL, by all Directors appropriately fulfilling their roles and responsibilities prompt decision-makings are achieved corresponding to changes in the management environment, and multifaceted deliberations and objective and transparent decision-making by the Board of Directors are secured. In addition, Directors who are Audit & Supervisory Committee Members have voting rights on the Board of Directors regarding decisions on proposals for the election and dismissal of Directors as well as on election and dismissal of Representative Directors, and other decisions in general regarding business execution (excluding decisions that have been delegated to Directors). The Audit & Supervisory Committee has the authority to give its opinions at the General Meeting of Shareholders regarding the election, compensation, etc. of Directors, excluding Directors who are Audit & Supervisory Committee Members. This structure strengthens the supervisory function of the Board of Directors over management.

To secure capable Outside Directors and allow Non-executive Directors, including Directors who are Audit & Supervisory Committee Members who were employees of NIPPON STEEL to adequately carry out their expected roles in the performance of their duties, NIPPON STEEL has concluded an agreement with each of the Non-executive Directors that limits his liability under Article 423, paragraph 1 of the Companies Act to the greater of twenty (20) million yen or the Minimum Liability Amount, as defined in Article 425, paragraph 1 of the Companies Act, so long as he acts in good faith and without gross negligence in performing his responsibilities.

(ii) Supervision by the Audit & Supervisory Committee

NIPPON STEEL's Audit & Supervisory Committee is comprised of two (2) full-time Directors who are Audit & Supervisory Committee Members who were employees of NIPPON STEEL with intimate knowledge of NIPPON STEEL's businesses, and three (3) Outside Directors who are Audit & Supervisory Committee Members, each of whom has vast experience in, and deep insights into, such areas as international affairs, economies, cultures, corporate accounting, environment, and energy. The Audit & Supervisory Committee acts with the obligation of contributing to the establishment of a high-quality corporate governance system that enables sound and sustainable growth of NIPPON STEEL and its Group companies, by supervising the performance of responsibilities by Directors and acting as part of the Company's oversight function, as an independent organ fulfilling its roles and responsibilities that are recently expected, in response to the delegation of responsibilities by the shareholders, and social trust.

Specifically, the Audit & Supervisory Committee Members cooperate closely with the department in charge of internal audits, and proceed with daily supervisory activities in a planned way, with a main focus on the development and operation of the internal control system and the progress of various measures for management plans, in accordance with, among others, the standards for the Audit & Supervisory Committee's audits, the policies and plans of audit and supervision, and assignment of duties as set forth by the Audit & Supervisory Committee. In addition, the Audit & Supervisory Committee Members attend important meetings, such as the meetings of the Board of Directors, and conduct onsite audits of steelworks and other facilities. Further, the Audit & Supervisory Committee Members ask Executive Directors and employees, among others, to explain the performance of their responsibilities, and other related matters, and actively express opinions.

For the Group companies, the Audit & Supervisory Committee Members of NIPPON STEEL exchange opinions and information with the Directors of such Group companies and the Directors, etc. of the responsible divisions of NIPPON STEEL, and as necessary, receive business reports from them and ask them for explanations. Further, the Audit & Supervisory Committee Members of NIPPON STEEL seek to improve the quality of the supervisory activities as the whole Group, by establishing close cooperation with the Group companies' audit & supervisory board members, through liaison conferences and other opportunities.

The Outside Directors who are Audit & Supervisory Committee Members contribute to NIPPON STEEL's sound and fair management, by, among other tasks, expressing their respective opinions independently at the Board of Directors, the Audit & Supervisory Committee, and other opportunities, and performing supervisory activities, including audits on the business and affairs and the status of assets at major steelworks, etc. and hearing of reports from the Accounting Auditor, as Audit & Supervisory Committee Members elected by the Audit & Supervisory Committee, based on their vast experience in, and deep insights into, the abovementioned areas. In addition, Outside Directors who are Audit & Supervisory Committee Members strive to share information and exchange opinions about NIPPON STEEL's management issues with the Representative Director and Chairman, Representative Director and President and Outside Directors (excluding Directors who are Audit & Supervisory Committee Members) through liaison meetings and other means.

With regard to the audit activities of the Audit & Supervisory Committee, the Audit & Supervisory Committee strives to improve effectiveness by reviewing the previous year's audit activities, reflecting improvements in the next year's audit plan, implementing the plan, and revising it as necessary during the fiscal year.

(iii) Internal Control and Audit

NIPPON STEEL has determined its basic policy on the internal control system at the Board of Directors, as indicated in "IV. Matters Related to the Internal Control System" of this report, and is operating it under such policy.

(iv) Accounting Audits

NIPPON STEEL has appointed KPMG AZSA LLC as its accounting auditor. The names of the certified public accountants who executed the accounting audit activities at NIPPON STEEL under the Companies Act and the Financial Instruments and Exchange Act, and the composition of the assistants for such audit activities, are as follows.

KPMG AZSA LLC

- Continuous Audit Period

20 years

- Names of the Certified Public Accountants Who Executed the Activities (Designated Limited Liability Partner)

Mr. Yutaka Terasawa, certified public accountant; Mr. Makoto Yamada, certified public accountant; and Mr. Takahiro Toyama, certified public accountant.

The number of years that Mr. Yutaka Terasawa, Mr. Makoto Yamada, and Mr. Takahiro Toyama have continuously conducted NIPPON STEEL's audits is seven or less.

- Composition of the Assistants Involved in Accounting Audit Activities

The composition of the assistants involved in accounting audit activities is decided under KPMG AZSA's appointment standards. Specifically, certified public accountants are the principal members, and assistants, such as system specialists, are also included.

In addition, KPMG AZSA and its executive partners in charge of NIPPON STEEL's audits have no special interests with NIPPON STEEL.

(Policies and Reasons for Selection of the Accounting Auditor)

NIPPON STEEL selects the Accounting Auditor considered well-qualified based on the policy on selecting the Accounting Auditor, which is formulated by the Audit & Supervisory Committee. Specifically, such policy requires the selection of an Accounting Auditor from among multiple candidates based on the scale and the global nature of our business, while taking into consideration the Accounting Auditor's independence, specialty, audit quality, track record, audit plan, audit structure, and level of audit fees.

On the basis of such policy, NIPPON STEEL has judged that KPMG AZSA LLC is well-qualified for its Accounting Auditor.

As for the policy regarding the decision on dismissal or non-reelection of the Accounting Auditor, NIPPON STEEL shall dismiss the Accounting Auditor by unanimous consent of the Audit & Supervisory Committee Members upon the occurrence of events justifying such dismissal, pursuant to laws and regulations. In addition, the Audit & Supervisory Committee shall resolve and submit proposal to dismiss or not to reelect the Accounting Auditor to the General Meeting of Shareholders if any event materially interferes with continuation of the audit services occurs.

On the basis of such policy, the Audit & Supervisory Committee of NIPPON STEEL carried out an evaluation of KPMG AZSA LLC, to conclude that a proposal for dismissal or non-reelection of the Accounting Auditor need not be submitted to the General Meeting of Shareholders.

(Evaluation of the Accounting Auditor by the Audit & Supervisory Committee)

The Audit & Supervisory Committee of NIPPON STEEL evaluates the Accounting Auditor in consideration of the factors including its independence, specialty, audit quality, audit activities, level of audit fees, and adequacy of audit report, and the Audit & Supervisory Board Members and the Audit & Supervisory Board of NIPPON STEEL have judged that KPMG AZSA LLC is suitable and adequate as the Accounting Auditor.

(3) Decision on Directors' Compensation and the Nomination of Director Candidates

This is indicated in (3) "Board Policies and Procedures in Determining the Compensation of Directors" and (4) "Policies on and Procedures in the Nomination of Director Candidates and the Appointment and Dismissal of Senior Management" of [Principle 3.1] (Full Disclosure) of I-1 of this report for reference.

3. Reasons for Adoption of Current Corporate Governance System

This is indicated in (2) of I-1 "Basic Views" of this report, for reference.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
a. Early Notification of General Shareholder Meeting	From the viewpoint of early disclosure of information, the notice of the General Meeting of Shareholders, with its English translation, is posted on the websites of NIPPON STEEL and the Tokyo, Nagoya, Fukuoka, and Sapporo stock exchanges at least four weeks or so prior to the General Meeting of Shareholders (in 2026, the Japanese original text was posted on May 26 and the English version on June 2).
b. Scheduling AGMs Avoiding the Peak Day	The ordinary General Meeting of Shareholders is held by avoiding the peak day (in 2026, the meeting was held on June 23).
c. Allowing Electronic Exercise of Voting Rights	Implemented.
d. Participation in Electronic Voting Platform	NIPPON STEEL is registered at the electronic voting platform operated by ICJ, Inc.
e. Providing Convocation Notice of the General Meeting of Shareholders in English	English version of the notice of the General Meeting of Shareholders (full text including Reference Documents for the General Meeting of Shareholders) is posted on the websites of NIPPON STEEL and the Tokyo, Nagoya, Fukuoka, and Sapporo stock exchanges at least three weeks prior to the General Meeting of Shareholders (in 2026, English version was posted on June 2).
f. Other	[Disclosure of supplementary explanation materials of the items on the agenda of the General Meeting of Shareholders] Based on the questions from shareholders about the items on the agenda of the General Meeting of Shareholders, supplementary information is disclosed and posted on the websites of NIPPON STEEL and the Tokyo, Nagoya, Fukuoka, and Sapporo stock exchanges, as necessary (in 2026, no supplementary information was posted). [Explanations and summary of Q&A at the General Meeting of Shareholders] As the General Meeting of Shareholders NSSNC makes every effort to clearly explain the business report and the major management issues to shareholders, and politely answer questions from shareholders. In addition, NIPPON STEEL posts a summary of the proceedings, Q&A, materials explaining business challenges and measures to take on its website after the conclusion of General Meetings of Shareholders. [Analysis of the results of the exercise of voting rights] Items on the agenda that received a considerable number of opposing votes are analyzed each year at subsequent meetings of the Board of Directors based on the proportions of votes “for” and “against” by shareholder composition and by shareholder category, and the information disclosed by the institutional investors on the results of the exercise of voting rights. NIPPON STEEL utilizes these results in its SR and IR activities.

2. IR Activities

	Supplementary Explanations	Explanation by a representative
a. Preparation and Publication of Disclosure Policy	NIPPON STEEL aims to realize its sustainable growth and the medium- to long-term enhancement of corporate value by gaining shareholders' and investors' understanding and trust as to its management policies and business activities through timely, appropriate and fair disclosure of information and constructive dialogue. To this end, the "NIPPON STEEL Corporate Disclosure and Dialogue Policy" has been established and is disclosed on NIPPON STEEL's website. (Japanese) https://www.nipponsteel.com/ir/management/disclosure.html (English) https://www.nipponsteel.com/en/ir/management/disclosure.html	
b. Regular Investor Briefings for Individual Shareholders and Investors	In fiscal year 2025, a total of five management performance briefings were held in Osaka and Nagoya, for shareholders who hold ten units of shares or more (chosen by lottery). In the briefing, the management explained business performance, the medium- to long-term management plan, NIPPON STEEL's contribution to regional communities, and initiatives towards environmental preservation and other topics, while questions from shareholders were also answered. In addition, four of NIPPON STEEL's bases gave a total of 14 plant tours for shareholders who held ten units of shares or more (chosen by lottery) to view the actual manufacturing sites. Furthermore, a total of seven online briefings were held for individual investors. Videos, materials, and other information for individual shareholders and investors are available on the "To Our Shareholders" page of NIPPON STEEL's website. https://www.nipponsteel.com/en/ir/individual/	Yes
c. Regular Investor Briefings for Analysts and Institutional Investors	At the time of announcing the performance four times a year, the President or an officer in charge of IR holds briefings in Japan to explain the performance overview and other topics. The materials used in the briefing and a summary of the Q&A are disclosed both in Japanese and English on NIPPON STEEL's website. (Japanese) https://www.nipponsteel.com/ir/library/settlement.html (English) https://www.nipponsteel.com/en/ir/library/settlement.html Furthermore, as part of constructive dialogue aimed at enhancing corporate value, NIPPON STEEL regularly holds small meetings between the analysts, institutional investors and the President. When important matters arise regarding the management strategies, briefings are held as necessary. In fiscal year 2025, briefings on the launch of partnership with U.S. Steel, the 2030 Medium- to Long-term Management	Yes

	Plan, and GX were held. In addition, NIPPON STEEL held about 400 small meetings and 1-on-1 dialogues with analysts and institutional investors in Japan and overseas in fiscal year 2025. NIPPON STEEL also invites the analysts and institutional investors to plant tours as necessary to promote their understanding of NIPPON STEEL's business.	
d. Regular Investor Briefings for Overseas Investors	NIPPON STEEL's senior management, an officer in charge of IR, and the IR department conduct dialogue with overseas investors through face-to-face meetings, securities conferences held in Japan and overseas, online small meetings, and 1-on-1 dialogues.	Yes
e. Posting of IR Materials on Website	Financial results materials (IR Briefings, Summaries of Q&A, Financial Results, Annual Securities Report, Semiannual Securities Report and others) and publications for shareholders and investors (Integrated Report and others) are disclosed in "IR Archive" on NIPPON STEEL's website. English translations are disclosed for all documents excluding Semiannual Securities Report. (Japanese) https://www.nipponsteel.com/ir/library/index.html (English) https://www.nipponsteel.com/en/ir/library/index.html Documents relating to the General Meeting of Shareholders (Notices of the General Meeting of Shareholders, Notices of Resolutions of the General Meeting of Shareholders and others) are disclosed on the General Meeting of Shareholders page. (Japanese) https://www.nipponsteel.com/ir/individual/meeting.html (English) https://www.nipponsteel.com/en/ir/individual/meeting.html	
f. Establishment of Department and/or Manager in Charge of IR	Officer in charge of IR: Senior Managing Executive Officer (CFO) Department in charge of IR: Investor Relations Department in the Corporate Communications Division Please direct any inquiries regarding IR to the URL below. https://nipponsteel-official.spiral-site.com/ir_en?_gl=1*4pcp8e*_ga*ODE5NDI3OTk5LjE3ODQwMTQ4ODU.*_ga_JWK40WS5BY*czE3ODQwMTQ4ODQkbzEkZzEkdDE3ODQwMTQ5OTQkajU2JGwwJGgw&ifbs-ir_en=s1 Input	
g. Others	—	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
a. Stipulation of Internal Rules for Respecting the Position of Stakeholders	The “Corporate Philosophy of the NIPPON STEEL Group” provides that the Group continues to emphasize the importance of integrity and reliability, and the “Code of Conduct of the NIPPON STEEL Group” requires that the Group act with a strong sense of ethical values and in compliance with applicable laws and regulations, and respect the positions of various stakeholders. In addition, the “Nippon Steel Group Human Rights Policy” has been established to demonstrate the Group’s corporate stance on respecting human rights internally and externally.
b. Implementation of Environmental Activities, CSR Activities etc.	[Integrated Report] NIPPON STEEL became the first in the Japanese steel industry to issue an environmental report (renamed as “Sustainability Report” in 2019) in 1998. It has presented in these reports its progress in environmental management and various initiatives in environmental preservation activities and CSR activities. These details have been integrated and reported in the Integrated Report since fiscal year 2024. In the Integrated Report 2025, NIPPON STEEL’s stance on the pursuit of social sustainability is clearly communicated, and its initiatives on the sustainability issues, which are the foundation of its sustainable growth, are introduced in detail. The report provides a detailed explanation of the challenges and status of progress of “Nippon Steel Carbon Neutral Vision 2050” for promoting climate change measures; an overview of the new NSCarbolex which is a brand of products and solution technologies that contribute to reducing CO₂ emissions across the society; related policy proposals and industry activities; and more. The report also covers biodiversity conservation and nature revitalization efforts, including the nationwide “Creation of Home Town Forests” (tree-planting at steelworks) and “Creation of Sea Forests” (restoration of marine ecosystems using steel slag) projects, as well as the current status of preparations for disclosure in line with the TNFD. In terms of DEI, business activities that respect diverse values and take human rights issues into consideration are introduced, as well as initiatives and results of system utilization to realize a company where diverse employees are productive, perform at their best, are empowered, and feel proud and fulfilled. [Environmental Management] Having identified environmental activities as critical for our corporate management, NIPPON STEEL has stated in the Basic Environmental Policy (revised in July 2023) that, under the principle of Environmental Management, NIPPON STEEL is committed to contributing to the creation of a sustainable society through its business activities. To this end, we are conducting our operations to actively contribute to the creation of sustainable communities through integrated solutions to the issues related to climate change measures, building a circular society, and conserving biodiversity, including maintaining and improving good living environments (URL: https://www.nipponsteel.com/en/sustainability/env/management/policy.html). [CSR Activities] As CSR activities to support art and culture, NIPPON STEEL actively supports music and culture, focusing on support for the activities of the NIPPON STEEL Arts Foundation. The Foundation operates a music hall,

	NIPPON STEEL Kioi Hall and its resident chamber orchestra, the Kioi Hall Chamber Orchestra Tokyo, and also actively promotes traditional Japanese music. In addition, we award the NIPPON STEEL Music Awards, established in 1990, each year to young classical musicians and those who have made contributions to the development of classical music. NIPPON STEEL also supports community-based sports teams for volleyball, rugby, judo, baseball and other sports, and develops junior sports teams, gives sports classes for children, and makes its sport facilities available for them nationwide. NIPPON STEEL is also involved in the creation of forests and community clean-ups in the areas of its steelworks. Our “Creation of Hometown Forests” projects started with planting small tree saplings on the premises of Oita Works (now Kyushu Works Oita Area) in 1971, with the aim of facilitating harmonious coexistence between nature and humans. This project has subsequently expanded to our domestic production bases, and our forests have grown into large forests with a total area of around 850 hectares. As educational activities, NIPPON STEEL supports environmental education and conducts lectures mainly at its steelworks and nearby elementary and junior high schools, in order to foster interest and better understanding of the steel industry among young people and to have them know the joy of manufacturing and the depth of science technology. Over the years, NIPPON STEEL has accepted business training programs for Japanese school teachers at private companies sponsored by the Japan Institute for Social and Economic Affairs and the Japan Iron and Steel Federation, offering tours of its steelworks for the teachers to gain better understanding of the industry, as well as an experience-based safety education program. Going forward, NIPPON STEEL will continue to promote these activities and, together with local communities, contribute to regional development.
c. Development of Policies on Information Provision to Stakeholders	(1) The “Nippon Steel Corporation Group Code of Conduct” provides that NIPPON STEEL discloses its corporate information in a fair and proactive manner. (2) The “Basic Policy on Internal Control System” of NIPPON STEEL provides that NIPPON STEEL seeks timely and accurate disclosure of important corporate information such as management plans and financial information, in compliance with applicable laws and regulations, and other requirements. (3) The “Rules on Insider Information Management and Insider Trading Regulations” provide that after a corporate decision that falls under “insider information” is made by or reported to the Board of Directors, NIPPON STEEL will release it promptly to multiple news media organizations, and disclose it in accordance with the rules of each financial instruments exchange on which NIPPON STEEL is listed (e.g. Tokyo Stock Exchange). (4) The “NIPPON STEEL Corporate Disclosure and Dialogue Policy” provides that NIPPON STEEL will disclose information in compliance with applicable laws and regulations and the rules of each financial instruments exchange, and that with respect to financial and non-financial information other than that stated above, NIPPON STEEL will also disclose the information that is considered to be likely to affect investment decision in a timely, appropriate, and fair manner.
d. Others	In addition to the above, NIPPON STEEL is engaged in the following initiatives. [DEI Initiatives]

	From the perspective of creating a company where diverse employees are productive, perform at their best, are empowered, and feel proud and fulfilled, NIPPON STEEL has categorized its various DEI challenges and needs into three areas, namely, diverse workforce and workstyles, gender equality, and infrastructure development, and is reinforcing its initiatives accordingly. (Integrated Report, URL: https://www.nipponsteel.com/en/ir/library/annual_report.html)
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IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

- (1) Basic policy on internal control system (system to ensure appropriateness of business, etc.)
The resolutions made by NIPPON STEEL as a system to ensure the appropriateness of its business are as follows.

NIPPON STEEL is aiming at continuous improvement of its corporate value and winning the trust of society under the “Corporate Philosophy of the NIPPON STEEL Group.” In addition, NIPPON STEEL will establish and appropriately manage an internal control system (a system for ensuring appropriateness of business, etc.) as follows to comply with applicable laws and regulations, and ensure integrity of financial reporting, and effectiveness and efficiency of business, and will continue to improve such system in view of further enhancement of corporate governance.

(i) Matters Necessary for the Execution of Duties of the Audit & Supervisory Committee

- i) Matters related to Directors and Employees to Assist the Audit & Supervisory Committee of NIPPON STEEL in its Duties

NIPPON STEEL will establish the Audit & Supervisory Committee Members’ Office and assign full-time employees (the “dedicated staff members”), in order to assist the Audit & Supervisory Committee in the smooth execution of its duties. No Directors will be assigned to assist the Audit & Supervisory Committee in its duties.

- ii) Matters related to the Independence of the Dedicated Staff Members from Other Directors (Excluding Directors Who are Audit & Supervisory Committee Members) and Matters related to Ensuring the Effectiveness of Instructions of the Audit & Supervisory Committee to the Dedicated Staff Members

The dedicated staff members are full-time employees and perform their duties under the direction of the Audit & Supervisory Committee. In addition, the Head of the Human Resources Division discusses with the Audit & Supervisory Committee in advance the transfer and evaluation, etc. of the dedicated staff members to ensure their independence from the executive divisions and the effectiveness of the Audit & Supervisory Committee’s instructions to the dedicated staff members.

- iii) System for Directors, Employees, Etc. of NIPPON STEEL and Its Subsidiaries to Report to the Audit & Supervisory Committee

The Directors (excluding Directors who are Audit & Supervisory Committee Members), Executive Officers, General Managers, and other employees of NIPPON STEEL will report to the Audit & Supervisory Committee in a timely and appropriate manner in accordance with laws and regulations or NIPPON STEEL’s rules, either directly or through the related divisions such as the Internal Control & Audit Division, on the status of the execution of duties, the maintenance and operation of the internal control system (hereinafter including the status of whistleblower systems.), major accidents and incidents, and other matters related to risk management. They will also report important management matters to the Board of Directors, the Corporate Policy Committees and the Risk Management Committees, and other corporate committees, and thereby share such information with the Audit & Supervisory Committee.

In addition, the directors, audit & supervisory board members, employees, etc. of each Group company of NIPPON STEEL will report to the Audit & Supervisory Committee in a timely and appropriate manner in accordance with laws and regulations or NIPPON STEEL’s rules and other regulations, either directly or through the related divisions such as the Internal Control & Audit Division, on the status of the execution of duties, the

maintenance and operation of internal control systems, major accidents and incidents, and other matters related to risk management at each Group company.

- iv) System to Ensure that the Person Who Made the Report Referred to in the Preceding Paragraph will not be Treated Unfavorably for the Reason of Making Such Report

NIPPON STEEL will stipulate Rules for the Whistleblower System, which state that NIPPON STEEL shall not unfavorably treat a person who has reported as stated in the preceding paragraph, for reasons of such report, make such rules known, and implement them appropriately.

- v) Matters related to the Policy for the Handling of Expenses Incurred in the Performance of Duties by Audit & Supervisory Committee Members

NIPPON STEEL will record in its budget such expenses as it deems necessary for the execution of duties of Audit & Supervisory Committee Members. If an Audit & Supervisory Committee Member requests reimbursements of such expenses, NIPPON STEEL will handle them appropriately in accordance with the provisions of the Companies Act.

- vi) Other Systems to Ensure that Audits by the Audit & Supervisory Committee are Conducted Effectively

The General Manager of the Internal Control & Audit Division and the heads of each functional division of NIPPON STEEL cooperate closely with the Audit & Supervisory Committee through means such as exchanging opinions on the operation of the internal control system and other matters on a regular basis or whenever necessary. In addition, NIPPON STEEL will strive to create an environment that enables the Audit & Supervisory Committee to conduct audits in an organized and efficient manner.

- (ii) System to Ensure that Execution of Duties by the Directors of NIPPON STEEL Complies with Applicable Laws and Regulations and the Articles of Incorporation and Other Systems to Ensure Appropriateness of Operation in the Corporate Group Consisting of NIPPON STEEL and its Subsidiaries

- i) System to Ensure that Performance of Responsibilities by the Directors of NIPPON STEEL Complies with Applicable Laws and Regulations and the Articles of Incorporation

The Board of Directors will make decisions or receive reports on important matters of management in accordance with the Rules of the Board of Directors and other relevant internal rules.

In accordance with the resolution at the Board of Directors, each of the Executive Directors will, in his/her assigned area, perform his/her responsibilities and supervise the performance of responsibilities of employees, and report such supervisory status to the Board of Directors.

- ii) System for the Preservation and Management of Information in relation to the Performance of Responsibilities by the Directors of NIPPON STEEL

NIPPON STEEL will appropriately preserve various information in relation to the performance of responsibilities, including minutes of the meetings of the Board of Directors, by, among others, specifying managers in charge of information preservation and management, and classifying each information by security level, in accordance with the internal rules for information management.

NIPPON STEEL will seek to make timely and accurate disclosure of important corporate information, such as its management plan and financial information, in addition to such disclosure as required by applicable laws and regulations.

iii) Rules and Other Systems with respect to Loss-related Risk Management of NIPPON STEEL

The General Manager of each division will identify and evaluate risks associated with business in his/her division, and carry out his/her duties in accordance with the authority and responsibilities set out in internal rules for organization and operation.

With respect to risks related to areas such as safety and health, environment and disaster prevention, information management, intellectual properties, quality control, and integrity of financial reporting, the division in charge of each specific area (each functional division) will establish rules and other systems from a company-wide perspective, inform other divisions of such rules and systems, identify and evaluate the status of risk management at other divisions through monitoring and other methods, and provide guidance and advice to such divisions.

Upon the occurrence of an accident, disaster, compliance issue, or other event that causes a material effect on the management, the Executive Directors will immediately convene “Emergency Control Headquarters” and other meetings, and take necessary actions in order to minimize the damage, impact, and other effects.

iv) System to Ensure Efficiency in the Performance of Responsibilities by Directors of NIPPON STEEL

The Board of Directors will make decisions on the execution of management plans and business strategies, as well as important business executions such as capital expenditure, and investments and provision of loans, after such matters are deliberated by companywide Committees for relevant areas such as ordinary budget, plant and equipment investment budget, investment and financing, and technology development, and the Corporate Policy Committee.

The business execution under the resolution at the Board of Directors and other corporate organizations is performed promptly by the Executive Directors, Executive Officers, and General Managers.

v) System to Ensure that Performance of Responsibilities by Employees of NIPPON STEEL Complies with Applicable Laws and Regulations and the Articles of Incorporation

NIPPON STEEL will build and maintain an internal control system based on autonomous internal controls.

Each General Manager will develop an autonomous internal control system in his/her Division, and strive to ensure thorough compliance with applicable laws and regulations and internal rules, and prevent any violation of applicable laws and regulations in business and affairs. NIPPON STEEL will also develop and enhance an employee-education system that includes regular seminars, and the creation and distribution of manuals for the purpose of ensuring compliance with applicable laws and regulations and internal rules. When each General Manager becomes aware of any potentially illegal acts or facts, he or she will immediately report such matters to the General Manager for the Internal Control & the Audit Division.

The General Manager of the Internal Control & Audit Division will confirm the status of developing and operating company-wide internal control systems, and identify and

evaluate each Division's situation of compliance with applicable laws and regulations and internal rules, and take necessary measures such as preventing violations of applicable laws and regulations and internal rules. Moreover, the General Manager will report on such matters to the Risk Management Committee, and further report on important items among such matters to the Corporate Policy Committee and the Board of Directors. The General Manager will also establish and operate a whistleblower system that provides consultations and takes reports regarding risks in the operation of business.

Employees are obligated to comply with applicable laws and regulations and internal rules and to appropriately perform their responsibilities. Employees who violate applicable laws and regulations and internal rules will be subject to disciplinary action under the Rules of Employment.

vi) System to Ensure Appropriateness of Operation in the Corporate Group Consisting of NIPPON STEEL and its Subsidiaries

Under the "Corporate Philosophy of the NIPPON STEEL Group," NIPPON STEEL and each Group company will share business strategy and conduct their business in a unified manner, taking into account each company's business characteristics, and will familiarize their respective employees with their respective business operation policies and other related matters. With respect to control of the Group companies, NIPPON STEEL will set forth basic rules in the Rules for Control of group companies, and ensure their appropriate application.

Each Group company will build and maintain its internal control system based on autonomous internal controls, and seek to improve measures relating to internal control through, among other measures, information sharing with NIPPON STEEL. Each responsible division of NIPPON STEEL will confirm the status of internal controls at each Group company, and provide assistance in its improvements, where necessary.

The General Manager of the Internal Control & Audit Division will coordinate with each functional division, and identify and evaluate the situation of internal control of the Group companies as a whole, and provide guidance and advice to each responsible division and each Group company.

The specific systems under the views above are as follows.

i. System for Reporting to NIPPON STEEL in relation to the Performance of Responsibilities by the Group Companies' Directors

The responsible divisions of NIPPON STEEL will request that each Group company report on important management matters in relation to NIPPON STEEL's consolidated management or each Group company's management, including business plans, significant business policies, and financial results, and give advice and other guidance.

ii. Rules and Other Systems with respect to Group Companies' Loss-related Risk Management

The responsible divisions of NIPPON STEEL will request that each Group company report on the situation of risk management in each Group company, and give advice and other guidance.

iii. System to Ensure Efficiency in the Performance of Responsibilities by the Group Companies' Directors

The responsible divisions of NIPPON STEEL will evaluate the business performance of each Group company, and give support for the management.

- iv. System to Ensure that the Performance of Responsibilities by Group Companies' Directors and Employees Complies with Applicable Laws and Regulations and the Articles of Incorporation

The responsible divisions of NIPPON STEEL will request that Group companies report on their respective situation on compliance with applicable laws and regulations, and the development and operation of internal control systems, and give necessary support, advice, and other guidance. Additionally, such divisions will request that each Group company report on any actions and facts in such Group company that may violate applicable laws and regulations, and promptly report to the General Manager of the Internal Control & Audit Division.

(2) Outline of status of operation

(i) Operational organization

NIPPON STEEL has established an operational organization for its internal control systems. This organization consists of the Internal Control & Audit Division (23 full-time and 26 concurrently with their other posts), which is responsible for the internal control plan and internal audits, and functional divisions responsible for managing risk in each field (about 800 staff members). NIPPON STEEL has also designated persons in charge of risk management (about 130 for NIPPON STEEL) and persons responsible for risk management (about 500 in group companies) who are engaged in planning and promoting autonomous internal-control activities in each division and Group company.

This organization operates the internal control system as follows.

(ii) Specific status of operation

i) Internal control plan

In March of each year, NIPPON STEEL develops an annual plan on internal control for NIPPON STEEL Group as a whole based on changes in the related laws and business circumstances. This plan includes a basic policy, separate plans for each function, including safety, environment, plant safety, and quality, an internal audit plan, and an education plan. Each division and Group company creates its own plan for the fiscal year based on such annual plan developed by NIPPON STEEL.

ii) Autonomous internal control activities

In accordance with the annual plan, each division and Group company autonomously performs internal control activities based on the characteristics of each business and its inherent risks. Specifically, such activities include establishment, education and voluntary inspections of operational rules, manuals and other documentation; third-party monitoring; and improvements to operations based on the results thereof.

Such divisions and Group companies immediately report any accidents, disasters, facts that may violate applicable laws and regulations, etc. to the Internal Control & Audit Division, and coordinate with the relevant divisions to take corrective measures, such as measures to prevent recurrence. The Internal Control & Audit Division compiles case studies of such incidents

and shares them within the NIPPON STEEL Group. Each division and Group company then performs inspections for similar risks.

iii) Internal audits, etc.

Internal audits confirm the status of internal controls via internal control checklists and other documents. Additionally, the Internal Control & Audit Division and each functional division monitor each division and group company.

As measures to complement NIPPON STEEL's internal controls, NIPPON STEEL also operates a hotline for internal reporting and consultations within the Company and at external professional organizations, which are open to officers and employees of NIPPON STEEL and the Group companies, as well as their families and others. In fiscal year 2025, there were 490 cases of internal reporting and consultations. In addition, NIPPON STEEL and its major group companies regularly conduct employee awareness surveys regarding internal controls.

iv) Assessment and improvement

The Internal Control & Audit Division and each functional division report the status of operation of the internal control system at the quarterly meeting of the Risk Management Committee. They also report important matters at meetings of the Corporate Policy Committee and the Board of Directors. In addition, the status of the operation of the internal control is also shared with each division and Group company at the meeting of the persons in charge of risk management and the meeting of the persons responsive for risk management, which meet quarterly.

The Internal Control & Audit Division also assesses the effectiveness of its internal control system as of the end of each fiscal year, and compiles a report of its assessment based on the status of internal control activities, internal audits, etc. This assessment is then reported to the Risk Management Committee, Corporate Policy Committee, and Board of Directors.

Based on the results of these assessments, NIPPON STEEL establishes measures to improve the effectiveness of its internal control system, and incorporates them into the next fiscal year's internal control plan.

v) Education and awareness raising

The Company educates employees and officers of NIPPON STEEL and those of its group companies through sessions on internal controls prepared by NIPPON STEEL. The sessions include position-specific training, and are given to everyone from new hires to executive management. The Company also works actively to raise awareness of its approach to internal controls, the establishment of better workplace culture, and other topics through a dialog among the Internal Control & Audit Division, each division of NIPPON STEEL, and its group companies.

vi) Coordination with the Audit & Supervisory Committee and Accounting Auditor

The Internal Control & Audit Division reports the status of internal controls to the Audit & Supervisory Committee each quarter. It also reports and discusses the status of internal controls with the Risk Management Committee with the attendance of Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee. The Internal Control &

Audit Division is also committed to sharing information and coordinating, including holding monthly liaison meetings.

It reports and discusses such matters as the results of assessments of internal controls relating to the status of operation of the Risk Management Committee and reporting of financial statements to the Accounting Auditor periodically.

2. Basic Views on Eliminating Anti-Social Forces

NIPPON STEEL provides, in “Corporate Philosophy of the NIPPON STEEL Group,” that the Group continues to emphasize the importance of integrity and reliability, and provides in the “Code of Conduct of the NIPPON STEEL Group” that the Group will not have any relationships of any kind with anti-social forces or organizations that threaten order and safety in the civil society, and will take firm action against all unreasonable demands. NIPPON STEEL has established “Rules that Prohibit any Relationships with Anti-social Forces and Prevent Damage Caused by Them,” and internal systems thereunder.

Specifically, NIPPON STEEL defines the role of each relevant division and communication systems between them by establishing a division, a General Manager, and personnel in charge of public relations, maintains regular contacts with police departments and other relevant authorities, and seeks to promote educational activities through information sharing within the Group and internal seminars.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not adopted
Supplementary Explanation	
The Basic Policy on the Composition of Persons to Control the Decision-Making over the Financial and Business Policies of the Company	
Under the corporate philosophy that the NIPPON STEEL Group will pursue world-leading technologies and manufacturing capabilities, and contribute to society by providing excellent products and services, the NIPPON STEEL Group aims to improve its corporate value, and further the common interests of its shareholders, by enhancing its competitiveness and profitability through the planning and execution of management strategies. NIPPON STEEL believes that in the event a third party proposes the acquisition of substantial shareholdings in NIPPON STEEL (a “Takeover Proposal”), the ultimate decision as to whether or not to accept the Takeover Proposal should be made by the then shareholders of NIPPON STEEL. On the other hand, NIPPON STEEL believes that such Takeover Proposals could include those with the potential to cause clear damage to the corporate value of NIPPON STEEL or the common interests of the shareholders of NIPPON STEEL or those with the potential to practically coerce shareholders into selling their shares of NIPPON STEEL. Consequently, NIPPON STEEL will pay close attention to the status of trading of shares of NIPPON STEEL and changes of its shareholders in order to prepare for such disadvantages to the shareholders of NIPPON STEEL in the event a Takeover Proposal is made by a third party, and, for the occasions where a Takeover Proposal is actually made, will make efforts to enable its shareholders to make an appropriate informed judgment based on sufficient information and with a reasonable time period to consider such proposal. If a Takeover Proposal is reasonably judged to damage the corporate value of NIPPON STEEL, which could result in harm to the common interests of shareholders of NIPPON STEEL, NIPPON STEEL will aim to protect its corporate value and the common interests of its shareholders by taking prompt and appropriate measures to the extent permitted under the then applicable laws and regulations.	

2. Other Matters Concerning to Corporate Governance System

(1)	The Corporate Governance System, including an Overview of the Internal Control System
	Please see the chart at the end.
(2)	Overview of the Timely Disclosure System
	NIPPON STEEL’s internal system for ensuring the timely disclosure of its corporate information as described below.
(i)	Information Disclosure Concerning Corporate Decisions
	Corporate Decisions by NIPPON STEEL and its subsidiaries that are subject to timely disclosure are submitted for deliberation by or reported to the Board of Directors, or reported to the General Manager of the General Administration Division in accordance with the internal rules, and then disclosed in accordance with the rules of each financial instruments exchange on which NIPPON STEEL is listed (e.g. Tokyo Stock Exchange).
(ii)	Information Disclosure Concerning the Occurrence of Facts
	Occurrence of Facts regarding NIPPON STEEL and its subsidiaries that are subject to timely disclosure are reported to the Board of Directors or the General Manager of the General Administration Division in accordance with the internal rules, and then disclosed

in accordance with the rules of each financial instruments exchange on which NIPPON STEEL is listed (e.g. Tokyo Stock Exchange).

(iii) Information Disclosure Concerning Financial Results

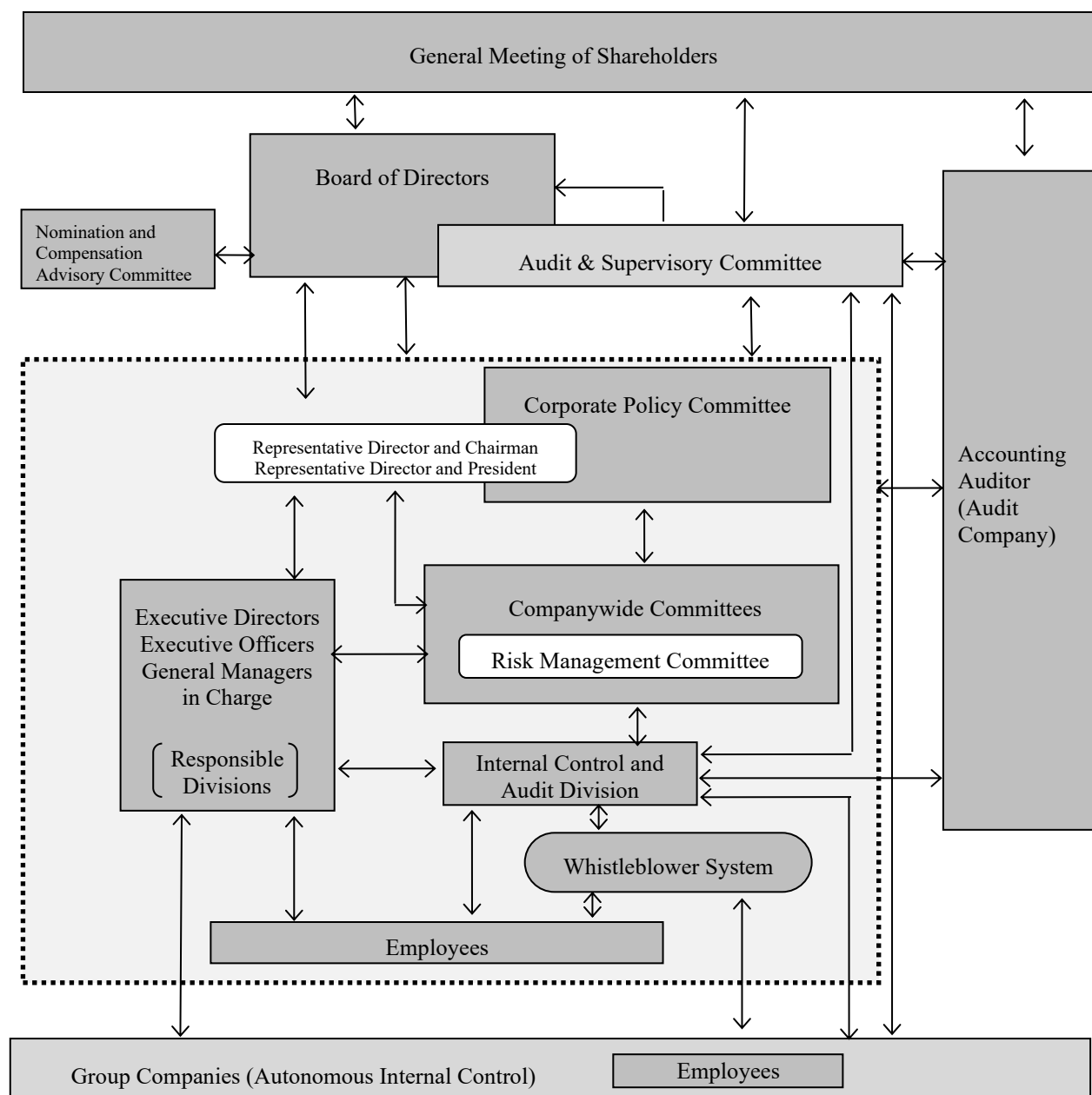
Information concerning financial results is submitted for deliberation by and reported to the Board of Directors, and then disclosed in accordance with the rules of each financial instruments exchange on which NIPPON STEEL is listed (e.g. Tokyo Stock Exchange).

(iv) Others

All of the information mentioned above is disclosed by the Senior Manager of the General Administration Department of the General Administration Division (the responsible person for handling information), in a timely manner. Furthermore, when such information is disclosed, it is posted on NIPPON STEEL's website.

<Reference: Relationship Diagram regarding NIPPON STEEL's Organization and Internal Control>

The following is a diagram illustrating the relationship regarding NIPPON STEEL's organization and internal control.



(Note)

- 1: In accordance with a provision in the Articles of Incorporation, the Board of Directors of NIPPON STEEL delegates part of the decisions regarding execution of important operations (excluding matters listed in each item of Article 399-13, Paragraph 5 of the Companies Act) to the Representative Director and Chairman and Representative Director and President, thereby expediting management decision-making, enhancing discussions by the Board of Directors relating to matters such as the formulation of management policies and strategies, and strengthening the supervisory function of the Board of Directors over management.
The execution of important matters concerning the management of NIPPON STEEL and NIPPON STEEL Group is determined at the meetings of the Board of Directors (held about once per month) after deliberations in the Corporate Policy Committee (held once a week, in principle) comprised of the Chairman, President, Executive Vice Presidents, and other members, pursuant to NIPPON STEEL's rules.
- 2: As corporate organizations engaging in deliberations before the Corporate Policy Committee and the Board of Directors, there are 18 company-wide committees in total, including the Ordinary Budget Committee, the Plant and Equipment

Investment Budget Committee, the Investment Review Committee, the Fund Management Committee, the Technology Development Committee, the Risk Management Committee, and the Green Transformation Development Committee, depending on each purpose (as of April 1, 2026).

- 3: NIPPON STEEL has established an operational organization for its internal control systems. This organization consists of the Internal Control & Audit Division (23 full-time and 26 concurrently with their other posts), which is responsible for the internal control plan and internal audits, and functional divisions responsible for managing risk in each field (about 800 staff members). NIPPON STEEL has also designated persons in charge of risk management (about 130 for NIPPON STEEL) and persons responsible for risk management (about 500 in group companies) who are engaged in planning and promoting autonomous internal-control activities in each division and Group company.
- 4: As far as the Group companies are concerned, each company establishes and develops an internal control system based on its autonomous internal control, and the responsible divisions of NIPPON STEEL provide assistance in their improvement, where necessary. Furthermore, the General Manager for the Internal Control & Audit Division of NIPPON STEEL identifies and evaluates the situation of internal control of NIPPON STEEL Group as a whole, and gives guidance and advice to each responsible division and each Group company.