



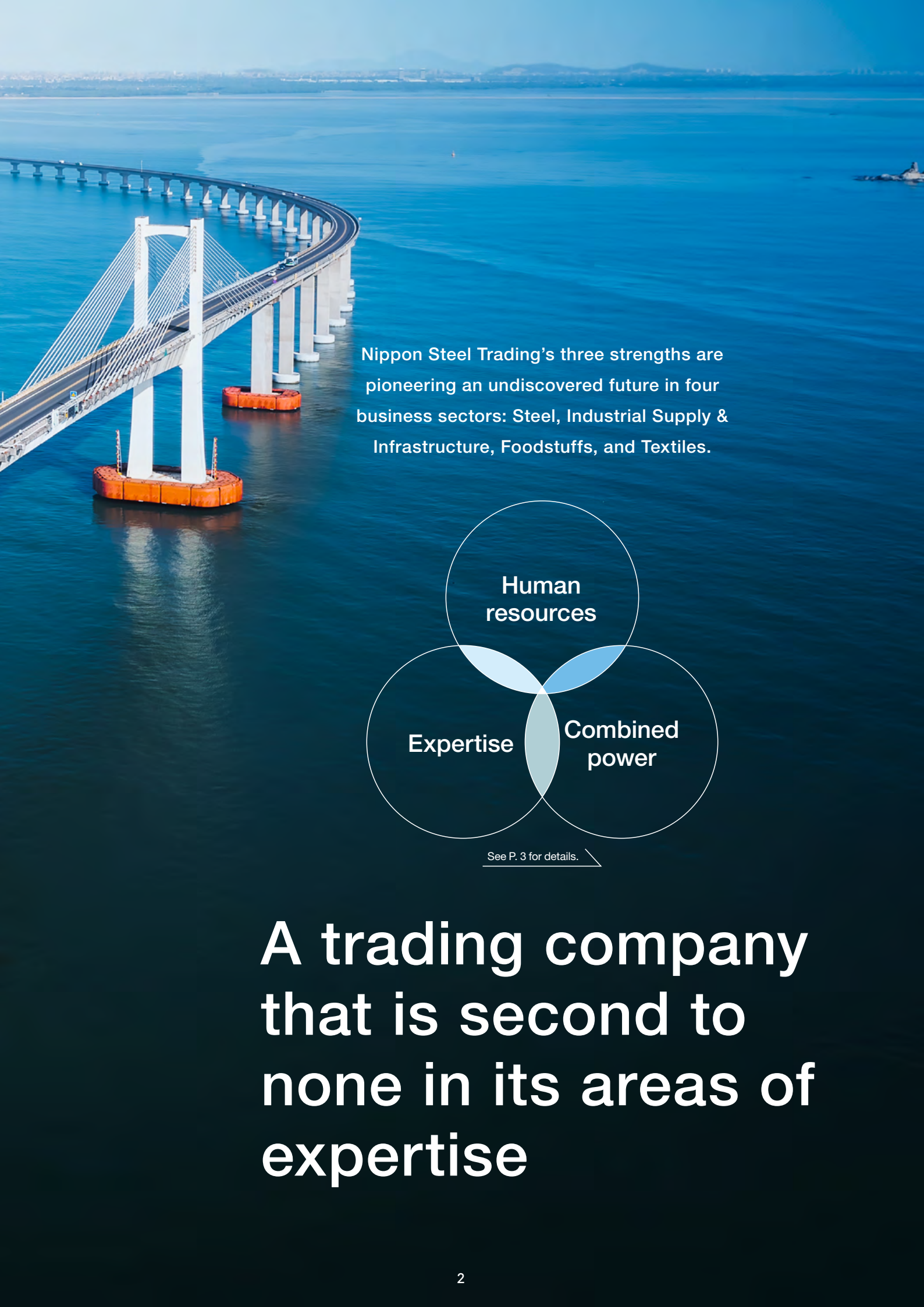
**INTEGRATED
REPORT
2024**



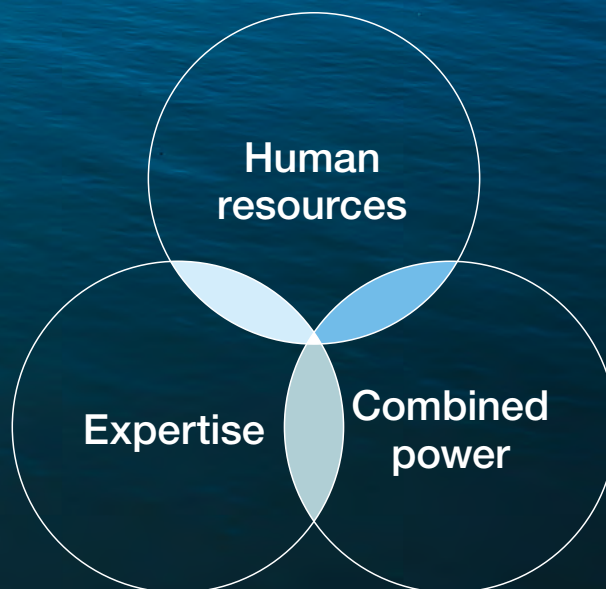
Hong Kong-Zhuhai-Macao Bridge

This sea-spanning bridge connecting Hong Kong, Zhuhai, and Macao is the world's longest with a total length of 55 km.

NST supplied approximately 76,000 tons of steel sheet piles that were used in the Hong Kong-Zhuhai-Macao artificial island which is located in the middle of the sea-spanning bridge.



Nippon Steel Trading's three strengths are pioneering an undiscovered future in four business sectors: Steel, Industrial Supply & Infrastructure, Foodstuffs, and Textiles.



See P. 3 for details.

**A trading company
that is second to
none in its areas of
expertise**

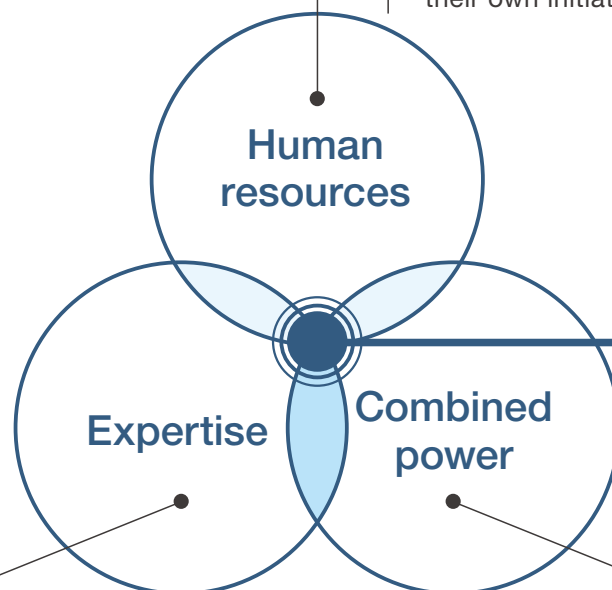
Nippon Steel Trading is second to none in our areas of expertise.

NST has pursued and utilizes our three strengths of *human resources* that create new products and values at their own initiative, *expertise* that allows us to meet a wide range of customer needs, and *combined power* that connects together our four business sectors of Steel, Industrial Supply & Infrastructure, Foodstuffs, and Textiles. Making use of these strengths, we are working to further accelerate our operations in each business sector in order to create new business, aiming to achieve our goal of “becoming a strong growth company that contributes to society.”

The three strengths of NST, pioneering an undiscovered future

A group of professionals pioneering an undiscovered future

A group of professionals that is second to none in its areas of expertise; a team that always responds to customers' wishes, and creates new products and values at their own initiative



Meeting a wide range of customer needs by utilizing our secondary manufacturing capabilities

Ability to provide secondary manufacturing capabilities that can process closer to the final product, and ability to respond to a wide range of customer requirements by enhancing total solution capabilities

Challenging ourselves with a growth strategy involving the entire Group that goes beyond business boundaries in Japan and around the world

Implementing a growth strategy with a combination of a high level of expertise and industry-leading competitiveness in each business, a shared vision, and a sense of unity



Becoming a strong growth company
that contributes to society

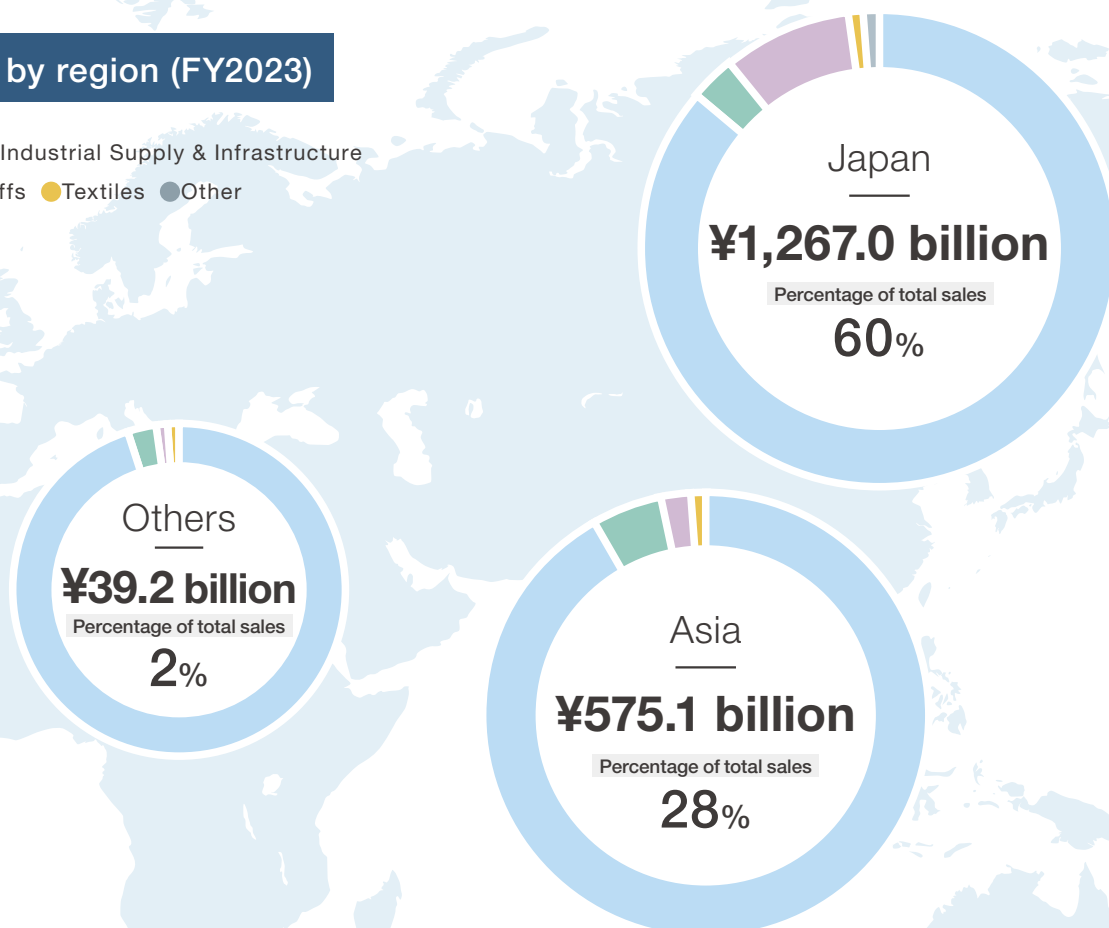


Business Operations of Nippon Steel Trading

Our businesses center on our primary field of steel, and operate worldwide, transcending borders in order to meet customer needs. We utilize our bases and our production and processing plants that span the globe to challenge ourselves in creating new products and services that provide new social value.

Sales by region (FY2023)

● Steel ● Industrial Supply & Infrastructure
● Foodstuffs ● Textiles ● Other



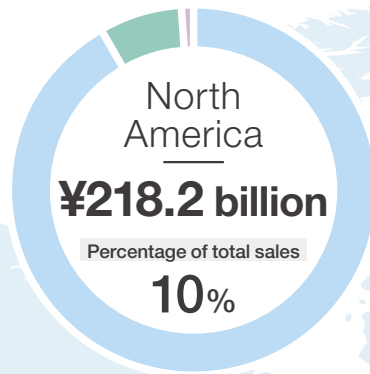
Human resources

Employees (consolidated base) **6,427**



* As of March 31, 2024





Bases



Japan sales bases

24 cities



Overseas offices and
subsidiaries

30 cities in **17** countries



Group companies in
Japan and overseas

Subsidiaries **81**
Affiliated
companies **40**

Network of production and processing plants

Network of coil centers



Japan

18 sites



Overseas

18 sites in **8** countries

Network of food processing plants



Cooperating plants

45 companies

Network of textile product production plants



Company plants

5 plants

* As of October 1, 2024

Companies undergoing liquidation proceedings and similar companies are excluded.



Values of Nippon Steel Trading

The NST Group has positioned its corporate philosophy as its universal management goals, and has formulated management principles consisting of four items to serve as specific targets for achieving our corporate philosophy. All employees themselves have repeatedly discussed the mindset, approach, and other matters needed to put them into practice, and collected them to establish the Employee Code of Conduct.

By sharing these values among all employees and applying them to our everyday duties, the NST Group aims to achieve our goal of “becoming a strong growth company that contributes to society” as the core trading company of the Nippon Steel Group.

Corporate Philosophy

- 1 Continuing to be a corporate group driven by the aspiration of providing goods and services that offer new value to the larger society
- 2 Putting trust and reliability first, and by doing so developing together with our customers
- 3 Aiming to become the kind of organization that increasingly cultivates, utilizes, and values human resources and their talents

Management Principles

- 1 Strengthening and expanding the four areas of business that make Nippon Steel Trading Corporation the core trading company of the Nippon Steel Group
- 2 Accelerating global strategies
- 3 Bringing to bear all of our strengths as a multiple specialty trading company
- 4 Enforcing strict corporate compliance

Employee Code of Conduct

“Achieve organizational strength through integration of individuality.”

We maintain a flexible mind, breaking free of the confines of existing concepts. We bring together individual abilities to demonstrate comprehensive strength in all fields.

Borderless

Reliability

“Be the one that can be trusted and relied upon constantly.”

We invest time in daily communication. We establish solid relationships of reliability through mutual respect.

“Advance to a higher stage with enthusiasm!”

We never fear failure and willingly take the first step forward with a positive attitude, enthusiasm, curiosity, and the desire to improve. We are never satisfied with the status quo, have an awareness of potential and existing problems, and generate new value.

Challenge

Growth

“Realize corporate growth through personal growth.”

We constantly stay ahead of the times with a sense of professionalism. We study, conduct and take action proactively in order to achieve mutual growth.



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Nippon Steel Trading Corporation Logo Mark



**NIPPON STEEL
TRADING**

What we want to communicate
by the logo mark

The logo mark uses four blue-based colors to express the “innovative” and “intelligent” nature of our four business areas, Steel, Industrial Supply & Infrastructure, Foodstuffs, and Textiles, and the four elements of our Employee Code of Conduct consisting of Growth, Reliability, Borderless, and Challenge. The white parts where the colors overlap represent shining light and suggest a blooming flower, expressing the image of a blooming flower to bring greater Shine into the future.

Message from the President

Aiming to achieve our goal of “becoming a strong growth company that contributes to society” as the core trading company of the Nippon Steel Group

Nippon Steel Trading was formed from the merger of Sumikin Bussan and Nittetsu Shoji in 2013, and in 2018 we acquired part of the Steel Division of Mitsui & Co. Group. In 2023 we became a subsidiary of Nippon Steel following a tender offer from Nippon Steel for NST shares, and have continued to grow as the core trading company of the Nippon Steel Group.

At present, NST is aiming to overcome structural changes in the business environment now and into the future, and “become a strong growth company that contributes to society” through the supply of products and service that are of value to society. Towards achieving this goal, we are implementing a Medium- to Long-Term Management Plan based on three measures: (1) Achieving sustainable growth by advancing growth strategies, (2) Carrying out human capital management, and (3) Enhancing ESG management.

In addition to the three measures of this Medium- to Long-Term Management Plan, we will further push forward with sharing management strategies and sales strategies with Nippon Steel on a high level, working to expand the scale of business for Nippon Steel products in Japan and overseas, and to expand business in growing overseas markets and new fields.

By not only fully enacting our own original measures but also by utilizing the effects of synergy with Nippon Steel, we will establish an earnings structure for actual earnings exceeding 60 billion yen within a few years. Once we have achieved this goal, we will chart a vision aiming for 100 billion yen.

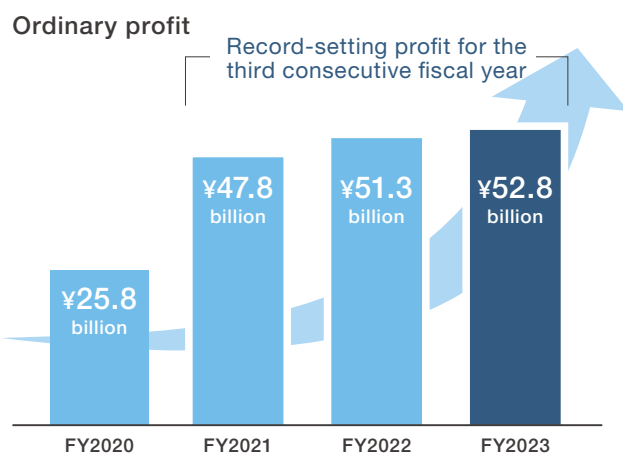


Shinichi Nakamura
President and Representative Director

1 A Look Back

The global situation in 2023 – 2024 continues to be extremely uncertain, with a complex interaction of global supply chain disruptions resulting from growing geopolitical risks including the prolonged Russian invasion of Ukraine, conflict in the Middle East, friction between the US and China, and the issue of Taiwan, as well as violent fluctuations in stock prices and exchange rates in financial and capital markets. Japan's crude steel production in FY2023 was 86.6 million tons, falling below 90 million tons once again after FY2022 (87.8 million tons).

In this difficult environment, by strengthening the business foundation, we have reorganized, consolidated, and eliminated our manufacturing and sales bases, and are working to improve profitability by steadily carrying out measures for a growth strategy tailored to each field and market. Even as steel sales quantities and prices have stagnated, we were able to set new records for the past three consecutive years, with consolidated ordinary profit of 47.8 billion yen in FY2021, 51.3 billion yen in FY2022, and 52.8 billion yen in FY2023. We assess this to be the results from implementation of our Medium- to Long-Term Management Plan.



2 Environmental Recognition

The global steel industry continues to face an extremely harsh business environment in FY2024. In the largest steel producing and consuming country China, as a result of a macroeconomic slowdown and expansion of steel exports, no improvement in the profit margin of the international market is expected. Domestic demand is also expected to gradually fall as a result of the declining population. More intense competition is expected in the distribution and processing fields due to expanding local production by customers, and to improving quality and larger volumes from overseas steel manufacturers. On the other hand, we expect that global steel demand centering on Asia

(including India) will grow, there will be expanded demand for high-grade steel, and there will be an increase in business opportunities related to carbon neutrality. In the Foodstuffs Division and Textiles Segment as well, we are facing a decline in domestic demand and changes in the market structure, however we expect the market to grow in Asia and other regions. In ways such as these, we believe that we are facing a time of great competition for survival in a harsh environment where societies and industries in Japan and overseas are undergoing structural changes.

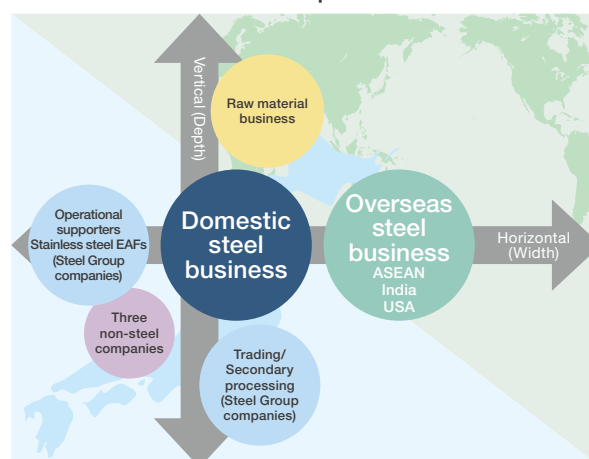
3 Tender Offer for NST Shares and Becoming a Subsidiary of Nippon Steel

In April of last year, NST became a subsidiary of Nippon Steel. Based on the understanding of our employees, customers, and other stakeholders, we are working to contribute to the evolution to a more robust business structure with *width* and *depth** that is being carried out by the Nippon Steel Group.

* *Width* = Horizontal axis direction: Global expansion of steel production (expansion of integrated production bases in ASEAN, India, the U.S., and other overseas sites) with the Japan business as the foundation

Depth = Vertical axis direction: Strengthening competitiveness throughout the supply chain by expanding our business into new areas from raw materials (upstream) to distribution and processing (downstream)

Developing a robust business structure with vertical and horizontal expansion



Source: Nippon Steel Integrated Report 2024

In October of last year, we received a visit by Nippon Steel President (now Chairman) Eiji Hashimoto, and had the opportunity to listen to a speech delivered to NST officers and those in managerial positions. At that time, we discussed the five themes which he presented as

expectations of the Nippon Steel Trading Group. These were (1) Integrated expansion of overseas business in India, Thailand, the U.S., and elsewhere, including the investment of Nippon Steel Trading human resources, (2) Functioning as a hub for strengthening Group strength in the Japan flat products business, (3) Promoting rationalization of distribution and processing in Japan led by the Nippon Steel Group, (4) Expanding export strength for strategic products and ordinary products, and opening up emerging markets, and (5) Measures for decarbonization such as cooperation with new procurement including steel scraps and establishing sales methods for NSCarbolex® Neutral. Through cooperation with Nippon Steel, we are working to produce synergy effects and achieve these expectations. In the Industrial Supply & Infrastructure, Foodstuffs, and Textiles businesses as well, as three unique high-profit businesses in the Nippon Steel Group, we are working to further increase profitability and profit growth.

Nippon Steel expectations of the Nippon Steel Trading Group

- 1** Integrated expansion of overseas business in India, Thailand, the U.S., and elsewhere including the investment of Nippon Steel Trading human resources
- 2** Functioning as a hub for strengthening Group strength in the Japan flat products business
- 3** Promoting rationalization of distribution and processing in Japan led by the Nippon Steel Group
- 4** Expanding export strength for strategic products and ordinary products, and opening up emerging markets
- 5** Cooperation with new procurement including steel scraps and establishing sales methods for NSCarbolex® Neutral

4 Management Principles

No matter what kind of changes occur in the environment, a company must not stop on its path to growth. There are many companies that stopped, became comfortable with the status quo, and ended up following the path of organizational decline. In order to be a company that can continue to contribute to our society and grow in any environment, I believe that we must establish a corporate culture where the growth of every employee leads to company growth.

Our company's primary business resource is its people. I believe that when people take responsibility,

make their own decisions, and take independent action, people are able to deploy their maximum abilities. Since taking office as President, I have asked all employees to dedicate themselves to "think, decide, and take action" in their everyday duties. As the business environment changes dramatically, we must combine everyone's knowledge for "human capital management" that ensures and trains the human resources necessary for future growth while also preparing for risks, and also to develop a new growth strategy that will allow us to seize opportunities. These must be discussed within the organization, with organization leaders making rapid and accurate decisions, and the decisions must be carried out with the entire support of the organization. I am confident that our company can achieve further growth and advancements as long as this process finds a firm position, every individual employee grows, the strength of the organization improves, and the dual engines of "human capital management" and "growth strategy" run autonomously and continuously. This is something that has not changed as a result of our new status as a subsidiary of Nippon Steel. I believe that the sharing of strategies resulting from becoming a subsidiary will expand the opportunities for NST employees to shine, leading to further advances and growth among our employees.

Since becoming President, I have at least twice a year conducted discussions with all general managers, branch general managers, and presidents of major Group companies, and have made as many visits as possible to branches, offices, and business bases in Japan and overseas. In these ways, I am endeavoring to understand the business conditions, speak directly with local employees, and consider and make decisions together with them.

As President, I will focus on the following key issues. At the same time, I will myself carry out the same "think, decide, and take action" that I have asked of all employees, and imagine a detailed future picture of Nippon Steel Trading as a trading company that continues to contribute to society and grow in any environment.

5 Key Issues

Based on implementation of the past Medium- to Long-Term Management Plan, FY2024 will be a year for us to enter a new stage, and the issues which we must address are the following.

1. Thorough commitment to safety, quality control, and compliance

These are the basis for corporate operations. Even a single major incident could deprive employees of their happiness, cause large damage to our customers and other related parties, lose the trust of society, and put our company into a crisis that risks our survival. While we have continued to carry out various steady activities, these activities are neverending. We will also comprehensively and across the entire Group manage a



wide range of risks surrounding our Group, centering on the Risk Management Committee, and will strive to construct a corporate structure that is resistant to risks and prevents risks from becoming manifest.

2. Sharing strategies with Nippon Steel and utilizing synergy

Following our becoming a subsidiary, through the sharing of strategies with Nippon Steel, as the true core trading company of the Nippon Steel Group, we have become a hub for Nippon Steel Group companies in Japan and overseas, are fulfilling our functions as a sales coordinator, and are investing management resources in areas where further growth is expected. We are also considering the synergy resulting from acquisition of our shares, and will take action together with Nippon Steel at the appropriate times.

3. Building a robust corporate structure by carrying out human capital management

The greatest asset of NST is its people. The foundation for overcoming structural changes in the business environment now and into the future, and “becoming a strong growth company that contributes to society,” involves welcoming a diverse range of human resources, and creating workplaces where every individual can make maximum use of his or her abilities in each business area. At present, we have formulated a human resources strategy that is based on the following four pillars, and are in the process of carrying it out.

- (1) Expanding human capital
- (2) Diversity & inclusion
- (3) Safety and health management
- (4) Innovations in working styles

Four pillars supporting our human resources strategy

Expanding human capital

- Create and implement a skills development menu suitable for the changing times and business needs.
- Secure and train superior human resources in line with skills development.

Diversity & inclusion

- Prohibit any and all discrimination based on age, gender, nationality, or other characteristic. Respect human rights.
- Prepare an environment where employees who are facing a wide range of circumstances as a result of childcare, nursing care, illness, or other reason can work actively.

Safety and health management

- Maintain and improve employee health, which is an important foundation for carrying out management issues.
- Construct an approach for supporting a balance with work for employees who are suffering from long-term illnesses.

Innovations in working styles

- Promote working styles with a good work-life balance, and improve labor productivity and employee engagement.
- Prepare office environments that improve working motivation and working comfort.

Specifically for recruiting, we are expanding student internships and mid-career hiring. We are also providing training for career development programs that meet employee needs and support independent skills improvement, preparing workplace environments where diverse human resources can put their abilities to maximum use, and reviewing the personnel system so that women and senior employees can play more active roles. In FY2024, we increased base pay for each union employee by 30,000 yen, and through bonuses we are reinforcing returns to employees in reward for achieving record-setting profits for the third consecutive year. We have also raised starting pay for new graduates hired as career-track employees by 300,000 yen.

4. Achieving sustainable growth by advancing growth strategies

In order to successfully achieve sustainable profit growth, we must provide products and capture new demand based on social needs such as those defined by the SDGs. We will also expand our processing facilities and sales networks in overseas markets which are projected to grow. By diversifying our supply sources in addition to expanding our networks, we aim to move more of our business operations to overseas. It is also important that we respond to changes in the global supply and demand environment, so we are carrying out a detailed growth strategy for each sector/market.

Specifically for the electrical steel sheets that are a strategic product of Nippon Steel, in August Denkishizai became a subsidiary, reinforcing our integrated distribution and processing system for Nippon Steel electrical steel sheet sales. We are now constructing a

coil center for electrical steel sheet in Mexico, where our supply chain for electric vehicle motors is concentrated. It is scheduled to begin operating in 2025. Furthermore in India, where there has been significant growth in steel demand, we established a new coil center in September of last year, and are now considering its further expansion. For expanding sales of the NSCarbolex® Neutral low-CO₂ steel that is provided by Nippon Steel, we are working to establish sales methods in cooperation with Nippon Steel.

We will also continue to study and implement key measures such as the establishment of a DX platform that will lead to increased distribution efficiency and new business creation, as well as M&As and alliance formation.

5. Enhancing ESG management

We will continue with the same initiatives to enhance ESG management following our becoming a subsidiary of Nippon Steel and a privately-owned company.

1) Environment

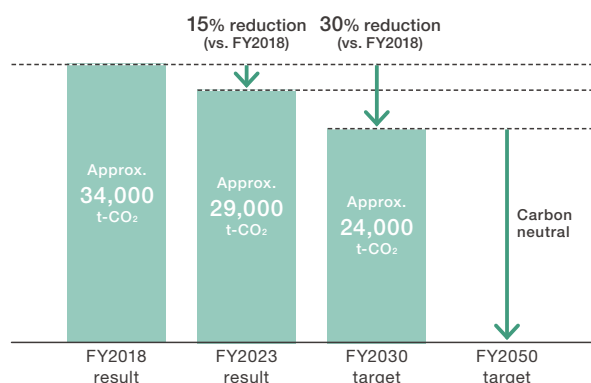
In order to contribute to the realization of a carbon-free and recycling-based society which is increasingly demanded by society, we are working to make SDGs-related proposals to our customers through our business, in addition to our own Group's efforts for environmental conservation and preventing climate change.

In terms of measures to deal with climate change, acting as a member of society, we have set targets of reducing carbon emissions by 30% by fiscal 2030 (compared to fiscal 2018) and achieving carbon neutrality by fiscal 2050, and we aim to achieve these goals as early as possible through our Group-wide efforts to reduce CO₂ emissions.

Five pillars supporting our growth strategy



NST Group's CO₂ emissions (excluding the Textiles Segment)



In terms of our business-based eco-solution products for customers, we will make proposals including high-tensile steel sheet for automobiles, high-performance electrical steel sheet, materials for offshore wind power generation, a solar power generation business, biomass fuel, and recycled materials. We are also investing in a bio-carbon manufacturing and sales company.

2) Social

In the current age, action is required to address diversity and inclusion and to ensure employee well-

being. We are committed to creating a workplace and corporate culture where employees respect each other as individuals, thereby creating an environment where employees can comfortably work and grow.

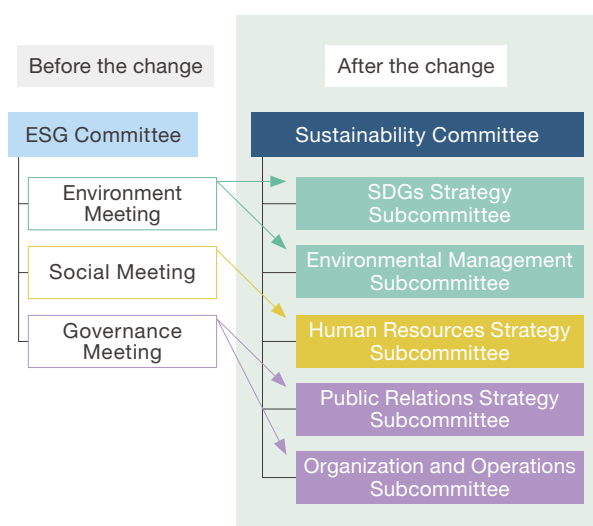
As a business person, I believe it is important to maintain a healthy work-life balance. But during work hours it is also important to focus on improving oneself and one's skills, and to enjoy that process of self-improvement. Every day I work alongside our employees with the hope that we will keep refining the creativity, planning skills, and practical capabilities needed to thoroughly consider issues and fully enact a variety of initiatives.

3) Governance

Following our becoming a subsidiary, we are working to improve the effectiveness of our corporate governance and further strengthen risk management. At the Sustainability Committee which meets twice a year and the Risk Management Committee which meets four times a year, we are studying the directions we should be proceeding in and the specific actions to take. In regards to risk management, we are improving the overall effectiveness of the system so that management can function systematically when responding to risks in the critical areas of safety, quality control, compliance, or any other risk to NST. For example, we are strengthening our autonomous internal controls by constructing a three-line defense and by establishing theme-specific task forces within the Risk Management Committee. These steps will ensure that the problem is quickly discovered and corrected in the event that any operation is not properly carried out.

The Sustainability Committee has been reorganized so it is composed of subcommittees on five themes ((1) SDGs Strategy Subcommittee, (2) Environmental Management Subcommittee, (3) Human Resources Strategy Subcommittee, (4) Public Relations Strategy Subcommittee, (5) Organization and Operations Subcommittee).

Reorganization of the sustainability promotion system



Subcommittee, and (5) Organization and Operations Subcommittee), and it carries out a variety of measures for a more effective and efficient promotion system.

6 Conclusion

We anticipate that the future will bring a variety of changes to the business environment for our company to deal with. Regardless of what changes may occur, I am determined to take the lead in addressing the various issues that we face and to realize our Corporate Philosophy, stated as follows:

1. Continuing to be a corporate group driven by the aspiration of providing goods and services that offer new value to the larger society,
2. Putting trust and reliability first, and by doing so developing together with our customers, and
3. Aiming to become the kind of organization that increasingly cultivates, utilizes, and values human resources and their talents.

I would like to thank all of our stakeholders for their understanding and support.





Part 1

Value Creation in the Nippon Steel Trading Group

Value Creation





CONTENTS

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19	The role of Nippon Steel Trading in connecting manufacturers and users
21	Value Creation Process
23	Priority Issues (materiality) in ESG Management of the NST Group
25	Initiatives and KPIs to Address Priority Issues (materiality)



The path that Nippon Steel Trading has traveled

In its history of more than 100 years, Nippon Steel Trading has prevailed in the top-class position in its Steel, Industrial Supply & Infrastructure, Foodstuffs, and Textiles business sectors, and has transformed itself by incorporating diverse corporate DNA in response to the changing business environment. Through the continued supply of socially valuable products and services, we will endeavor to be “a strong growth company that contributes to society” over the next 100 years.

External environment

History of NST

1870-1970

1971-1990

1991-2010



1920
Post-war depression after World War I

1923
Great Kanto Earthquake



Source: Drawing by Fumio Nagasawa, provided by Shigetoshi Kizu

1929
Great Depression

1939
World War II



1971
Nixon Shock

1973
First oil shock



1979
Second oil shock

1985
Plaza Agreement



Early 1990s
Economic bubble burst

1997
Asian currency crisis

2007
Global financial crisis

1872 ①
Started a business selling steel and steel materials.

1896 ②
Entered into a marine transportation business.

1916
Opened first overseas offices in Shanghai, Tianjin, and Hong Kong.

1955
Licensed as a food import trading company.

1962
Licensed as a trading company in trade with China.

1972
Established an import JV of beef and pork in Australia.

1981
Promoted the first female manager.
Started an in-house Chinese language training program.

1983
Started the overseas representative program for female employees.

1986 ③
Nittetsu Shoji's transaction amount reached ¥1 trillion.

1988
Established the Rojana Industrial Park in Thailand.

1990 ④
The first Japan-China JV coil center began commercial operation in Shenzhen.

1993
Sumikin Bussan and Itoman merged.

2006 ⑤
Sumikin Bussan was listed on the First Section of the Tokyo Securities Exchange.

2010 ⑥
Nittetsu Shoji was listed on the First Section of the Tokyo Securities Exchange.

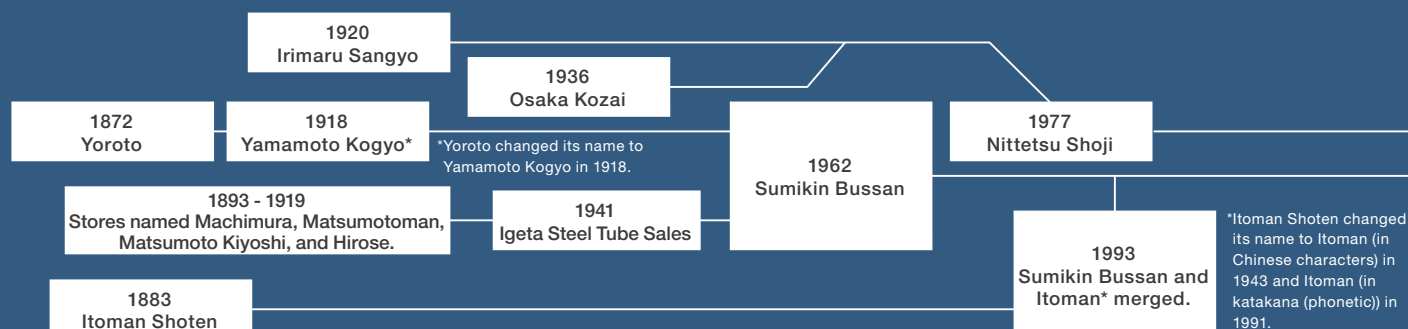
Changes in ordinary profit

Prior to FY2013, the results of Nittetsu Shoji Co. and Sumikin Bussan Corporation were simply combined.

1993

¥619 million

1993 1994 1995 1996 1997 1998





6

2011
Great East Japan
Earthquake

2020
COVID-19 pandemic

2022
Russian invasion
of Ukraine

2011-

2013
Merged to form Nippon
Steel & Sumikin Bussan
Corporation.

2018
Acquired a part of the
Steel Division of the
Mitsui & CO. Group.

2019
Changed the trade name
to Nippon Steel Trading
Corporation.

2022
The Textiles Division of NST
merged with Mitsui Bussan
I-Fashion Ltd.

2022
Relocated the Tokyo Head
Office to Nihonbashi, Chuo-ku.

2023
Became a subsidiary of Nippon
Steel Corporation.

2024
Merged with NS Architectural
Steel Services Corporation.

Diversity:
Diverse DNA

Resilience:
Self-transformation
power

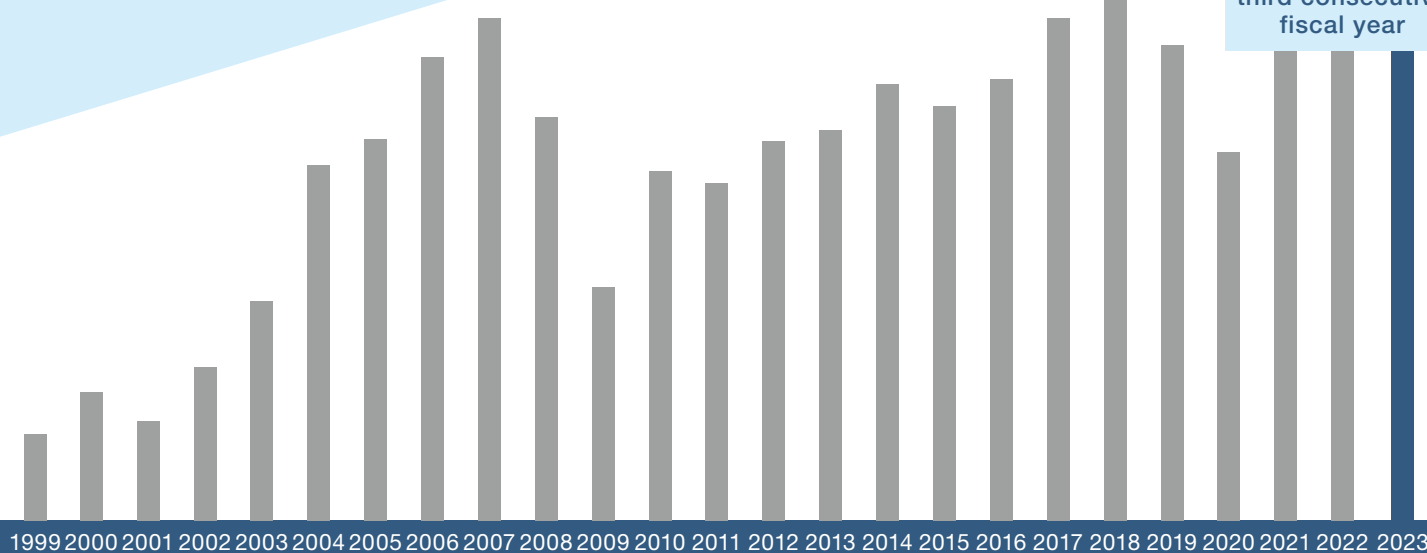
History:
Centennial
company

Into the future:
Next 100 years
Becoming a strong growth company
that contributes to society

2023

¥52.839
billion

Record-setting
profits for the
third consecutive
fiscal year



2013
Nippon Steel
& Sumikin
Bussan Corp.

* Nippon Steel &
Sumikin Bussan
Corporation changed
its trade name to
Nippon Steel Trading
Corporation in 2019.

2023
Became a subsidiary
of Nippon Steel
Corporation.



**NIPPON STEEL
TRADING**

 **NIPPON STEEL**

The role of Nippon Steel Trading in connecting manufacturers and users

The primary roles of Nippon Steel Trading as a trading company are “expanding sales opportunities for the manufacturers as the sellers,” and “procurement that is suitable for the needs of the users as the buyers.” Our company links manufacturers and users, and also identifies customer (user) needs and responds quickly and accurately to those needs in order to create products and services that provide new value to society (added value).

Nippon Steel Trading will make use of our strength in secondary manufacturing capabilities, digitalizing our trading company operations to improve the level of our logistics capabilities, information capabilities, and organization capabilities, and will invest funds and human resources in strengthening business development and management capabilities for carrying out our business. At the same time, we will create organic combinations of the various capabilities that Nippon Steel Trading possesses in order to provide total solution capabilities.

In our four business sectors of Steel, Industrial Supply & Infrastructure, Foodstuffs, and Textiles, each of which has an extensive history and is competitive at the top class of the industry, our employees will operate our business with advanced levels of expertise, and will carry out our growth strategy based on a strong sense of unity.



Primary capabilities for creating added value

- 1 Secondary manufacturing capabilities
- 2 Logistics capabilities
- 3 Information capabilities and organization capabilities

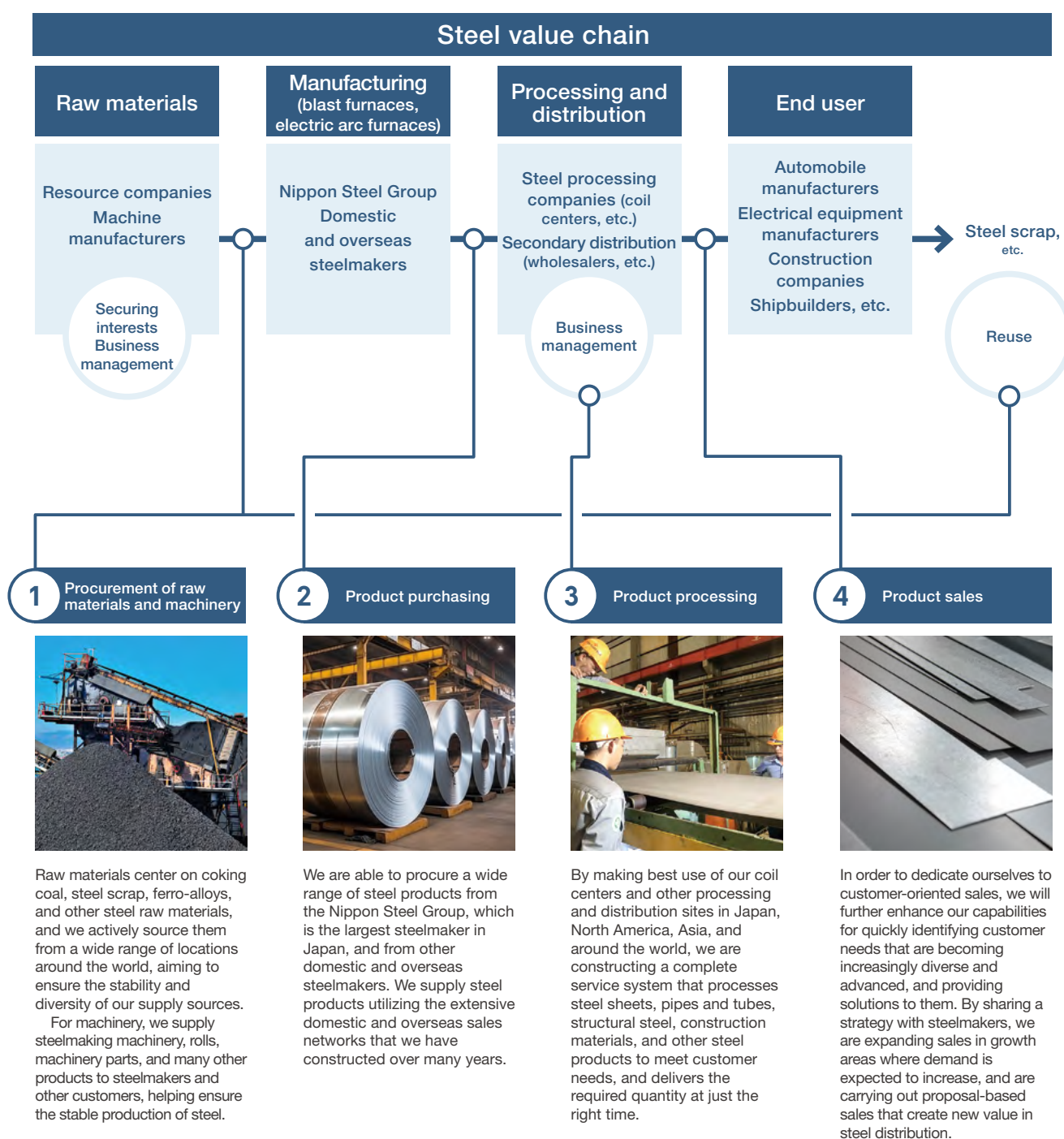
- 4 Business development and management capabilities
- 5 Market development capabilities
- 6 Risk management capabilities

Roles and strengths of Nippon Steel Trading in the steel value chain

The value chain is the series of processes involved in the creation of value through corporate business activities. As such, it covers a wide range of areas including procurement of raw materials and machinery, manufacturing and processing of products, shipping and delivery, sales to customers, and after-sales services.

For example, in the steel supply chain, we sell products that were produced by steelmakers to manufacturers of products such as automobiles, electrical equipment, and ships, as well as construction companies. We also supply steelmakers with the raw materials and machinery that are essential for steel manufacturing.

As the core trading company of the Nippon Steel Group, NST offers comprehensive services as a steel professional ranging from procurement of raw materials and machinery to processing and delivery. Aiming to ensure the stability and diversity of our supply sources, we procure materials from locations around the world. We have also established processing companies and sales companies for steel business in high-demand regions in Japan and overseas. In these ways, we are making further advances in our value chain. As we share strategies with the Nippon Steel Group and the Mitsui & Co. Group, we are strengthening our systems for procurement, logistics, and processing to precisely match customer needs, and are working to further expand the value chain.



Value Creation Process

Nippon Steel Trading contributes to the realization of a sustainable society.

Corporate Philosophy
of the NST Group
▶ P.07

Continuing to be a corporate group driven by the aspiration of providing goods and services that offer new value to the larger society.

Inputs

Financial capital

A sound financial structure and a stable earnings structure

Net assets

¥390.6 billion

Equity ratio

32.3%

As of March 31, 2024

Human capital

A group of professionals that is second to none in their fields, professionals who ceaselessly respond to customers' wishes and create new products and values at their own initiative

Employees (consolidated)

6,427

Employees (non-consolidated)

1,323

As of March 31, 2024

Natural capital

Resources required for business activities

Amount of energy used

270,924GJ

CO₂ emissions (Scope 1 + 2)

29,000 t-CO₂

Amount of paper used (non-consolidated)

9,760,000 sheets

(FY2023)

Organizational and Group capital

A diverse and extensive network in Japan and overseas

Japan sales bases

24 cities

Overseas offices and subsidiaries

30 cities in 17 countries

Group companies in Japan and overseas

Subsidiaries 81

Affiliated companies 40

Global processing bases

Network of coil centers

Japan 18 sites

Overseas 18 cities in 8 countries

Network of food processing plants

Cooperating plants 45 companies

Network of textile product production plants

Company plants 5 plants

As of October 1, 2024

Intellectual capital

Accumulated business knowledge

Regulations and manuals, IT systems (core business management systems, others), use of RPA

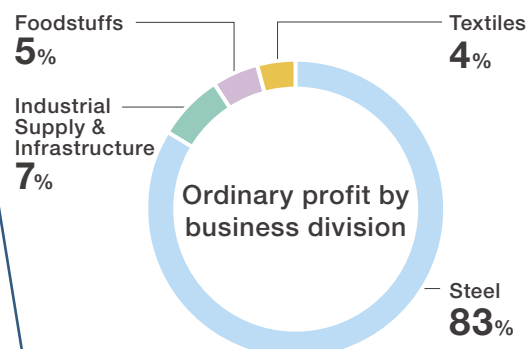
Brand capital

Core trading company of the Nippon Steel Group

NIPPON STEEL

Business activities ▶ P.74

Current business activities



Steel Division

▶ P.75



Industrial Supply & Infrastructure Division

▶ P.77



Foodstuffs Division

▶ P.79



Textiles Segment

▶ P.81

Safety ▶ P.71

Management infrastructure that supports growth

Priority issues (materiality) in ESG management

▶ P.23

Contributing to a decarbonized society and environmental conservation

Contributing to the development of land and local communities

Nippon Steel Trading has been expanding our business in Japan and overseas, mainly in trading, by integrated operation of the Steel Division (the main business), Industrial Supply & Infrastructure Division, Foodstuffs Division, and Textiles Segment. As action focused on sustainability is accelerating throughout the world, we are necessarily committed to contributing to the realization of a sustainable society. We have therefore developed and are implementing growth strategies to overcome changes in the business environment now and into the future, and become a “strong growth company that contributes to society.”

Putting trust and reliability first,
and by doing so developing
together with our customers.

Aiming to become the kind of organization that
increasingly cultivates, utilizes, and values human
resources and their talents.

Outputs and outcome

Becoming a strong growth company Value provided to stakeholders that contributes to society

Main measures in the Medium- to Long-Term Management Plan ▶ P.29

Achieving sustainable growth by
advancing growth strategies

Carrying out human
capital management

Enhancing ESG
management

Economic value

		FY2023 result	FY2025 target
Profitability	Ordinary profit	¥52.8 billion	
	Net profit	¥32.4 billion	
Return on invested capital	ROE	9.6%	9-10%
Financial health	Net D/E ratio	0.81 times	1.0 times or less

Social value

Target indicators		Value generated over the medium- to long-term	
	FY2018 result	FY2030 target	FY2050 target
CO ₂ emission reduction	About 34,000 tons	30% reduction	Carbon neutrality
SDGs	Contributing to the sustainable growth of society  		

Value provided to stakeholders

Customers

Creating products and services that offer new value to the larger society

▶ P.19

Employees

Creating worker-friendly workplaces where every employee can grow
Developing human resources through rewarding work

▶ P.47

Shareholders

Continual growth and improving the medium- to long-term corporate value

▶ P.29

Society

Cooperating and collaborating to resolve problems

The environment

Contributing to a decarbonized society and environmental conservation
Maintaining a sustainable global environment

▶ P.61

Quality control ▶ P.71

Compliance ▶ P.72

Corporate governance ▶ P.67

Risk Management ▶ P.69

Contributing to a
recycling-oriented society
and sustainable living

Optimization of the
entire supply chain

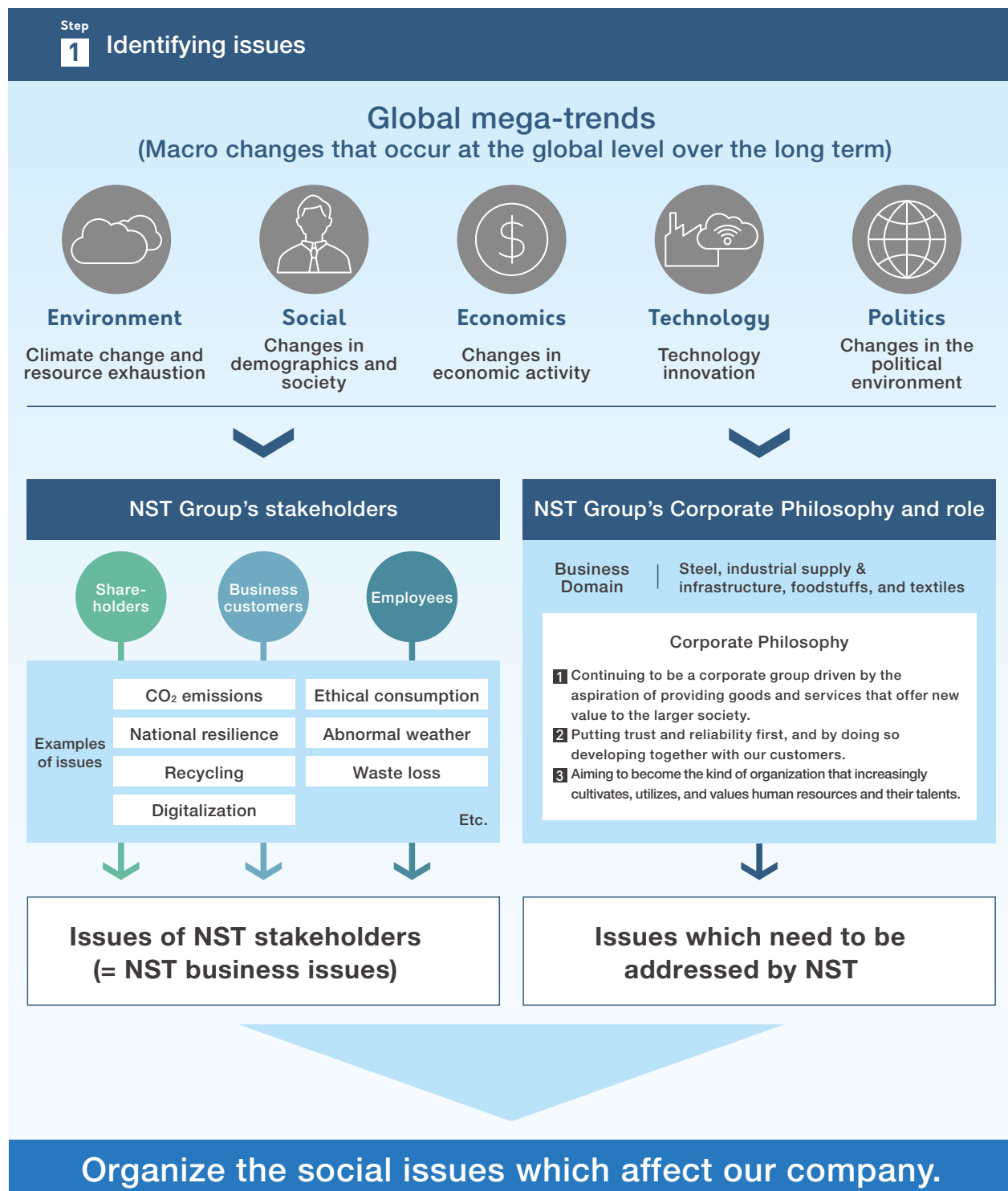
Utilization of diverse
human resources

Management based
on trust and reliability

Priority Issues (materiality) in ESG Management of the NST Group

Identification process and materiality

NST organizes the stakeholder issues (NST business issues) that were identified through discussion between the President and the general managers of sales departments based on the 17 goals and 169 targets of SDGs, which are considered to comprehensively represent global social issues, and based on the international frameworks for CSR and ESG (such as ISO26000 and GRI standards). We also identify the issues which need to be addressed by NST, and organizes the social issues which affect our company.

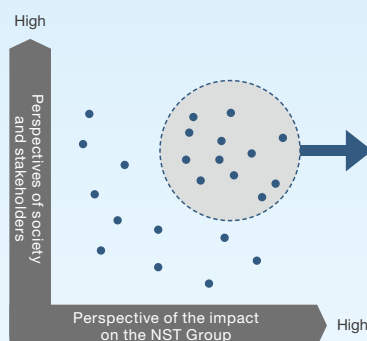


The organized social issues are assessed based on two axes, the “perspectives of society and stakeholders” and the “perspective of the impact on the NST Group,” and an order of priority is assigned. The social issues of high importance are identified as priority issues (materiality) for NST.

A wide range of input regarding the identified priority issues (materiality) is obtained from within and outside the company, and their validity is confirmed. Then the issues are discussed and approved by the Management Meeting and Board of Directors to decide materiality.

Step 2 Assigning order of priority

Assess based on two axes, the “perspectives of society and stakeholders” and the “perspective of the impact on the NST Group,” and assign an order of priority.



Step 3 Confirming validity

By conducting employee surveys and exchanging viewpoints with executives, financial institutions, and other sources, confirm the validity of the process used to identify priority issues (materiality).

Obtaining input from employee surveys, executives, financial institutions, and other sources

Step 4 Deciding materiality

Discuss and approve by the Management Meeting and Board of Directors to decide materiality.

SUSTAINABLE DEVELOPMENT GOALS



Priority issues (materiality) to be addressed by the NST Group



Initiatives and KPIs to Address Priority Issues (materiality)

In order to contribute to the realization of a sustainable society, the NST Group has identified six priority issues (materiality) related to ESG management that must be focused on, based on the issues of stakeholders, the Group's corporate philosophy and roles, and growth strategies.

Initiatives related to these issues will lead us to the achievement of SDGs corresponding to each of the materiality

Materiality	Item (important business theme)	SDG targets
E	1. Eco solution proposals ① Proposals for reduction in automotive CO₂ emissions and for products related to electric vehicles (HV, EV, FCV) ■ High-tensile steel sheet, hot-stamped steel sheet, aluminum and other lightweight materials ■ High-performance electrical steel sheet, EV battery cases, FCV and other fuel cell materials and related products ② Proposals for products related to renewable energy and for emission regulations (SOx, NOx) ■ Materials for offshore wind power generation ■ Materials for solar power generation ■ Materials related to hydrogen ■ Materials for appropriate emissions regulations ③ Proposal and cooperation for Nippon Steel's Carbon Neutral Vision 2050 ■ Environmentally friendly raw materials ■ Promoting sales of NSCarbolex® Neutral	PRIMARY GOALS     
	2. NST Group's CO₂ emissions reduction (starting year 2018: 34,000 t-CO₂)	
	Contributing to the development of land and local communities 1. Contributing to the creation of towns that are resistant to disasters and that create vitality in the region	   
S	Contributing to a recycling-oriented society and sustainable living 1. Eco solution proposals ① Expanded supply of recycled steel raw fuels ■ Expanded supply of scrap (iron, stainless steel, etc.) (for blast furnaces, electric arc furnaces, etc. of Nippon Steel) ■ Expanded supply of biomass fuels and reducing agents ② Expanded supply of products related to LCA (Life Cycle Assessment) ■ Reduced weights of steel can materials (tin) ■ High corrosion-resistance SuperDyma and ZAM (high corrosion-resistance plated steel) ■ NS ECO-PILE (screw piling method) ■ Ultra-high-tensile wire materials with reduced environmental load, etc. 2. Promotion of supply chain CSR that takes into account the working and natural environment ① Provision of services to meet social needs such as ethical consumption ■ Foodstuffs (alternative plant-based meat, antibiotic-free and growth hormone-free pork) ■ Sustainable textiles (organic cotton, recycled lyocell, recycled polyester, bamboo, kapok, kenaf, etc.) ■ Expanded transaction of fair-trade certified products ② Enhanced CSR initiatives in the supply chain ■ Consideration given to the working environment by enhanced CSR audits at production sites, including overseas cooperation plants ■ Expansion of green purchasing in procurement materials and supplies	        
	Optimization of the entire supply chain (use of information and technology) 1. Creation of new value throughout the supply chain with the advanced use of ICT ① Digitization of steel trading operations ■ Contributing to the improvement of efficiency across society by building a platform for linking ordering, materials, and trading information in the supply chain (supplier - NST - customer)	   
	Utilization of diverse human resources (Nurturing people, making proper use of people, and taking care of people) 1. Further strengthening of diversity and inclusion efforts ① Maintaining over 30% as the ratio of female new graduates hired as career-track employees ② Creation of an environment where diverse human resources play active roles and are challenged and rewarded (e.g., remote working, childcare and nursing care support, enhanced initiatives for personal development, etc.) 2. Enhanced efforts that contribute to further improvement of safety and health management ① Enhanced efforts aimed at eliminating lost-worktime accidents ② Enhanced efforts of health management (continuing to be certified as an excellent corporation for health and productivity management, and setting of priority issues)	    
G	Management based on trust and reliability 1. Enhancement of the governance system and improved effectiveness in order to enhance management transparency and efficiency 2. Improved effectiveness of risk management through the enhancement of autonomous internal controls on each of our three Defense Lines 3. Advancement of management based on the costs of funds and capital ■ Improvement in funding and capital efficiency in light of ROIC and other factors (restructuring of business portfolios based on ROIC, etc.)	  

Introduction	Message from the President	Part1 Value Creation	Part2 Strategy	Part3 Portfolio	Data Section
components we identified. Recognizing the role that our stakeholders and society expect us to play, we are actively working to resolve the issues and achieve the SDGs. Each division selects priority themes to address and creates a detailed action plan, which it then carries out. The Sustainability Committee also conducts regular monitoring of progress and operates a PDCA cycle in connection with the business strategy to reliably achieve results. We will utilize key performance indicators (KPIs) that evaluate the results from efforts to address materiality to conduct proper follow-up and ensure full implementation, thereby contributing to sustainable social growth and enhancing corporate value. Steel Industrial Supply & Infrastructure Foodstuffs Textiles					
Main initiatives (results) and KPI					Reference page
Materials that contribute to reducing automobile weights	Focus on obtaining orders for high-tensile steel sheet, hot-stamped steel sheet, and aluminum – materials where further use is expected for model changes and new models.				▶ P.34
Materials that contribute to the needs for electric vehicles	Expand sales of and construct a supply chain for the high-performance electrical steel sheet used in EV motors and for EV components. (Capture growing demand for motors from OEM and parts manufacturers in Japan, Asia, and the North American region.)				
Products that contribute to achieving zero-carbon emissions	Reliably capture demand related to electric vehicles and environmentally friendly automobiles. (Expand sales channels for CNG/LNG/FCV fuel tanks, and create new sales channels for aluminum parts, tire pressure monitoring systems (TPMS), and other detection systems.)				
Offshore wind power generation	Continued sales of materials related to wind power generation for Japan and Taiwan				▶ P.39 ▶ P.42
Carbon fibers	Sales of carbon fibers to the overseas blade pultrusion manufacturers selected by major European manufacturers of wind power generators				
Solar power frames	Continued sales of high corrosion-resistant plated steel (SuperDyma, ZAM, others) for solar panel frame use in Japan and overseas				
Hydrogen and ammonia	Continued sales of materials for water electrolysis hydrogen generators, ammonia co-firing, fuel-specific boilers, high-performance boiler tubes, and other products				
Slag	Continued sales of granulated blast furnace slag as a raw material for cement				
Steel raw materials	Program for sales of black pellets from the U.S. company Aymium				
NSCarbolex® Neutral	Expanding sales of green steel materials that achieve reductions in CO ₂ emissions as environmental value in the steelmaking processes of Nippon Steel				
Introduction of electrical power from renewable energy sources at the NST Head Office Creation of a roadmap for reducing CO ₂ emissions by 2030, aiming to achieve medium- to long-term environmental targets	KPI	FY2023 result	Targets	▶ P.61	
	CO ₂ emissions	29,000 t-CO ₂	2030: Reduction by 30% (compared to 2018) 2050: Carbon neutrality		
National resilience	Continued sales of construction material for projects such as disaster recovery and countermeasures to torrential rains and earthquakes				▶ P.40
Distributed solar power generation	We have established a power generation company jointly with Looop Inc. and are operating a roof-mounted solar power generation business (PPA) overseas (Thailand).				
Scrap (high-grade scrap, SUS scrap)	Expanding sales of high-grade scrap and SUS scrap for Nippon Steel Group blast furnaces and electric arc furnaces				
Black pellets fuel for biomass power generation	Developing power companies and other users for a mass production plan starting in 2024				
Lighter weights	Creating thinner can products				
Longer lifetimes	Expanding use of SuperDyma and ZAM in Japan and overseas for solar power frames and other applications that require corrosion resistance				
Balancing environmental and economic performance	Expanding sales of NS Eco-Pile, which is effective in reducing noise and vibration, and reducing the amounts of waste soil, while allowing work to be performed in narrow spaces				
Energy-saving materials	Use of wire materials where heat treatment can be omitted during wire processing in large-scale bridge and other projects				
Plant based meat	Sales of DAIZ Co. ingredients to major ham and sausage manufacturers, and promoting further product development and customer development				▶ P.43
Pork free of antibiotics and growth hormones	Focusing on expanding sales of Finnish Pure Rare pork to volume retailers through collaboration with major food product manufacturers				
Chicken raised using only plant-based proteins	Expanding sales of chicken raised using 100% plant-based protein feed that contains no animal proteins such as fish powder or oils				
Recycled fibers	Development and sales of fabrics and products using fibers from discarded banana tree stems				
CSR procurement controls	Independent audits and improvement support for working environments and general CSR				
Recycled products	Production of original recycled products such as the next-generation REVIBELE leather made from recycled cut scraps				
• DX strategy: As DX for steel distribution, four systems began full-scale operation by the first half of FY2023: improved order entry system (SPOD), integrated inventory management system (N-SCM), new coil center system (EXCS®), and information exchange portal (NST Business Online). Following that, we are now engaged in development for functional expansion and deployment at a greater number of sites. In combination with the introduction of other tools, we are carrying out comprehensive operational improvements that include all business divisions and the Corporate Planning & Administration Division, and are aiming to create new value.					▶ P.45
• Promoting and supporting women's empowerment, and providing support for balancing work with childcare and nursing care • Promoting employment and empowerment of persons with disabilities, preventing harassment, support for LGBTQ • Further working style innovations to support the empowerment of employees, promoting staggered shifts, making effective use of remote working and mobile working, reducing overtime work	KPI	FY2023 result	Targets	▶ P.51	
	Ratio of female new graduates hired as career-track employees	31.3%	Over 30%	▶ P.53	
	Ratio of employees with disabilities	2.0%	2.3% or more		
• Carrying out autonomous safety activities, preventing work injuries • Constructing a health management system (involvement of management), expanding it among employees, and enacting measures based on KPI	KPI	FY2023 result	Targets	▶ P.71	
	Major accidents	None for five consecutive years	Zero major accidents, elimination of lost-worktime and non-lostworktime accidents	▶ P.52	
	Regular medical check participation rate	100%	100%		
	Ratio of high stress employees in stress check	10%	10% or less		
	Percentage of paid annual leave taken by employees	65.2%	Over 70%		
• Review of an effective governance system based on our change to a privately-owned company					
• Continual improvements to autonomous internal controls, strengthening the PDCA for continuation and improvement of effective self-checks, holding internal control lectures, carrying out support for key improvements through risk-based internal audits	KPI	FY2023 result	Targets	▶ P.72	
	Response rate to the awareness survey of NST and Group company employees	100%	100%		
In addition to strengthening the business foundation, concentrated investment of management resources in growth fields and regions	KPI	FY2023 result	Targets		
	ROIC ROE	6.3% 9.6%	2025: Approx. 6% 2025: 9 – 10%		



Part 2

Management Strategy for Value Creation Strategy





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Overview of the Medium- to Long-Term Management Plan (FY2021 – 2025)

Aiming to “become a strong growth company that contributes to society” by overcoming structural changes in the business environment now and into the future, and providing products and services that have social value, the NST Group has formulated and is implementing a Medium- to Long-Term Management Plan that is based on three main measures: “Achieving sustainable growth by advancing growth strategies,” “Carrying out human capital management,” and “Enhancing ESG management.”

In order to further grow our business in new demand fields such as carbon neutrality and in overseas growth markets, we will expand our human capital, focus on securing human resources to support profit growth and developing professional human resources, and concentrate investment of our strategic sales capabilities in fields and regions where future growth is expected.

In addition to implementing an autonomous Medium- to Long-Term Management Plan, we will pursue and deploy the synergy resulting from our strategic collaboration with Nippon Steel, and will carry out our growth strategies and achieve sustainable growth.

Basic
Concept

Becoming a strong growth company that contributes to society

Achieving sustainable growth by advancing growth strategies

Five pillars supporting our growth strategy

- 1 Capturing of new demand (Focus on businesses that respond to SDGs-related social needs)
- 2 A global strategy aimed at deepening and expanding overseas businesses (Accelerate the process of making overseas offices capable of independent management)
- 3 Increasing sales and improving profit by collaborating with major customers, strengthening our distribution and processing capabilities, and providing new solutions
- 4 M&As and alliances that will lead to more efficient distribution and new business creation
- 5 Digital transformation strategies (Increase efficiency of the entire supply chain through digitalization of our trading company operations)

Pursuing and deploying the synergy resulting from our strategic collaboration with Nippon Steel

- 1 Streamline and reinforce our trading company functions in the Nippon Steel Group. (Strengthen cost competitiveness throughout the supply chain.)
- 2 Strengthen direct sales capabilities utilizing the entire sales knowledge and infrastructure. (Invest the sales capabilities of both companies focused on new demand fields such as carbon neutrality and overseas growth markets, and make maximum use of the business information and processing expertise of both companies.)
- 3 Make further advances to the supply chain. (Optimize production and logistics throughout the supply chain by utilizing the latest digital technologies.)

High-level
sharing of
information
and sales
strategies

Carrying out human capital management

- 1 Expanding human capital
- 2 Further strengthening of diversity and inclusion efforts
- 3 Promoting safety and health management
- 4 Further innovations in working styles to support the empowerment of employees (diverse working styles and preparation of work environments)

Enhancing ESG management

Review of the sustainability promotion system

- 1 Reorganize the organizational structure from one organized according to functions to one organized according to activity themes.
- 2 Establish the new position of vice chairperson in the Sustainability Committee.
- 3 Expand the participants of subcommittees, and construct a system that can collect a broad range of input from employees.

Priority issues (materiality)

- 1 Contributing to a decarbonized society and environmental conservation
- 2 Contributing to the development of land and local communities
- 3 Contributing to a recycling-oriented society and sustainable living
- 4 Optimization of the entire supply chain
- 5 Utilization of diverse human resources
- 6 Management based on trust and reliability

Main
measure

1

Main
measure

2

Main
measure

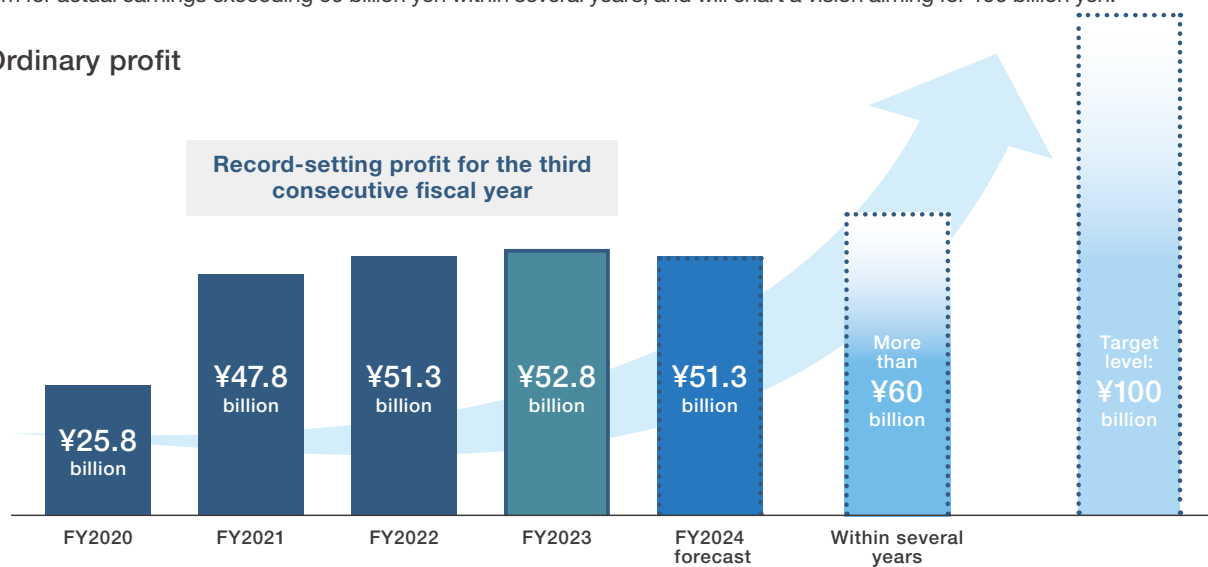
3

Implementation Status of the Medium- to Long-Term Management Plan (FY2021 – 2025)

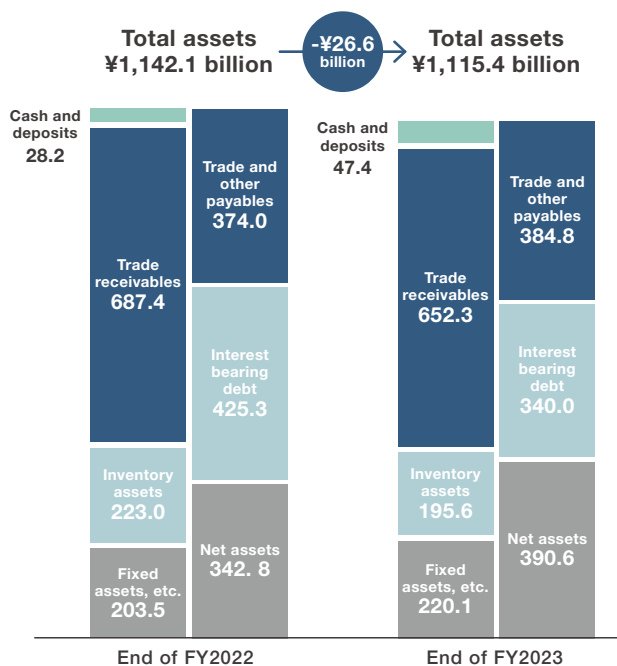
During FY2023, the global steel demand continued to face unprecedented harsh conditions, and domestic demand overall was also sluggish, particularly in the civil engineering and construction fields, due to labor shortages and soaring raw material prices. Despite this, the results for the NST Group set new records for the third consecutive fiscal year with ordinary profit of 52.8 billion yen as a result of factors including growing profits produced by carrying out growth strategies and improved performance at Group companies in Japan and overseas.

In the future, we will pursue and deploy synergy with Nippon Steel and fully carry out our original growth strategies in order to aim for actual earnings exceeding 60 billion yen within several years, and will chart a vision aiming for 100 billion yen.

Ordinary profit



Balance sheet (billion yen)

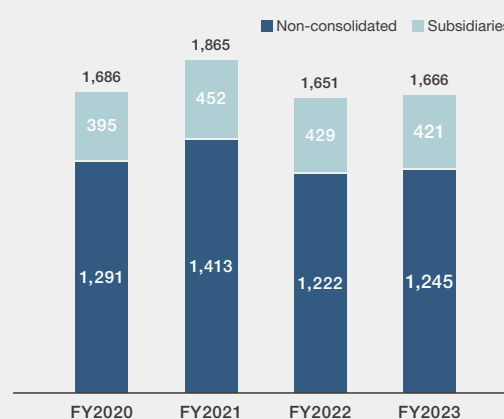


Primary financial indicators

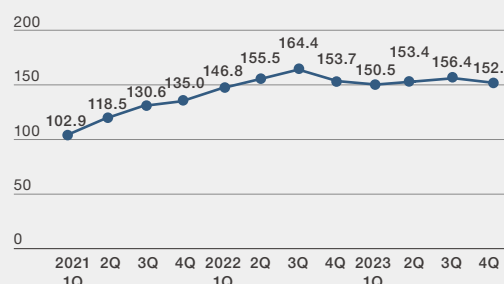
	End of FY2022	End of FY2023
Equity ratio	27.5%	32.3%
Net D/E ratio	1.26 times	0.81 times
ROE	11.2%	9.6%

Reference

Amount of consolidated steel sales (10,000 tons)



Steel sales price (¥1,000 / ton)



Growth Strategies for Four Businesses

In order to further accelerate the four NST businesses consisting of steel, industrial supply & infrastructure, foodstuffs, and textiles, create new business, and achieve continual profit growth, we are carrying out the growth strategies (strategic collaboration with Nippon Steel and the five pillars supporting our growth strategy) that were formulated for each business in the Medium- to Long-Term Management Plan.

Steel Division

Pursuing and deploying the synergy resulting from our strategic collaboration with Nippon Steel

1 Streamline and reinforce our trading company functions in the Nippon Steel Group.

■ We will strengthen the cost competitiveness of the entire supply chain through means including strengthening and expanding direct sales to customers throughout the Nippon Steel Group, improving the office work efficiency of our trading business operations, and improving the operating rates and constructing optimal systems at our processing bases.

POINT 1

Strengthening the Group strength in the domestic flat products business (Strengthening our hub functions in the Nippon Steel Group)

POINT 2

Optimizing domestic distribution and processing

2 Strengthen direct sales capabilities utilizing the entire sales knowledge and infrastructure.

■ We will further share sales strategies with Nippon Steel, and focus investment of the strategic sales power of both companies in new demand fields such as carbon neutrality and in overseas growth markets. We will also make maximum use of the sales information and processing knowledge possessed by NST sales bases, coil centers, and other processing bases in Japan and overseas in order to strengthen our ability to meet diversifying customer needs and strengthen our overseas sales capabilities.

POINT 3

Expanding overseas business <India, the Americas, ASEAN, others>

POINT 4

Expanding export strength for strategic products and ordinary products of Nippon Steel, and opening up emerging markets

POINT 5

Measures for decarbonization (New procurement including steel scrap and establishing sales methods for NSCarbolex® Neutral)

3 Make further advances to the supply chain. (Designing a new business model)

■ We will utilize the advantages resulting from the new ability to share sales information and to coordinate the production, inventory, logistics, delivery dates, and other data of both companies, Nippon Steel as it engages in steel production and Nippon Steel Trading as we engage in distribution and processing. We will make use of the latest digital technologies to work for integrated optimization of production and logistics.

■ We will also study strengthening cooperation in new expanding fields such as GX (Green Transformation).

Initiatives based on the five pillars supporting our growth strategy

1 Capturing new demand that meets social needs related to SDGs

■ Automotive field (EV motors, fuel cell materials, super-high tension steel, etc.)

■ Environmental materials (stainless steel for maritime scrubbers, materials for the renewable energy field, etc.)

■ High-performance materials for the information and communications fields (stainless steel for smartphones, etc.)

2 Carrying out global strategies for deepening and expanding overseas business

■ Expanding sales for automobiles (China hot press materials and high tension steel, North America, etc.)

■ Working to shift to independent local management at overseas regions (expanding sales utilizing local mills, establishing a coil center for electrical steel sheet in Mexico, etc.)

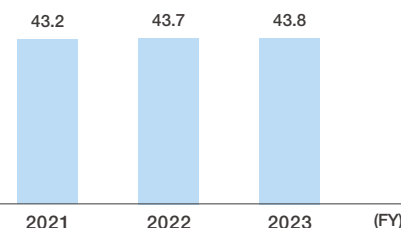
3 Cooperation with major users to improve sales and profitability

■ Expansion of raw materials business (scrap, black pellets, etc.)

■ Expansion of sales in the construction field (marketing of TIO/NEO system construction standard products, etc.)

4 M&A and alliance strategies

Changes in ordinary profit (billion yen)



Status in FY2023

In addition to steady implementation of our growth strategies (including expanding sales of EV-related products, expanding sales of high-performance materials for the information and communications fields, and diversifying supply sources), sales for domestic system construction were strong, leading to growth in profits.

5 DX strategy to improve steel distribution

TOPICS

Investment in Mlion – a major seller of products for civil engineering and construction in Singapore

In October 2024, NST announced that we were investing* in Mlion Corporation Pte, Ltd. (hereafter, “Mlion”), which operates inventory sales of products for civil engineering and construction (mainly steel sheet piles), which are showing rapid growth in the Philippines and Singapore. In order to expand the NST presence in the ASEAN civil engineering and construction products market, capture infrastructure demand in the ASEAN region, and make a multilateral contribution to the overseas civil engineering and construction materials strategy of the Nippon Steel Group, through our strategic alliance with Mlion, we will strengthen the overseas business foundation of the NST Group and help improve the corporate value of Mlion.

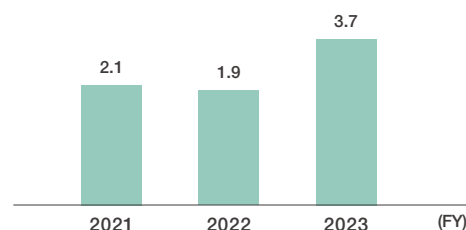
*: Execution of the investment is contingent on obtaining approval from the relevant authorities, and on meeting the preconditions prescribed in the share transfer agreement.

Industrial Supply & Infrastructure Division

Initiatives based on the five pillars supporting our growth strategy

- 1 **Developing and promoting new business that meets social needs related to SDGs**
 - Implementation of a closed recycling system for aluminum
 - Expanding sales of energy-saving devices and devices for reusing recycled materials
 - Expanding sales of carbon fibers for wind power generation and materials for storage batteries
- 2 **Further strengthening the domestic and overseas networks**
 - Utilizing the global network centering on the automotive parts business
 - Expanding the network of overseas industrial parks and power generation business
 - Capturing new ODA orders in the railway business and expanding sales of related supplies and materials
- 3 **Development and expansion of products and materials focused on the green transformation**
 - Expanding sales of EV and FCV components
 - Expanding sales of solar panel building materials, lightweight panels, roof-mounted solar power PPA business, etc.
 - Studies for bioenergy and related business

Changes in ordinary profit (billion yen)



Status in FY2023

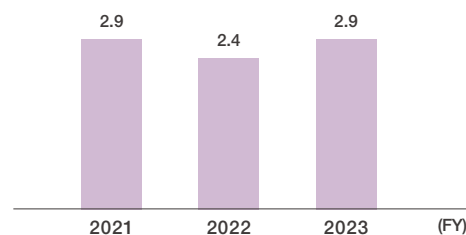
Profit grew as a result of increasing sales of aluminum, carbon fibers, and other high-performance materials, as well as strong property sales at industrial parks in Thailand and Mexico.

Foodstuffs Division

Initiatives based on the five pillars supporting our growth strategy

- 1 **Expanding sales of products that meet social needs related to SDGs**
 - Fields related to ethical consumption (hormone-free pork, plant-based meat, etc.)
- 2 **Development of Southeast Asia markets and expansion of local sales overseas**
- 3 **Strengthening the value chain by carrying out M&A and an alliance strategy**
- 4 **Strengthening the personnel needed to carry out our growth strategy, assigning the most suitable personnel to each position, and hiring local staff in order to expand local sales overseas**
- 5 **Increasing the efficiency of office work through system development, and creating order receipt and placement work systems that connect with distributors and customers**

Changes in ordinary profit (billion yen)



Status in FY2023

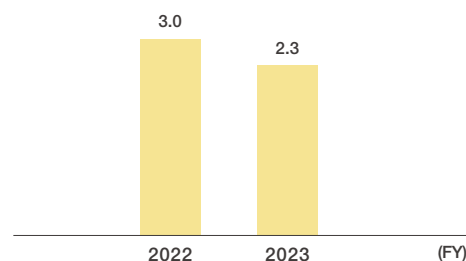
Profits were boosted by factors including an increase in sales of beef to restaurants, backed by a recovery in inbound demand.

Textiles Segment

Initiatives based on the five pillars supporting our growth strategy

- 1 **Rapid return to profitability and advancing to a new growth stage**
 - Challenging ourselves in new fields such as lifestyle products
 - Developing global markets
 - Carrying out asset utilization and project type businesses (particularly centered on our partner strategy for new businesses)
 - Initiatives for sustainability and DX in all business areas
- 2 **Optimizing the organization and personnel assignments**
 - Shifting resources to new business areas that are showing sprouts of growth
- 3 **Formulating and implementing measures in management and personnel areas for a limitless chain of improving employee engagement and company growth**

Changes in ordinary profit (billion yen)



* Figures from the NST consolidated financial statements.

Status in FY2023

Although profits were down due to a drop in temporary profits, an increase in inbound demand and the end of the COVID-19 pandemic resulted in an improving trend in actual earnings.

Strategic Collaboration with Nippon Steel

As the true core trading company of the Nippon Steel Group, in addition to exercising the trading company functions that NST has developed over its history, we will further deepen our collaboration with the Nippon Steel Group and pursue and deploy concrete synergy. We will also work to improve our corporate value in order to achieve our goal of being “a strong growth company that contributes to society.”

Specific initiatives for the pursuit and deployment of synergy

POINT 1

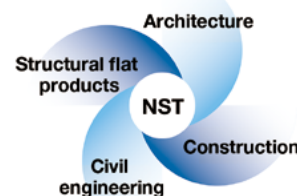
Strengthening the Group strength in the domestic flat products business (strengthening our hub functions in the Nippon Steel Group)

NST is strengthening its functions to link the companies in the Group (hub functions) in order to put our trading company functions to full use in the Nippon Steel Group. As one part of this, in order to construct a system that can rapidly meet the demand and needs of the domestic structural flat products market, in October 2024 we merged with NS Architectural Steel Services Corporation. Since that time, we have utilized an organic integration of our wide range of business areas and hub functions linking the companies in the Nippon Steel Group with the expertise of NS Architectural Steel Services Corporation in the structural flat products market in order to improve and strengthen our integrated competitiveness and construct a supply chain delivering high added value.

As a result of this merger, we have also expanded the NST general structural products sales system (architecture, construction, civil engineering, and structural flat products). We will deploy our comprehensive strength in the structural materials field as we aim for further growth by improving our ability to deliver proposals to customers.

Expected effects of the merger

- Rapid deployment of synergy resulting from an integration of our sales organizations
- Expanding sales of high corrosion-resistance steel sheets (such as SuperDyma, ZAM, and ZEXEED), which are both strategic products and high added-value products



POINT 2

Optimizing domestic distribution and processing

NST has worked to optimize the Group structure through selection and concentration, while at the same time investing and allocating management resources focused on growth fields where we can exercise our superior position now and into the future in order to construct a foundation for next-generation profits. Since becoming a subsidiary of Nippon Steel, we have been working to optimize the distribution and processing supply chain for the Group as a whole.

Time	Examples of optimizing the distribution and processing supply chain
April 2024	■ NST Mechanical Tubular Products Sales Co., Ltd.: Received transfer of the SAKAISHIN, Ltd. automotive pipe & tube cutting business. [Purpose] • Enhance services and reinforce the sales foundation by increasing the efficiency of sales bases and distribution centers at both companies.
July 2024	■ NS Kenzai Hanbai Co., Ltd.: Merger with the temporary seating manufacturer SK Co., Ltd. [Purpose] • Optimize and improve construction functions within the Nippon Steel Group. • Enhance customer service and strengthen and expand the sales foundation.
July 2024	■ Mitsuhashi Kozai Co., Ltd.: Transfer of the steel material processing business to Nippon Steel Kobelco Shearing Corporation [Purpose] • Construct an optimal production and mobility system throughout the Nippon Steel Group. • Further enhance the ability to adapt to supply chain customers and markets in the Kansai Region.

POINT 3

Expanding overseas business <India, the Americas, ASEAN, others>

In overseas growth markets, NST will continue to expand its processing sites and sales network while working to shift to independent local management by steps such as diversifying our supply sources. For this purpose, we will work together with Nippon Steel and expand our overseas business in India, the Americas, ASEAN nations, and other places.

India	The Americas	ASEAN
■ Operation of the Sri City No. 2 Plant by Neemrana Steel Service Center India Pvt. Ltd. (August 2023) ■ Shifting business to independent local management and expanding exports of electrical steel sheet to meet EV-related demand ■ Strengthening and expanding the sales foundation as supply bases for EMEA (Europe, Middle East, and Africa)	■ Nippon Steel Trading Coil Center Mexico S.A. de C.V. currently under construction to support electrical steel sheet demand for EVs in the North American market (Operation expected to start in April 2025.)	■ Strengthening lateral links between bases in each country, centering on Thailand, and capturing local demand ■ Improving the efficiency and profitability of coil center operations to meet local demand centering on automotive materials ■ Expanding our presence in the ASEAN civil engineering and construction products market, and capturing infrastructure demand, through investment in Mlion Corporation (Singapore)

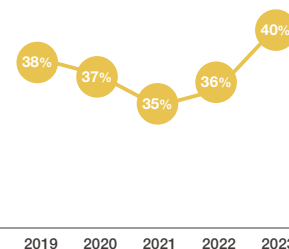
POINT
4

Expanding export strength for strategic products and general products of Nippon Steel, and opening up new developing markets

NST is focusing on sales of Nippon Steel strategic products such as electrical steel sheet, high corrosion-resistance steel sheet, and plates for offshore wind power generation.

In particular for electrical steel sheet where growth is expected in Japan and overseas, we are currently constructing Nippon Steel Trading Coil Center Mexico S.A. de C.V. in Mexico. In Japan in August 2024, we acquired as a subsidiary Denkishizai Co., Ltd., a trading company which handles primarily electrical steel sheet and has advanced expertise. In these and other ways, we are further strengthening our sales foundation and supply chain functions.

Changes in steel export ratio for NST (non-consolidated)

POINT
5

Measures for decarbonization (New procurement including steel scrap and establishing sales methods for NSCarbolex® Neutral)

Aiming to gain a foothold in operating a decarbonized business through carbon neutral supply of raw materials, in March 2022, NST invested in the U.S. company Aymium, which manufactures and sells biocarbon (black pellets). We are also carrying out an initiative for increasing the amounts of high-grade scrap and stainless steel scrap that we handle, and will strengthen our steel scrap collection capacity and prepare a distribution system as trading functions in preparation for growing needs for steel scrap in the electric arc furnaces of the Nippon Steel Group.

We will also work to expand sales of NSCarbolex® Neutral, a green steel that achieves reductions in CO₂ emissions as environmental value in the steelmaking processes of Nippon Steel.

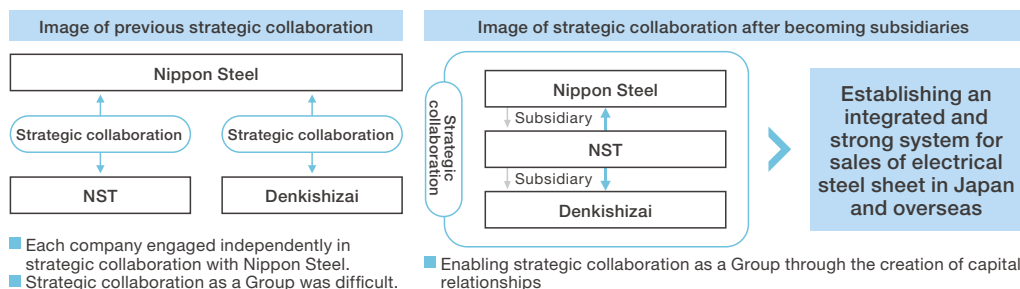
TOPICS

Construction of an electrical steel sheet business system in Japan and overseas

Japan

Making Denkishizai Co., Ltd. a subsidiary

Aiming to further strengthen our sales foundation and supply chain functions in Japan and overseas, NST in August 2024 acquired as a subsidiary Denkishizai Co., Ltd., a company which handles primarily electrical steel sheet for Nippon Steel and has advanced expertise. Because this company was previously an equity method affiliate of NST, there were some restrictions on sharing of customer information, technical information, and other data, and on complementing and mutually utilizing business resources, making autonomous collaboration for strengthening sales difficult. In the future, the integrated operations of Nippon Steel, NST, and Denkishizai Co., Ltd. will allow us to establish an integrated and strong system for sales of electrical steel sheet in Japan and overseas, achieve improved customer satisfaction and knowledge sharing based on information cooperation, and rapidly deploy synergy to shift to a more robust business operations system.



Overseas

Electrical steel sheet coil center in Mexico now under construction

Nippon Steel Trading Coil Center Mexico S.A. de C.V. was founded in August 2023, and construction of the plant is now underway at the Lintel Industrial Park in Mexico, where the Industrial Supply & Infrastructure Division serves as the managing general agent. It is working towards a start of operations in April 2025.

This company is a coil center that is specialized in processing of electrical steel sheet, and will be an important supply base for capturing the EV-related demand that is expected to see stable growth in North America. This is an investment on the largest scale for NST, and the company will be responsible for conditioning and slitting of high-grade electrical steel sheet to meet electrical steel sheet demand for EVs in the North America market – the second largest automobile market in the world. It is steadily getting started including a backup system, and will make deep inroads into the North America market, aiming for annual processing of 120,000 tons in the future.



NST Growth Strategy in India

India is forecast to have an economic growth rate of around 7% in 2024, putting it in the top class for growth rate among major economies, and is a country that is now receiving the maximum level of global attention. Behind this rapid growth is a growing population, progress in urbanization, expanding infrastructure investment, and a digital economy that is growing at a fast pace.

NST began by establishing a field office (now NIPPON STEEL TRADING INDIA PVT. LTD.) in New Delhi in 2008, and now operates two corporations and four bases in India.

Here we introduce the history of our expansion into India, where future high growth is expected, as well as our growth strategies, local business operations, and support activities for human resources development.

History of expansion into India

Local subsidiary of a trading company

Our predecessor Nittetsu Shoji Co., Ltd. began its expansion into India by opening a field office in New Delhi in 2008 and one in Mumbai in 2010. At that time, as a field office, it was tasked with the functions of a base for information collection, and aimed to capture steel demand of foreign-owned corporations and infrastructure projects, and make deep inroads into and expand business in the high-potential India market. The former Sumikin Bussan Corporation established a local subsidiary in Gurugram in 2010 in order to obtain trading rights for suppliers who had expanded in India and expand sales of flat products. In 2012, it opened a sales office in Mumbai, and expanded into India.

Following the subsequent merger of Nittetsu Shoji Co., Ltd. and Sumikin Bussan Corporation in October 2013, both companies merged their bases with the local subsidiary of former Sumikin Bussan Corporation, establishing NIPPON STEEL TRADING INDIA PVT. LTD. as a headquarters in New Delhi, with a sales office in Mumbai, and began working to expand the market.

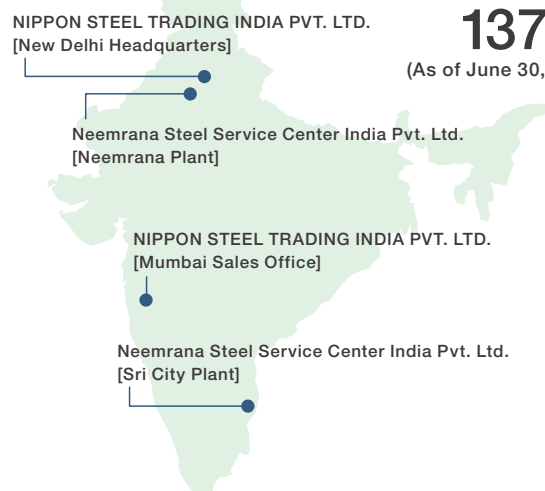
Business company

The former Sumikin Bussan Corporation in 2011 established Neemrana Steel Service Center India Pvt. Ltd. (hereafter, "NSSI") at the Neemrana Industrial Park on the outskirts of Delhi in order to capture growing local parts demand centering on electrical equipment and automobiles. In addition to coil center equipment such as slitters and levelers, NSSI introduced presses from the beginning, and supplied products with high added

NST Group employees in India

137

(As of June 30, 2024)



value. It has produced pressed air conditioner outdoor unit casings since its founding, and beginning in 2017 it began producing pressed parts for automobiles. It also has worked to further improve its quality management level, and has been highly rated for its excellent quality. At present, it has grown to more than 1 billion Indian rupees (around 1.7 billion yen) in annual sales of automobile pressed parts. (Total sales are around 5 billion India rupees.) Then in August 2023, it began operating its Sri City Plant as a No. 2 plant in order to further capture the rapidly growing local demand.

Former company name	Form	2008	~	2010	2011	2012	2013	~	2023	2024
Nittetsu Shoji Co., Ltd.	Field office	● Opened the New Delhi Office.		● Opened the Mumbai Office.						
Sumikin Bussan Corporation	Local subsidiary of a trading company			● Established a local subsidiary.		● Opened the Mumbai Sales Office.			● Merged all bases, launching the current local subsidiary.	
	Business company				● Established NSSI.	● Began operating the Neemrana Plant.			● Began operating the Sri City Plant.	

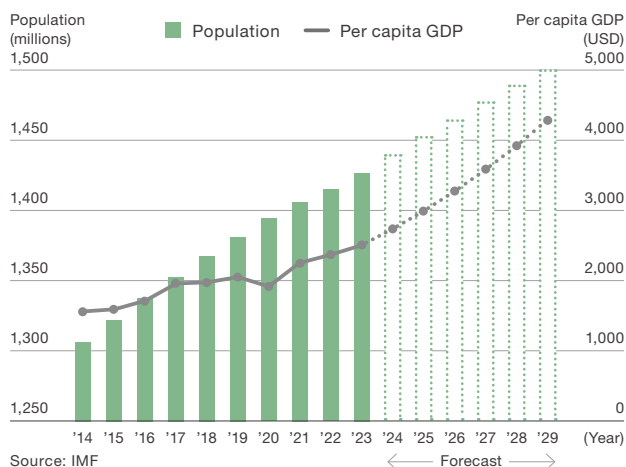
Growth strategies in India

Following the start of the current administration in May 2014, the “Make in India” economic policy was announced, with the goals of attracting foreign capital and strengthening the manufacturing industry through technology transfers. Then in May 2020, the “Self-Reliant India” policy was announced. Per capita GDP has grown steadily as a result of working towards self-reliance in the Indian economy through a shift to an industry structure that was not dependent on imports.

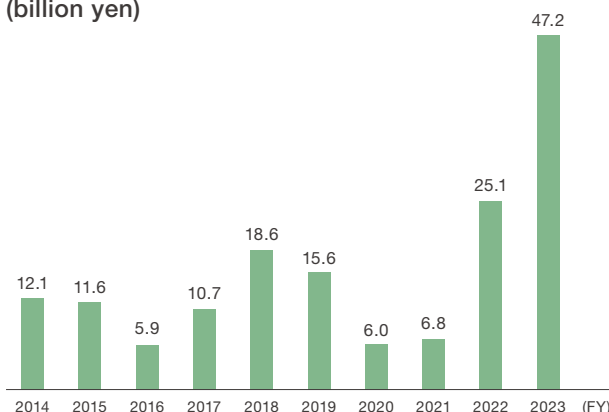
The India steel market is growing as a result of economic growth and increasing internal demand. Apparent steel consumption is expected to reach around 200 million tons in 2030 (2.1x the 2021 level). In this market where growth is considered certain, NST is working to strengthen its relationships with Indian steel manufacturers and users on both the sales and purchasing sides for steel products, raw materials, and equipment and machinery, while also carrying out the following initiatives to expand our business.

To India	- Expanding exports of electrical steel sheet for EVs, as well as tinplate, stainless steel, and other high-end materials - Expanding the supply of steel materials and equipment, railway materials and equipment, and steel raw materials
From India	- Expanding exports of local steel manufacturer products to EMEA (Europe, Middle East, and Africa) - Expanding exports of raw materials and graphite electrodes to Japan and Asian countries
Independent local management	Promoting local production and local consumption, and working for growth of new industries in India (power savings, electric vehicles, renewable energy)

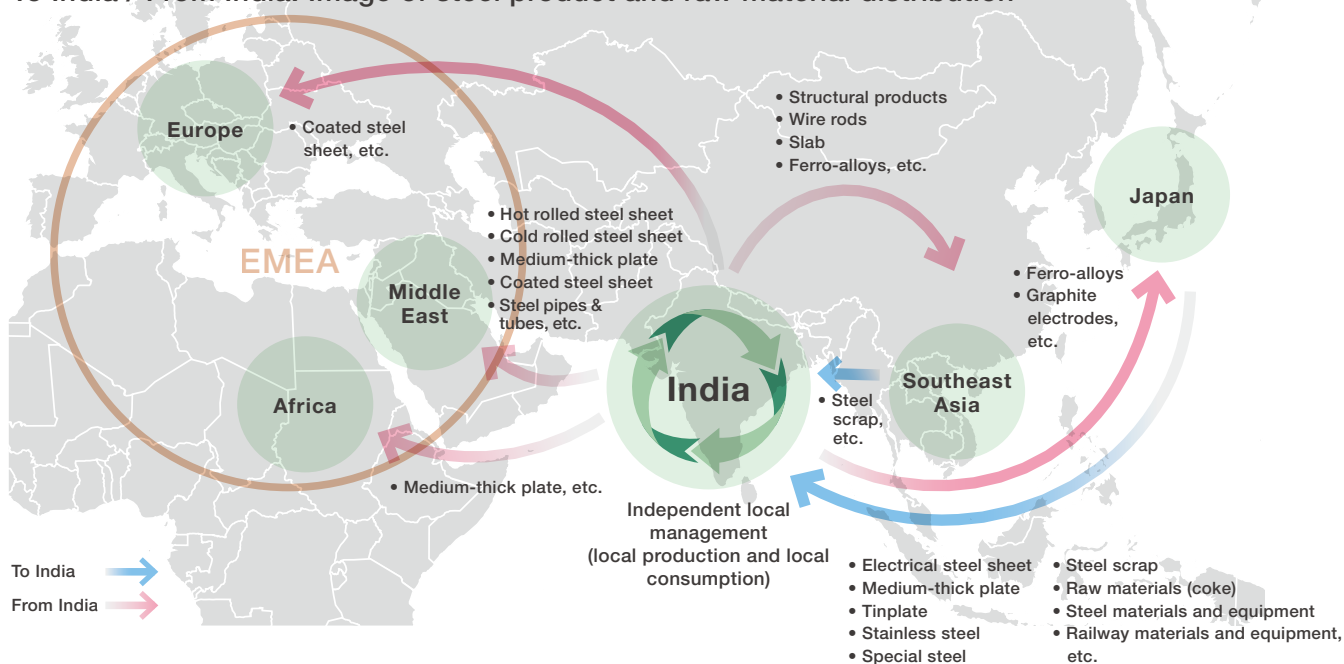
India's population and per capita GDP



NST Group consolidated sales in India (billion yen)



To India / From India: Image of steel product and raw material distribution



Construction of the NSSI Sri City Plant and promotion of independent local management

NSSI began operating its second plant, the Sri City Plant, in the state of Andhra Pradesh located in the southeast of India in August 2023. This new plant is intended to supply processed steel products to manufacturing companies in the Sri City and Chennai districts.

Promotion of independent local management

The NST initiatives in India are composed of three main pillars: “To India,” “From India,” and “Independent local management.” The shift to independent local management has been primarily carried out at the Sri City Plant, and is intended to promote local production and local consumption through means such as diversifying our supply sources. In growth areas such as power savings, electric vehicles, and renewable energy, initiatives for local production and local consumption are being carried out together with an expansion of processing sites and the sales network in order to deepen inroads into local markets and reliably capture demand.

Background and history

The India market is expected to produce stable economic growth, and many Japanese corporations have expanded into it. NSSI also expanded into Neemrana District, Rajasthan State in northern India in 2011 as major Japanese corporations entered the India market, and has been promoting independent local management in the same district.

It has utilized the knowledge and experience of business operations that it gained in the Neemrana District over 12 years and established the Sri City Plant, constructing a system of two processing sites in India. It is actively carrying out the “Capturing of new demand” and “A global strategy aimed at deepening and expanding overseas businesses” that are called for in the growth strategies of the NST Group’s Medium- to Long-Term Management Plan.

Plant functions and roles

The Sri City Plant is equipped with steel slitting and leveling functions as well as pressing functions, and has constructed an integrated production system covering purchasing of materials through primary and secondary processing. As a result, it has established an advanced and fine-tuned supply and quality system to accurately meet the needs of customers. It is working to contribute to reducing manufacturing costs and shortening delivery periods, and also to construct a robust supply chain delivering high added value.



Future prospects

The Sri City Plant is currently preparing a system for full-scale operation in 2025 in the first stage plant construction area. In addition, based on its policy of independent local management, it is conducting sales activities focused on capturing local demand and expanding sales, and is planning to expand the plant and reinforce its equipment in the second half of 2025.

The population of India exceeded 1.4 billion in 2021, and the average age of the population is young, at just 29.8 years. The productive age population is expected to continue growing until around 2050. In the continually growing great country of India, NST will continue promoting the establishment of independent local management in the market, increasing competitiveness, and strengthening cooperation with related companies while carrying out initiatives aimed at capturing demand in growth markets.



Operating the Japan-India Institute for Manufacturing (JIM) activity to support human resources development in India

NSSI accepts as trainees not only its own employees, but also local youth who will support the future of the Indian manufacturing industry. It transfers skills related to processing of steel products, and operates activities to support human resources development to train future leaders.

Certification of the Japan-India Institute for Manufacturing

The Japan-India Institute for Manufacturing (JIM) is a human resources development support activity that is based on the Memorandum of Cooperation for a Manufacturing Skill Transfer Promotion Program that was signed by the governments of Japan and India in 2016. JIM is intended to instill the concepts and skills of Japanese-style manufacturing in young human resources in India in order to develop human resources who will become leaders in the manufacturing workplaces of Japanese corporations. It has set a target of training 30,000 manufacturing personnel over 10 years.

NSSI has been operating a vigorous human resources development activity with a curriculum of “Dojo” classroom learning, OJT, and other training in the five divisions of the Coil Center Division, Pressing Division, Quality Management Division, Maintenance Division, and the Warehousing and Shipping Division. Backed by this initiative, it accepted 10 local trainees in January 2023, and began a one-year training program. It received JIM certification in April of the same year.

Contents of the training program

Putting safety first, at NSSI JIM, trainees at the Dojo first learn basic knowledge about quality, manufacturing, maintenance, warehousing, and shipping, as well as the concepts of Japanese-style manufacturing. Following an 11-day classroom course, they transition to OJT and learn skills through actual practice in the workplace. However on Friday of each week they return to learn at the Dojo, and this cycle continues for one year. The Dojo was established in January 2017 originally to conduct high-level employee training. It was expanded in June 2018 in order to expand the training contents, and the contents were reviewed in December 2022 as the lineup of products handled by the company grew. The Dojo is being continually improved through a process of repeated trial and error.

At the OJT, trainees learn how to operate machinery through explanations of how to handle machinery in the workplace and checking check points as prescribed in work standards at the time of machine startup. As OJT progresses and the trainees become more familiar with the work, they are taught again how important the work standards are so that they do not become careless. Then they come to understand the importance of observing the rules. By repeatedly conducting this training, they gradually acquire skills, and are permitted to work on their own based on a decision by the manager of each division.

Future prospects

This initiative has now entered its second year, and the activities are continuing with nine new trainees. In India, which will continue to grow at a rapid pace into the future, NSSI will prepare an environment where each individual can put his or her abilities to maximum use, and actively carry out social contribution activities through human resources development.

Comment from a local trainee



“We are learning much important knowledge through the NSSI training program. Every day we learn the basics in classroom training, and learn operating methods and skills for tools and machinery through OJT in the workplace. NSSI puts safety first, and the members discuss matters related to safety among themselves. I think that this training program is a good opportunity to improve our skills and will be of benefit to our futures. I would like to thank NSSI and JIM for giving us this opportunity.”



Initiatives based on the five pillars supporting our growth strategy – Business introduction



Sales expansion and construction of a supply chain for steel materials used in the foundations of offshore wind power generators

In the area of offshore wind power generation where installation is expected to grow in the future, large amounts of steel materials are used in the towers, foundation parts (jackets, monopiles), substations, and other parts. NST is focusing on expanding sales and constructing a supply chain for the steel plates used in these applications.



Steel Business

Kenji Shindo

Plate & Overseas Structural
Products Department



Introduction to offshore wind power generation

Wind power generation is renewable energy that utilizes the power of the wind to turn the blades of a windmill in order to generate electrical power. Offshore wind power generation is a new trend which uses windmills that are installed in the ocean. In Japan, development of land wind power generation has progressed, and suitable locations are becoming scarce. However because there are no surrounding obstructions in the ocean, the offshore winds in Japan are particularly strong, and there are many stable areas, the potential is believed to be extremely high. There are two types of offshore wind power generation: a bottom-fixed type where the generator is anchored to the seafloor, and a floating type which floats on the ocean. At present, construction is first proceeding of the bottom-fixed type that involves lower costs.

Reasons for becoming involved in offshore wind power generation

In 2017, members of Taiwan Power Company and other offshore wind power representatives came to Japan to investigate the construction of a supply chain, and visited Nippon Steel and Nippon Steel Engineering. Because at that time NST was in charge of arranging schedules and introducing related persons, this became the start of our initiatives for offshore wind power generation. Later, the largest steel manufacturer in Taiwan, China Steel Corporation, was planning to construct a new plant for plates to be used in jackets, and NST served as a pipeline between this manufacturer and Nippon Steel Engineering, which has expertise in this area. We learned much about offshore wind power generation, and have deployed what we learned to sales activities at related companies in Europe and Southeast Asia.

Roles of NST

NST, in cooperation with Nippon Steel Engineering, a company with extensive experience in jacket production, is participating in the construction of an offshore wind power supply chain that connects clients, general contractors, and processing companies. Our role in this project has been highly evaluated by related parties.

In the project to construct the new Ishikari Bay Shinko Offshore Wind Power Plant, which is the second largest offshore wind power

plant in Japan, we contributed to construction of this power plant by delivering Nippon Steel jacket plates to Nippon Steel Engineering. This power plant completed construction in June 2024, and began operating in August.



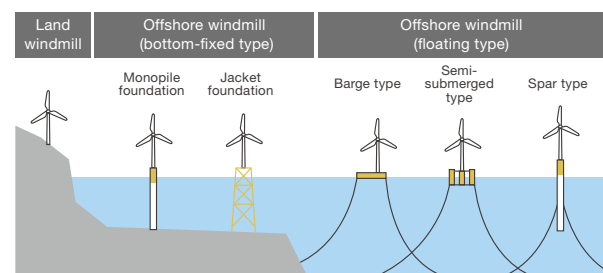
Wind power generation (at bottom is the jacket foundation), source: Ishikari City HP

Future prospects

In Japan, in addition to four projects in bay areas such as Ishikari Bay Shinko, a total of 35 development projects for bottom-fixed offshore power generation have been announced: ten in general sea areas (first round: 4, second round: 4, third round: 2), nine in promising areas, eight in upcoming areas, and eight other projects.

In June 2024, a sea area and contractor were decided for demonstration testing aimed at commercialization of floating-type offshore wind power generation. Because the floating type uses different materials and parts than the bottom-fixed type, such as the steel structures, mooring chains, and anchors, this is an opportunity for us to expand our business.

As a member of the Nippon Steel Group, NST will continue working to identify new investment prospects and acquire trade rights, construct a supply chain for offshore wind power generation, and promote the expansion of offshore wind power generation to contribute to the creation of a zero-carbon society.



Foundation structures for offshore wind power generation



Source: "Pipes for Piling and Steel Sheet Piles" Nippon Steel catalog

Expanding sales of the pipes for piling and steel sheet piles that support national resilience

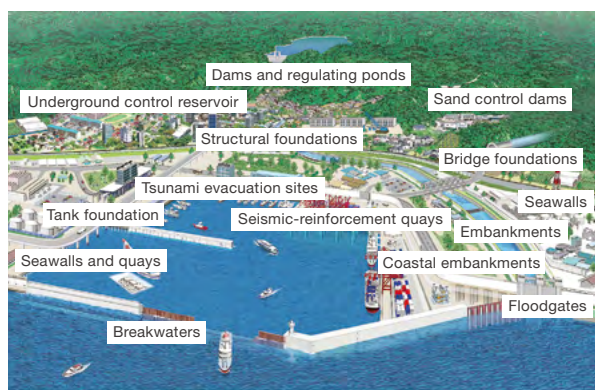
Pipes for piling and steel sheet piles are important structural materials that support the foundations of structures such as buildings and bridges. They are concealed in ground or water after construction is completed, and are rarely visible, however they play an important role in supporting our everyday living. NST is focused on expanding sales of the pipes for piling and steel sheet piles that support national resilience.

Features and applications of pipes for piling and steel sheet piles

Pipes for piling feature high strength, high durability, and good workability. They are primarily used in the foundations of buildings and bridges, soil improvements such as reinforcing soft ground or preventing ground subsidence, and as countermeasures against earthquakes, floods, and other disasters. Steel sheet piles have superior water-blocking performance and good workability. They are used in projects such as river bulkheads, port quays, water cut-off walls, seismic reinforcement, disaster recovery, and temporary earth retaining works. They are also used in the water cut-off walls of regulating ponds and control reservoirs that serve as countermeasures to the torrential rains that are becoming increasingly severe.

National resilience

National resilience is an initiative that aims to make the country strong in the face of disasters. Based on the Basic Act for National Resilience that took effect in 2013, it is intended to learn lessons from past disasters and carry out advance countermeasures to prevent severe damage. Specifically, it includes forest maintenance, construction and reinforcement of a network of embankments and roads, countermeasures to aging infrastructure, and improvement of crowded urban areas. This is intended to reduce human and economic damage and achieve city planning where residents can continue to live after a disaster. National resilience is essential for the construction of a sustainable society, and is closely related to SDGs.



Fields of national resilience measures
 Source: Nippon Steel Group "National Resilience" solutions catalog



Steel Business

Hiroaki Hori

Structural Products
Sales Department

Akihisa Kameyama

Project Development
Department



Roles of NST

The Structural Products Sales Department sells structural products including pipes for piling and steel sheet piles, and approximately 30% of them are used in projects contributing to national resilience. In response to requests from the construction companies who are our business partners, we provide estimates for the structural products prior to the bidding for the project, and function to coordinate delivery periods, delivery plans, and other elements. In particular in national resilience projects, pipes for piling and steel sheet piles are essential for projects such as regulating ponds and control reservoirs for flood countermeasures, reinforcement of aging infrastructure, and earthquake countermeasures, and we are focusing on expanding their sales.



Source: Nippon Steel "Hat-type Steel Sheet Piles" catalog



Source: Nippon Steel "NS Eco-Pile®" leaflet

Future prospects

In June 2023, in order to systematically and steadily carry out measures for national resilience, the Basic Act was revised to establish provisions related to the National Resilience Medium-Term Plan, as well as provisions related to the National Resilience Promotion Committee. National resilience is an initiative that is essential to the sustainable development of Japan. By providing materials and work methods that utilize the strength, stable quality, and environmentally friendly recycling performance that are characteristics of steel structures, we intend to contribute to infrastructure construction from the perspectives of disaster prevention and mitigation, and thereby contribute to the achievement of a sustainable society through national resilience.

Initiatives based on the five pillars supporting our growth strategy – Business introduction



System architecture as a standard construction method in the plant and warehouse architecture field

System architecture is primarily used for plants and warehouses. For plants, there is growing demand for investment in semiconductor-related construction and returning supply chain to Japan, while for warehouses, demand is growing for constructing sites as a countermeasure to the so-called “2024 problem” in logistics and for replacing buildings that have aged. At the same time, clients are facing issues including longer project periods resulting from shorter working hours and a labor shortage, as well as rising material prices. The construction industry has been slow to address SDGs, and system architecture is gaining attention as a solution.

What is system architecture?

System architecture is a construction method that standardizes the height dimensions of building pillars and standardizes parts and materials, thereby increasing the percentage that can be produced at the plant in advance. This reduces unnecessary work and lack of uniformity in workplace work. When constructing a standard plant or warehouse, this method can reduce work periods and costs by around 25% compared to ordinary construction methods. This method also has a large number of advantages for improving carbon neutrality including a foundation system that reduces remaining earth and the amount of concrete used; modularization and standardization of parts and materials to reduce the amounts of steel material used, the amount of steel framework welding, and loss; and high transport efficiency resulting from the supply system composed of manufacturing bases for parts and materials located across Japan.



Foundation system

The reason why customers choose Nippon Steel Trading system architecture

There are several manufacturers providing system architecture, however NST is capable of constructing not only single-floor facilities but also two-story buildings, and the size of our product repertoire combining foundation and steel frame systems in many variations is unparalleled in the industry. In particular, our original foundation system that can be used with a wide range of ground conditions is one area that differentiates us from other companies. It can optimize the design, shorten work periods by greatly reducing the required labor for on-site work, and also reduce costs. As a specialized manufacturer with technologies and expertise that we have developed over our history of nearly a half-century, NST has constructed 4,500 facilities and currently constructs more than 200 a year. Repeat customers who use our products time and time again have spread to all parts of the country.



Steel Business

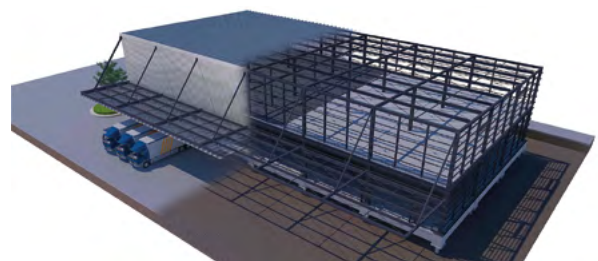
Hideo Hiromoto

NST System Buildings Co., Ltd.



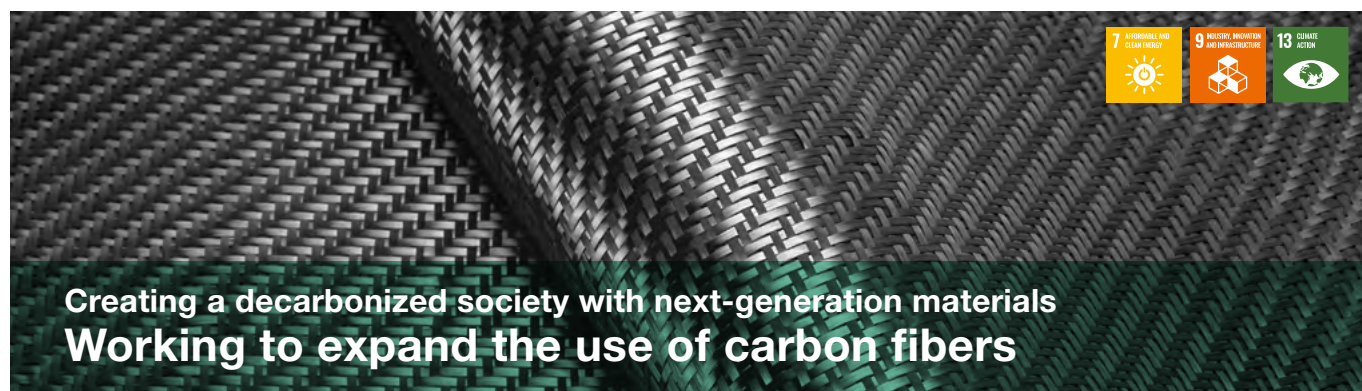
Future prospects

In the plant and warehouse architecture field, in the target market of facilities on the scale of 700 – 7,000 m², the share of system architecture which includes our company's systems is estimated to be more than 30%. System architecture is now becoming the standard construction method in this field. System architecture is based on the concepts of *friendly to the environment* and *friendly to working people*, and aims to create labor-saving buildings requiring low cost, short work periods, and high quality. It is a solution to the issues facing the construction industry, and also contributes to the development of local communities, and we will continue to grow this business in the future by continually pursuing “the optimal solutions for the client.”



Product example: Perspective drawing of NEO-Grid II





Expanding sales of carbon fibers

Because carbon fibers are lightweight, yet are extremely strong and have elasticity, they are used in a wide range of advanced technology fields. Because of these characteristics, they are used in the materials of products that make large contributions to creating a decarbonized society, such as wind power generation blades, hydrogen tanks, and fuel cells. The Industrial Supply & Infrastructure Division is expanding sales of carbon fibers in around 15 countries.



Industrial Supply & Infrastructure Business

Sangyeop Lee
Functional Materials Department



What are carbon fibers?

Carbon fibers are extremely fine fibers that are made of carbon atoms that have formed a crystalline structure. They are produced by carbonizing acrylic fibers or coal tar pitch (a byproduct of steel production) at high temperatures. Carbon fibers are lightweight and strong materials and are used in a wide range of products ranging from everyday products such as bicycles, golf clubs, tennis racquets, and other sports equipment to building reinforcements that ensure safety, as well as automobiles, aircraft, and satellites.

Primary applications of carbon fibers for creating a decarbonized society

Wind power generation blades

The installed capacity of wind power generation primarily as a source of clean energy is expanding rapidly centering on Europe, the U.S., China, and India. Blades are becoming larger in order to increase generating efficiency, and recently large blades with diameters of more than 140 m have been developed. When the size of a blade increases, it can capture larger amounts of wind, and as a result generating efficiency is higher. However at the same time, they also involve a higher risk of blades striking the supports and being damaged as a result of flexure due to the wind force while turning. Because the use of lightweight and high rigidity carbon fiber composite materials can prevent this risk, the amounts of carbon fibers used are growing year by year.

Hydrogen tanks

Decarbonization utilizing hydrogen is being carried out in countries around the world. The establishment of a supply chain

for creating a hydrogen society has become an urgent issue, and demand for the pressure vessels necessary to store and transport hydrogen is growing. By wrapping a metal or plastic liner with carbon fibers, it is possible to design and manufacture pressure vessels that are lightweight and have high storage efficiency. As a result, the demand for pressure vessels using carbon fibers is growing every year.

Fuel cells

Fuel cells are a source of clean energy that generates electricity by a chemical reaction between hydrogen and oxygen, and are primarily installed in fuel cell vehicles (FCV). Carbon fibers in a paper form are used in the gas diffusion layers that are part of a fuel cell, and the superior conductivity, drainage performance, and gas permeability contribute to improving FCV fuel efficiency and extending the lifetimes. As the use of FCV become more widespread in the future, it is expected that demand for carbon fibers will grow even further.

Future prospects

The Industrial Supply & Infrastructure Division supplies high-quality carbon fibers for a wide range of applications, centering on wind power and hydrogen, supporting the transition to green energy at countries worldwide together with customers and suppliers. In the future, we will continue working to construct a new supply chain and strengthen the sales system in order to meet growing demand and needs, and contribute to the creation of sustainable societies around the world.



Initiatives based on the five pillars supporting our growth strategy – Business introduction



Business with Centaco Co., Ltd. (Thailand)

The Foodstuffs Division together with Centaco in Thailand have created, and are operating a commercial business for, the Botanical Chicken brand of chicken that is raised using feed composed 100% of vegetable protein and uses no fishmeal, fats, or other animal proteins.



Foodstuffs Business

Yuka Eda

Meat Department No. 3



About Centaco Co., Ltd.

Centaco is a leading company in the field of chicken farming, with an integrated production system that includes chicken raising, processing, and sales. Centaco is particular about food safety and quality, and its products are sold to customers both domestically and overseas. NST has maintained a business relationship with Centaco for more than 40 years, and has constructed a strong relationship of trust.



Relationship with SDGs

Because chickens raised on feed made from vegetable protein are higher in protein and lower in fat (NST study) than chickens raised on feed made from animal protein, they can meet the recent demand for increasing health awareness, and are expected to help maintain and improve people's health.

Furthermore, because it is not necessary to secure animals for the feed, we believe that this product can also help to resolve the "protein crisis" as demand for food meat grows as a result of global population growth and economic growth in developing countries, and as protein demand rises backed by factors such as the diversification of consumer needs.



About Botanical Chicken

Botanical Chicken is an original NST brand product. Based on our desire to sell products that meet social needs such as ethical consumption, we launched a commercialization project jointly with Centaco in June 2023.

Feed made of 100% vegetable protein is used to raise the chickens, and a special NST production line has been constructed at Centaco for the processing process. Only products which pass inspection using an X-ray inspection system on loan from NST just prior to shipping are sold under the Botanical Chicken brand, allowing us to provide safe and reliable products.



Future prospects

Sales of Botanical Chicken have only just started, however we expect demand to grow in the future due to social needs such as increasing health awareness and the need to address the protein crisis. We also expect the amount of the product sold by NST to grow, and Centaco is planning to expand its plant in 2027. We have also begun creating products based on the same concept with a supplier in Brazil, and expect to begin sales to customers who prefer Brazilian chicken during the autumn or winter of 2024.

Even at volume retailers that prefer chicken produced in Japan, chicken produced overseas is gradually being introduced for sale. We will continue to promote sales of healthy, safe, and reliable chicken raised on 100% vegetable protein feed, and will contribute to "a recycling-oriented society and sustainable living" that is one NST materiality.



Going beyond just being environmentally friendly **UNDYED® – Creating fashion that is never dyed**

Operation of the original brand UNDYED®

Based on the concept of manufacturing that allows users to enjoy the original color, texture, and comfort of natural materials, MN Inter-Fashion operates the original brand UNDYED® which uses organic cotton and minimizes the use of chemical dyes and other chemicals.



Textiles Segment

Osamu Kitawaki
MN Inter-Fashion Ltd.



About UNDYED®

UNDYED® is a material label that produces products utilizing the original color and texture of natural materials, without the use of dyes or bleaches. It uses organic cotton to create undyed and unbleached products in order to minimize environmental impact. This allows users to enjoy the natural colors and textures, and allows us to provide sustainable fashion that is harmonized with nature.



Reason for becoming involved with UNDYED®

Because the textile industry uses and discharges large amounts of water in the process from cultivating the raw material cotton to producing the products, it is said to be an industry with a large environmental impact. The production of a single T-shirt requires more than two tons of water, and enough water to fill 2 million Olympic-sized swimming pools is used in the dyeing process every year.

As we consider sustainable manufacturing, we believe that avoiding the wasteful use of water and eliminating the dyeing process that uses chemical dyes and other chemicals will not only minimize the environmental impact but also provide safety and peace of mind to the people who wear the clothes and to the people and land where they are produced. This is the reason why we launched this brand.



Features of UNDYED®

UNDYED® uses the colored organic cotton that was first successfully cultivated by biologist and entomologist Sally Fox. Because the UNDYED® fabric uses no chemical dyes or other chemicals and is not bleached, it does not require fabric softener, and focuses on the original texture of the raw materials. For this reason, although the shrinkage rate varies depending on the color, cotton scraps may remain, and nonuniformity of the threads may occur, we have carried out this initiative together with customers who sympathize with this concept.

The organic cotton used in UNDYED® comes in three colors: brown, green, and white. By using a method known as iron mordanting, we succeeded in producing khaki and heather grey colors, expanding the color variations and expanding the range of fashion applications.

Future prospects

This initiative was initially started from the perspectives of SDGs and sustainability, however now one of its goals is to have people recognize and share the understanding that fashion can be enjoyed as a style even when it is not dyed.

At present we are focusing on activities in Japan, and are proceeding as the number of customers who sympathize with this concept steadily grows. In the future, we will incorporate even more diverse materials and designs, and expand the potential of sustainable fashion. We will aim to provide better products that are not only environmentally friendly but also strengthen the relationships of cooperation with local communities and producers.



Digital Transformation (DX) Strategy

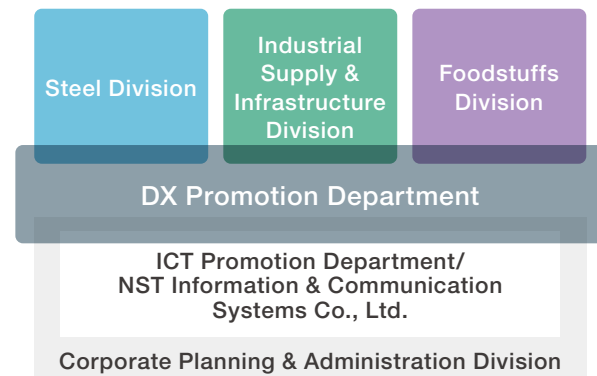
Creating new value across the entire supply chain through advanced ICT utilization

NST aims to achieve distribution reform and create new value by leveraging advanced Information and Communication Technology (ICT) to fully digitalize trading operations and optimize the entire supply chain.

DX promotion formation

The DX Promotion Department places its members in each business division, and studies and carries out business processes improvements utilizing ICT. It combines DX measures with a variety of tools to support comprehensive operational improvements for the company.

To ensure operations are integrated with management, the DX project roadmap is regularly reported to the Management Meeting.



Introduced Tools

Workforce Optimization Measures	Support Measures for improving Intellectual Productivity
Electronic signature service (ContractHub, DocuSign, etc.) Electronic document storage system (Paples, etc.) RPA (Robotic Process Automation) OCR (Optical Character Recognition/Reader)	BI tools (NST Business Watcher) Supporting tools for business app creation (kintone, etc.) Generative AI (ChatGPT customized for NST operations) DX HR development measures (lectures and trainings)

DX HR Development

To maximize the utilization of DX systems and drive distribution reform and corporate transformation on a global scale, it is essential to foster talent capable of systematic, data-driven thinking and creating new value from a digital perspective, while aligning with the mindset shift of executive leadership.

In addition to lectures for executives and senior management in FY2023, NST has conducted training for developing personnel who will be the DX leaders in each workplace. We also continue recommending all employees to take the IT Passport Examination (conducted by the Ministry of Economy, Trade and Industry) and training for the use of ICT tools in everyday work, thus aiming to improve the ICT literacy of all employees.



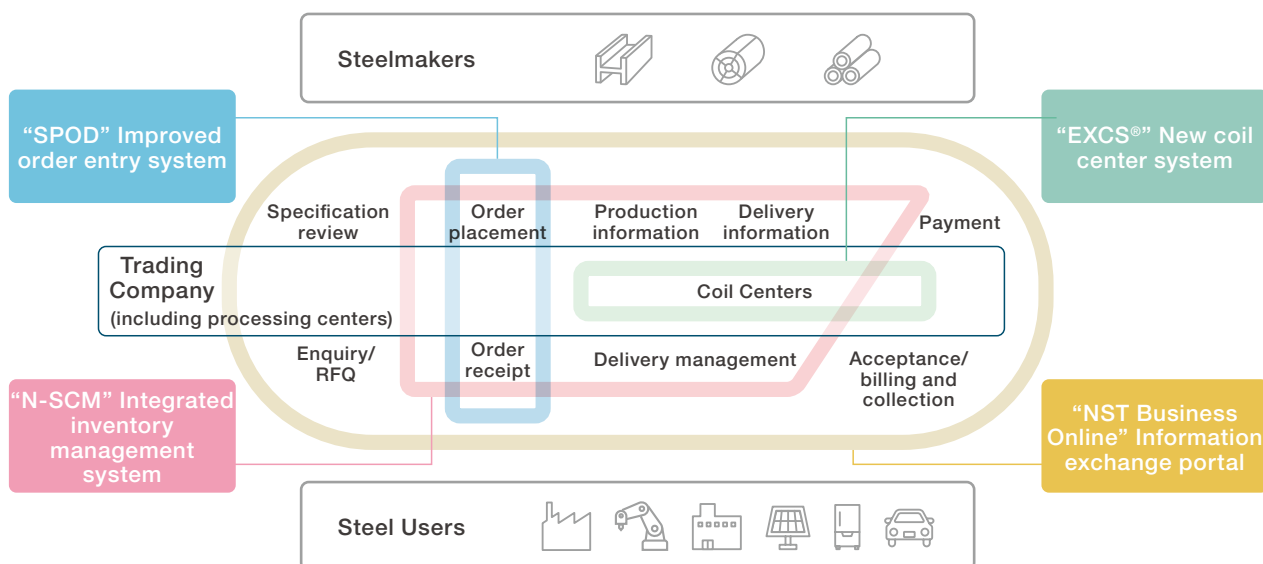
Training session for developing practical DX leadership

A workshop sessions series for training 24 younger- to mid-level employees, selected from each Business Division and the Corporate Planning & Administration Division was held from April to June, 2024. There were several discussions over a redefinition of NST corporate value and creation of new value through advanced utilization of ICT to create new business and carry out dramatic innovations in the company. On the final day, the trainees gave presentations to company officers. We will continue to conduct this kind of workshop-format training as well as lectures for implementing a shift in the mindset of executive management.



Overview of steel DX measures

To proceed with digitalization of steel distribution, four systems have been introduced by the first half of FY2023: improved order entry system (SPOD), integrated inventory management system (N-SCM), new coil centers system (EXCS®), and information exchange portal (NST Business Online). In the future, we will further expand their functions and deploy them at greater numbers of sites. Since becoming a subsidiary of Nippon Steel in April 2023, we have been holding active discussions aiming at sales synergy of both companies through DX measures.



System name	Purpose of introduction	Current status
"SPOD" Improved order entry system	Standardization of order placement work, strengthening check functions, improving operating accuracy, improving efficiency, and reducing human errors	Introduction at all sales sections completed by the end of September 2024. Now expanding usage of dynamic data upload functions (number of uses tripled compared to the previous year). Also actively supporting incorrect shipment prevention and improvement of efficiency in operation.
"N-SCM" Integrated inventory management system	Automation of inventory control in repeating transaction fields Quicker responses to situation changes	Introduction in the automotive flat products departments completed. Now deploying the system to flat products other than automotive products and to steel pipes & tubes.
"EXCS®" New coil center system	Updating the ERP systems at subsidiary coil centers Updating specifications to the most advanced version, and consolidating them for all subsidiary systems	Full-scale operation has started at the NSM coil center in Ariake, Tokyo. Deployment is planned to other sites of the company in FY2024. In parallel, deployment is in progress at NSTCCM in Mexico.
"NST Business Online" Information exchange portal	Construction of a digital infrastructure for converting information exchanged with business partners, to data Improving the accuracy and efficiency of data exchanges Strengthening DX functions by linking SPOD, N-SCM, and EXCS®	Introduced at around 80 companies for outside users. The mill certificates have been downloaded more than 8,000 times through the system.

TOPICS

Status of trial introduction for generative AI

In December 2023, NST constructed a special environment where there is no risk of information leakage, and introduced business generative AI (ChatGPT) on a trial basis. The number of users has grown every month, and in order to further expand use, new functions have been added based on input received from company users. In the future, we will train the generative AI on NST in-house rules, and develop a chatbot tool for responding to employee questions. We will also introduce Copilot to support document creation, and further improve the convenience of use within the company.

Use of the latest AI models



Addition of a Bing Search function



Upload of PDF and Word files



Function for upload and transcription of audio data



Upload of image data (summarizing and translation of contents written on paper media)



Scenario function (creation of templates for the instruction text for generative AI (prompt) for individual applications)



Human Resources Strategy

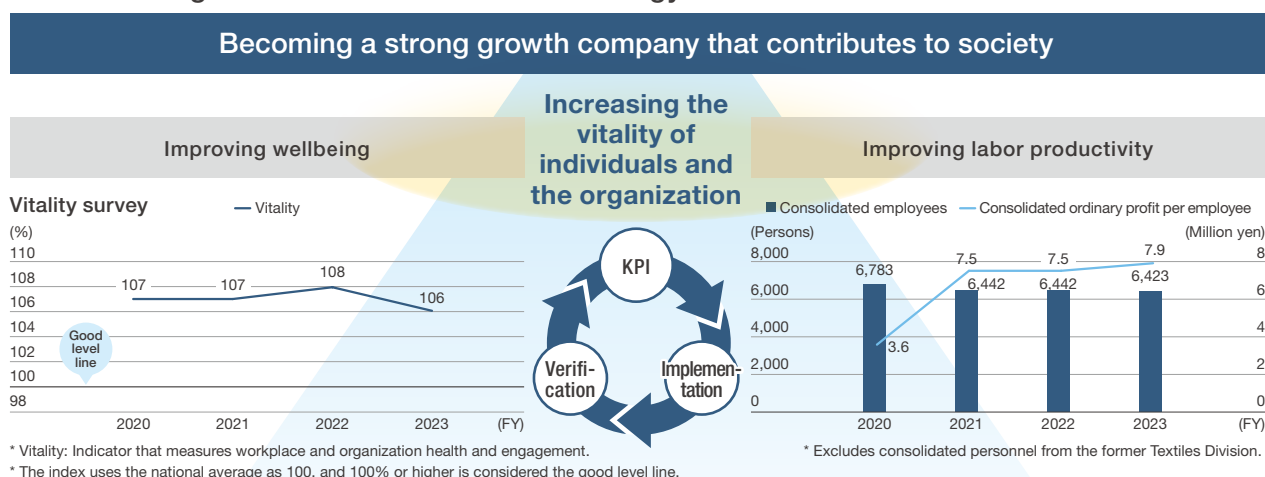
Our company's most valuable asset is its people. In order to overcome future structural changes in the business environment and continually improve our corporate value and "become a strong growth company that contributes to society" as the business environment is undergoing dramatic changes, we believe it is important that we accept a diverse range of human resources and prepare work environments where every individual can put their abilities to maximum use in their respective business areas.

By constructing and implementing a human resources strategy that is linked to our business strategies, we aim to carry out a growth strategy and continually improve our corporate value.

Four pillars supporting our human resources strategy

The four pillars supporting our human resources strategy are "Expanding human capital," "Diversity & inclusion," "Safety and health management," and "Innovations in working styles." We are carrying out a variety of measures based on the four pillars supporting our human resources strategy, creating a worker-friendly workplace where each employee can grow while respecting each other's individuality and diversity and working hard and encouraging one another. We are also working to develop human resources through fulfilling work in order to invigorate individuals and the organization and improve wellbeing and labor productivity as we aim to "become a strong growth company that contributes to society."

Overall image of the human resources strategy



Four pillars supporting our human resources strategy

Expanding human capital	Diversity & inclusion	Safety and health management	Innovations in working styles
- Create and implement a skills development menu suitable for the changing times and business needs. - Secure and train superior human resources in line with skills development.	- Prohibit any and all discrimination based on age, gender, nationality, or other characteristic. Respect human rights. - Prepare an environment where employees who are facing a wide range of circumstances as a result of childcare, nursing care, illness, or other reason can work actively.	- Maintain and improve employee health, which is an important foundation for carrying out management issues. - Construct an approach for supporting a balance with work for employees who are suffering from long-term illnesses.	- Promote working styles with a good work-life balance, and improve labor productivity and employee engagement. - Prepare office environments that improve working motivation and working comfort.
Risks		Opportunities	
If correct action is not taken, labor productivity may decline, human resources may depart the company, business opportunities may be lost, and medical expenses may increase.		By creating comfortable workplaces and fulfilling work, we can improve labor productivity, promote mental and physical health, secure superior human resources, and expand business opportunities.	

Initiatives for human capital management

2018	2019	2020	2021	2022	2023
- Began initiatives for innovations in working styles. - Action plan for promoting women's empowerment and advancement of measures to support raising next-generation children (Phase 2) - Acquired Kurumin certification. - Acquired Eruboshi certification (2 stars).	- Introduced a remote work system. - Introduced satellite offices. - Formulated the Health Declaration, obtained Outstanding Health & Productivity Management Organization certification. - Registered as a corporation with a 100% male employee childcare leave declaration. - Introduced a rehiring system.	Introduced a year-round business casual dress code.	- Action plan for promoting women's empowerment and advancement of measures to support raising next-generation children (Phase 3) - Acquired Kurumin certification (2 stars). - Acquired Platinum Kurumin certification.	Relocated the Head Office to Nihonbashi.	- Delivered the president's message on eliminating harassment. - Conducted CDP (Career Development Program) training. - Held a fitness measurement event.

Expanding human capital

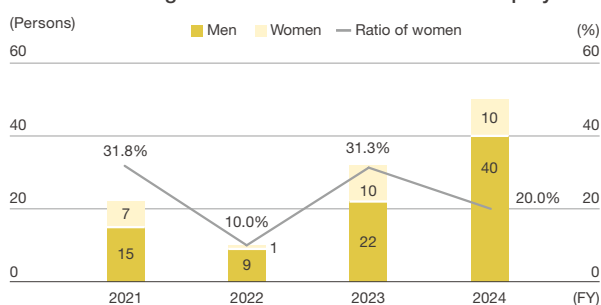
The NST Group has reduced fixed expenses and general & administrative expenses by drastic improvement of value-added productivity and reorganization, consolidation, and elimination of the Group's manufacturing and sales bases. In order to achieve further future business growth in new demand fields such as carbon neutrality and overseas growth markets, we will focus on further expanding our human capital, securing the human resources to support profit growth, and training professional human resources, and will focus investment of our strategic sales capabilities in fields and regions where future growth is expected.

Item	Measures	Results
① Securing the human resources that will support profit growth	- Continue carrying out recruitment of new graduates aimed at future growth, and improve the recruitment brand strength. - Expand internships for students. - Carry out mid-career recruiting based on the Medium- to Long-Term Management Plan. - Introduce a system for leave to accompany a spouse who has been assigned overseas. (October 2024) - Introduce hiring of alumni (employees who retired from the company). (October 2024)	Number of new graduates hired as career-track employees Joining the company in April 2023: 32 persons Joining the company in April 2024: 50 persons
② Training professional human resources	- Strengthen organizational and human resource management capabilities, and reinforce issue formulation abilities and issue implementation abilities. - Expand training to support independent skills improvement. - Carry out training for improving the level of executives and management positions aimed at producing company growth and achieving the goals of the Medium- to Long-Term Management Plan, as well as training for future management positions, mid-level employees, and young employees.	
③ Making active use of human resources	- Carry out career development and talent management (visualization). - Implement and promote human resource rotation based on a medium- to long-term perspective.	

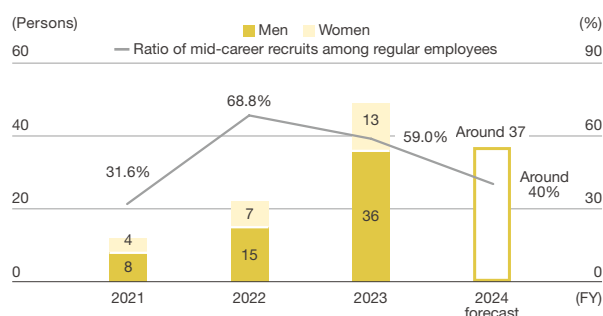
Securing the human resources that will support profit growth

In order to achieve continuing profit growth, it is essential that we secure a diverse range of human resources who will carry out our growth strategies. In the future, we will actively expand hiring of new graduates and mid-career recruiting to further advance as a group of professionals who can identify customer needs from diverse perspectives and can accurately meet those needs. Beginning from October 2024, we introduced hiring of alumni (employees who retired from the company) and a system for leave to accompany a spouse who has been assigned overseas.

Number of new graduates hired as career-track employees



Number of mid-career recruits



Conducting events and internships for students

In FY2023, we conducted a 2-day workshop and 5-day internships. At the 2-day workshop, participants learned trading company business basics, and contents that allowed them to experience a career at NST through work activities modeled after actual experiences of NST employees. At the 5-day internships, the interns asked questions to employees and presented ideas for new trading business from a student perspective, allowing them to fully experience the excitement of working at NST.



Scene from the internships

VOICE Comments from a recruitment leader



Jing Wen Chong
Human Resources
Department

During new graduate recruitment activities, we aim to hire human resources who understand the NST Employee Code of Conduct and who can contribute to the creation of new social added value. In order to prevent disillusionment with their image of work at a trading company and prevent employees from leaving the company within three years after being hired, we obtain the cooperation not only of the Human Resources Department but also of employees who are active in everyday workplaces, and plan and carry out recruitment events intended to communicate the reality of NST to the students. We will continue to engage in recruitment activities that can contribute to company growth.

Expanding human capital

Training and making active use of professional human resources

As prescribed in our Corporate Philosophy, we are “aiming to become the kind of organization that increasingly cultivates, utilizes, and values human resources and their talents,” and human resources development is an important management theme. As a strong growth company that contributes to society, professional human resources are essential in order to realize the company growth strategies through initiatives such as developing new products and services, opening new markets, and improving productivity so that we can continually improve our corporate value. NST provides a wide range of opportunities for growth that support the ambition and efforts of each individual employee for self-improvement. We also have prepared skills development programs including training the next generation of management and management candidates, and strengthening global abilities and expertise, and we are focused on training professional human resources. We are also making active use of our human resources, such as by introducing a human resources rotation system.

Basic approach to human resources development

- 1** Promote the training of human resources who can achieve our business strategies while following our Corporate Philosophy and Management Principles.
- 2** Carry out skills development programs linked with the personnel system for the purpose of “cultivating, utilizing, and valuing human resources” that is part of our Corporate Philosophy.
- 3** Provide support for the ambition and efforts of each individual employee for self-improvement.

Objectives		Skills development programs	
Training management and management candidates	Strengthen organizational management abilities and subordinate training abilities. Develop the next generation of management human resources through tough assignments.	■ Training for development of management human resources (Sending employees to business school in Japan) ■ MBA e-learning, etc.	
Enhancement of global capabilities	Develop human resources who will be at the core of business globalization and localization.	■ Overseas Challenge Program ■ Short-term overseas training program for new employees (all new graduates for main career track) ■ Overseas trainee system ■ Program to learn about an assigned country and seminars on overseas crisis management ■ Enhancing language skills (English, Chinese, Spanish, etc.)	
Enhancement of expertise	Develop human resources who can exercise our secondary manufacturing capabilities and our total solutions capabilities.	■ Training to improve specialized knowledge for each division ■ Financial support for obtaining qualification, and personal development ■ Training on legal affairs and management ■ Practical knowledge acquisition (internal certification system, e-learning), etc.	
Nurturing younger employees	Allow employees to accumulate a wide range of experience, work to improve their basic abilities and workplace skills, and rapidly turn them into strategic assets.	■ OJT mentorship for new employees (development planning documents, monthly reports, development interviews) ■ Training of new employees' mentors ■ CDP (Career Development Program) training * Conducted in FY2023 – 2024, etc.	
Reskilling and recurrent education for pre-senior and senior employees	Improve motivation and make greater use of the senior generation, and develop independent career awareness.	■ Career vision training ■ Pension seminars, etc.	



Skills development is based on OJT, and is conducted in combination with a variety of group training such as level-specific training and specialized training. We carry out a wide range of training including training for younger employees to deepen their knowledge needed to carry out business operations, management position training for learning management basics and acquiring knowledge and skills that contribute to strengthening group management, and global training aimed at developing human resources who can be active in a wide range of business areas. We also have prepared a system for online learning and other independent learning by employees which allows them to select and learn the curricula that they want to learn.

From FY2023 to FY2024, we conducted new CDP (Career Development Program) training for 15 younger employees from all business divisions to discuss the mechanisms and systems that are necessary in order for them to grow independently and achieve what they want, and to make proposals to management regarding their thoughts.

▶P.55 [Special Talk] Discussion Meeting with Executive Vice President Ishihara and Employees

Global training

In actively carrying out business overseas, global human resources training is an important subject. NST has prepared a variety of systems and training programs so that our employees are able to be active globally.

Overseas Challenge Program

This is an overseas training program for selected employees that is intended to expand and enhance human resources for overseas business. It is conducted for career-track employees in their third to 15th year, and consists of a six to 12 month “language course” consisting of language training only, and a “language + practical course” consisting of overseas OJT training in addition to language training.

Short-term overseas training for new employees

This is a system for new (career-track) employees that sends all of them, regardless of the division where they are assigned, to experience work at an overseas Group company, supplier, or other company. It is intended to instill an awareness of the need to strive to be a global human resource at an early stage, as well as a complete dedication to on-site, first-hand experience.

Overseas trainee system

As the core trading company of the Nippon Steel Group, in order to train and expand the overseas human resources necessary for expansion of our growing overseas business, the Steel Division has introduced the “overseas trainee system.” Employees are sent to an overseas subsidiary or other company where they engage in actual duties for around 18 months to two years to develop overseas capabilities.

VOICE Comments from new employees who underwent short-term overseas training



Ayame Mizutani
Steel Planning
Department

Arisa Yokota
Automotive Flat Products
Sales Department

During their short-term overseas training, they visited Group companies in Thailand and Indonesia for six days.

Mizutani: At my training in Thailand, I visited four Group companies, and learned about the processing that each company is skilled at, the different plant formats, conditions of steel in Thailand, and local issues that they face. In the Steel Planning Department, I am responsible for Group company investment support, performance management, and other areas, however I do not have many opportunities to actually visit the sites. Through this training, it became easier for me to picture the local conditions. I will utilize this experience to provide support and performance analysis that is more consistent with local conditions.

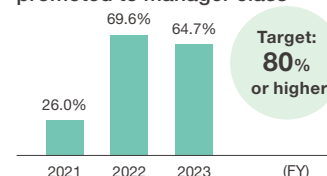
Yokota: In India, I toured a Group company plant and attended safety lectures. I was able to see a large-scale industrial park and plant equipment, and I felt a new respect for the growth potential of India. At present, because my primary work is domestic sales, I was able to learn about the differences in overseas business practices and the difficulties and excitement of working in a different culture through talking with local Japanese staff – something I do not ordinarily get to do. In the future, I will keep in mind the broader perspective that I gained from this training and apply it to my everyday work.

Diversity & inclusion

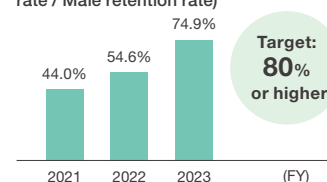
In the NST Group, we are committed to realizing our corporate philosophy and management policies and to achieving sustainable growth. We will create workplace environments where diverse human resources, including women, the elderly, non-Japanese, and people with disabilities, can continue to work comfortably. We are strengthening efforts to diversify our organization, and aim to become an inclusive company where all employees can grow and play an active role.

Item	Measures	FY2023 results
① Promoting and supporting women's empowerment	Long-term goal ■ Preparing work environments where female employees can be active in management positions, 80% or higher ratio of female employees promoted to manager class compared to male employees ■ 80% or higher retention ratio of female career-track employees around 10 years after joining the company compared to male employees	64.7% 74.9%
② Providing support for balancing work with childcare and nursing care	Short-term goal ■ Over 30% ratio of female new graduates hired as career-track employees ■ 3% or more ratio of female management personnel ■ 100% childcare leave taking by male employees (including leave to attend the wife's childbirth) ■ Average 65% or more retention rate for female career-track employees hired as new graduates (up to 15 years after joining the company)	31.3% 3.0% 64.0% 62.0%
③ Promoting hiring of foreign national employees	■ Maintaining a 10% ratio of foreign national new graduates hired as career-track employees	6.3%
④ Promoting employment and empowerment of persons with disabilities	■ Expanded working areas and preparing a working environment for persons with disabilities. (Achieved a 2.3% ratio of employees with disabilities.)	2.0%
⑤ Preventing harassment	■ Communication of messages from the President ■ Harassment elimination campaign ■ Holding workplace discussions	

Ratio of female employees promoted to manager class



Retention ratio of female career-track employees after around 10 years (Female retention rate / Male retention rate)



Initiatives for promoting and supporting women's empowerment

NST is actively promoting and supporting the empowerment of women, including through educational and other activities intended to improve the culture, increasing the numbers of female managers, increasing the hiring rate of female employees, and expanding the system for balancing childcare and work. In 2018, NST obtained the Eruboshi certification (2 stars) from the Ministry of Health, Labor and Welfare, making the company certified as an excellent company promoting the participation and advancement of women in the workplace. Through a wide range of initiatives, we will continue in the future to create an organizational culture where female employees are motivated and continue to work through.



VOICE Comments from an active female employee



Yuko Oyama
Sales
Accounting
Department

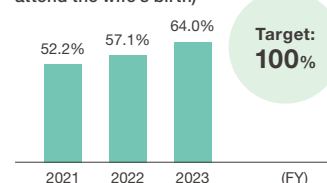
After joining the company, I experienced sales of innerwear and other products in the Textiles Division (title at that time). I then became involved primarily in follow-up of investments in the Corporate Planning Department. During that time, I got married and had a child, and am now in charge of sales accounting as a section manager while raising two children. Even though I am working while raising children, with the extensive company systems and the understanding of my superiors and coworkers, I feel that the workplace environment is very comfortable to work in. I intend to utilize the experience I have gained so far and do my work in a way that contributes to growth of the company while maintaining a balance of work and child-raising.

Initiatives for supporting a balance of work with childcare and nursing care

In 2021, NST received Platinum Kurumin certification from the Ministry of Health, Labor and Welfare as an exceptional childcare supporting company that is engaged in a higher level of initiatives to support a balance between work and childcare. In order to promote use of the childcare leave system, including pre-birth and post-birth leave, leave to attend the wife's childbirth, and post-birth fatherhood leave, we hold seminars introducing the systems related to supporting a balance of work and childcare and explaining how to use them. We have also prepared a system for short-term or long-term nursing care leave when a family member requires nursing care. We will continue to create workplace environments where these systems can easily be used in order to further improve the work-life balance of our employees.



Ratio of male employees taking childcare leave (including leave to attend the wife's birth)



VOICE Comments from a male employee who took childcare leave



Shuto Akamatsu
Meat
Department
No.1

Partly because both my and my wife's parents live far away, I decided to take long-term childcare leave. Because I had shared my intention to take childcare leave within the company several months in advance, with the cooperation of everyone around me, I was able to begin the leave smoothly. I made full use of the company systems including post-birth fatherhood leave, one-year-old childcare leave, paid leave, and remote working, and helped my wife with childcare for around two months after birth, learning much about childcare. It was a valuable experience that allowed me to personally experience the trials and joys of raising a child.

Safety and health management

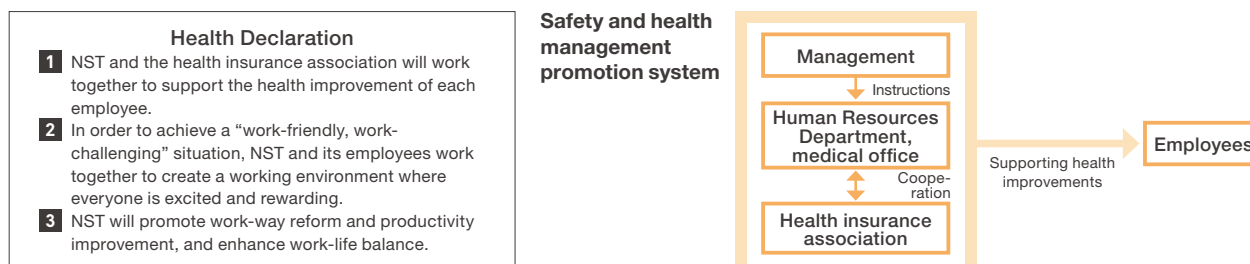
NST has established “Enhancement of initiatives that contribute to further improvement of safety and health management” as a key theme in our ESG management. In order to create working environments where all employees can feel excitement and motivation, and to promote employee health, we have created a tripartite collaboration between management, the Human Resources Department and medical office, and health insurance association that is carrying out initiatives.

We will strive to strengthen our safety and health management by improving measures that take into account work-life balance and health, in order to achieve our goal of “becoming a strong growth company that contributes to society.”

Item	Measures	FY2023 results
1 Constructing a safety and health management system (creating organization that operates a PDCA cycle)	- Maintaining a 100% regular medical check participation rate 10% or lower ratio of high stress employees in stress check	100% 10%
2 Sharing health initiatives through training seminars and office organization	- Early detection of illnesses through digitalization and use of health check-up data - Measures to support a balance of treatment and work - Establishment of outside counselors - Holding of regular physical fitness measurement events	
3 Promotion based on KPI		

Initiative for constructing a safety and health management system

In order to maintain and improve the health of our employees, which is an important foundation for carrying out management issues, NST in 2019 formulated the Health Declaration. Management, the Human Resources Department and medical office, and health insurance association are working together to carry out safety and health management. We were certified for the fifth consecutive year by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi as a 2024 Outstanding Health & Productivity Management Organization (large corporation category).



Conducting regular medical checks and stress checks

NST carries out regular health checks for its employees, and has achieved a participation rate of 100% for the past three years. We will continue to carry out initiatives to maintain this 100% participation rate in the future. We also conduct a stress check once each year for all employees, with meetings with an industrial physician arranged for high-stress employees. Group analysis is also performed for each organization and the results are provided as feedback to executives and to division and section managers. The goal is to prevent harm to health caused by stress and assist with improving personal performance by identifying the conditions of stress in the workplace and helping employees be aware of their own mental conditions.

	Item	FY2021	FY2022	FY2023
Regular medical check	Participation rate	100%	100%	100%
	Participation rate	93.4%	96.0%	95.7%
Stress check	Percentage of high-stress employees	8.8%	8.8%	10.0%

Holding of physical fitness measurement events: What is your fitness age?

So that employees recognize the importance of everyday continued exercise to maintaining and improving fitness, as a new initiative we have begun holding fitness measurement events. Physical fitness is an essential element for employees to continue working in a healthy manner and to spend a more fulfilling private life. We plan to continue this event in the future to provide an opportunity to learn about one's own physical strength and develop exercise habits.

VOICE Comments from an employee in charge of safety and health management



Takashi Kanzaki
Human Resources Department

Safety and health management initiatives are intended to create the foundation so that each employee can maintain the health conditions required so they can be healthy and active even after retirement, and to contribute to individual wellbeing. As the first step, we conduct an internal survey to identify the level of employee recognition and needs for action, and post health-related information and use other means to communicate throughout the company. We will continue to improve health literacy, address women's health issues, and take other steps to contribute to improving the work-life balance. We also believe that these initiatives will lead to higher productivity of individual employees and continual growth for the company.

Innovations in working styles

Preparing an office environment with improved motivation and working comfort

TOKYO Head Office



In February 2022, our Head Office was relocated from Akasaka in Minato-ku, Tokyo to Nihonbashi in Chuo-ku. In order to make the new office a place that supports the wellbeing of employees, the project team conducted repeated studies, and applied input from employees to the maximum extent when creating the office. We will continue to create an office environment where each employee can grow while respecting one another's individuality (diversity) and working hard and encouraging one another.



1 Layout that improves productivity and efficiency

In addition to changing to a free-address system, the layout is focused on communication, including the placement of working spaces where employees can choose their working style according to the contents of their work.

2 Working spaces that are focused on employee independence and flexibility

Places with a diverse range of types were created to enable employees to freely choose their work location according to the contents of the work, and to independently carry out their work without being restricted by time or place.

3 Fashionable café that facilitates communication and produces relaxation effects

The cafeteria in the Head Office does more than just provide meals. It is a multi-function area that can be used in a wide range of situations. The casual atmosphere creates cross-organizational communication, and allows working with a relaxed feel, letting employees make best use of their idea strength, creativity, and concept ability.

Voice @TOKYO



The office is well-equipped and attractive.



Coffee, sandwiches, and other light meals are available in the cafeteria in the mornings, which is very convenient.



The meeting booths are well designed, allowing us to come together quickly and disperse quickly, allowing fast and efficient meetings.

Measures for and indicators of innovations in

In order to improve labor productivity and employee engagement, NST is carrying out initiatives to promote flexible working styles, including reducing overtime work, recommending systematic leave-taking, staggered shifts, and remote working.

Item	Measures	FY2023 results
① Achieving diverse working styles that utilize our human resources	- Promote staggered shifts, and make effective use of remote working and mobile working. - Reduce overtime work (target: 24 h). - Achieve an annual leave-taking rate of 70%.	Overtime working hours: 26.3 h Annual leave-taking rate: 65.2%
② Considerations for work-life balance	Review the evaluation system including performance focus, multilateral evaluations, and utilization of senior citizens.	Now preparing a project for review of the personnel system.
③ Legal compliance	Prepare the work environment.	

NST has enacted a wide range of improvements in order to improve employee productivity and efficiency, and allow them to exercise their creativity and conception abilities, by supporting flexible working styles and more active communication, and preparing an office environment which boosts motivation and ease of working.



The NST Osaka Office moved into Nakanoshima Festival Tower West in December 2017. Input from employees was solicited in March 2023, and the layout was changed to focus on communication. In these ways, we are making improvements to create an environment that is always new and comfortable to work in.

1 A good location with excellent accessibility and a wide variety of facilities in the nearby area

The Osaka Office is located in a super high-rise twin tower with a height of 200 m that is a symbol of Osaka. Because it is located in the central business district, sales activities with minimal traveling are possible. The area is highly convenient and also features restaurants, shops, a festival hall, hotels, museums, and other facilities.

2 Open space with three meter ceilings and a vibrant atmosphere

The scenery from the windows is great, and the space is bright and open. A comfortable office environment has been created, improving the motivation for work.

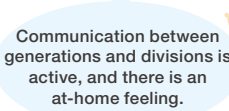
3 Layout focused on communication

We solicited input from employees and installed highly colorful meeting booths and free spaces in the office. The general manager's office is open, with glass sides. Active communication improves teamwork and also increases work efficiency.

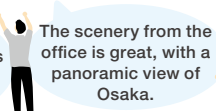
Voice @OSAKA



Being on a single floor improves energy and gives a sense of unity.



Communication between generations and divisions is active, and there is an at-home feeling.

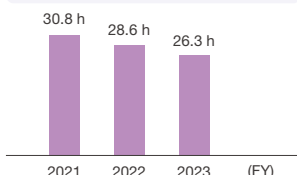


The scenery from the office is great, with a panoramic view of Osaka.

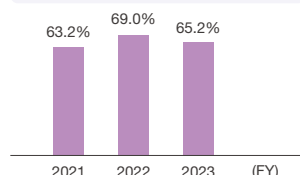
working styles

We have prepared working environments where every employee can maximize their abilities while maintaining a balance between work and private life, and are linking them to further company growth.

Overtime working hours
(working hours exceeding the monthly statutory working hours)



Percentage of paid annual leave taken by employees



OSAKA Office



SPECIAL TALK

Measures for human resources development and utilization to create the ideal image and future, as discussed by Executive Vice President Ishihara and NST employees

Executive Vice President Ishihara and four younger employees who participated in CDP training came together to discuss their individual “ideal images” at Nippon Steel Trading and “the mechanisms and systems necessary for independent growth.”



Hidetake Ishihara

Director, Member of the Board, and Executive Vice President

Toshiki Matsumuro

Plate & Overseas Structural Products Department Steel Division

Ryoma Katagiri

Meat Department No.2 Foodstuffs Division

Kanako Ono

Automotive Flat Products Sales Department 1 Steel Division

Tenma Takeuchi

Functional Materials Department Industrial Supply & Infrastructure Division

What is CDP (Career Development Training)?

This is proposal project-type training in which, together with outside experts, employees discuss the ideal images that they have for themselves and the necessary mechanisms and systems for independent growth, and then present their thoughts to the management team. A diverse range of members, centering on younger employees, participated in this training, giving serious consideration to their own personal growth and the future of the company over a period of around 10 months before making a proposal to the company.

Discussion Meeting with Executive Vice President Ishihara and Employees

“Ideal image” and career options identified at CDP training

Ishihara NST has achieved record-setting profit for the third consecutive fiscal year, and has entered a new growth stage as the core trading company of the Nippon Steel Group. Now, with great possibilities and opportunities in front of us, it is essential that we secure, train, and utilize the human resources necessary for growth. In order to achieve a positive cycle of employee growth leading to company growth, we will engage in human capital management based on our human resources strategy. At this training, you considered your “ideal image” and “the mechanisms and systems necessary for independent growth.” Did this training enable you to identify your “ideal image?”

Matsumuro To be honest, I was not able to identify a clear “ideal image,” however I want to be a person who takes a proactive approach to change and continues to grow while independently considering my career. Previously I was preoccupied with the work in front of me, and did not have the opportunity to think deeply about my career. However through this training, I was able to learn that I want to be a person who continues to grow.

Ono I want to continue working while also enjoying a fulfilling private life. I married a coworker and my husband is now posted overseas. Because we both want to continue our work and enhance our private life as well, at this training, my team proposed a system that would allow employees to accompany a spouse or take leave when a spouse is transferred. No matter what life plan I follow, I want to continue working at NST and build up my career as long as the environment exists for me to continue working.

Takeuchi I want to be a person who can deliver excellent results in both areas of management and expertise (sales). Although NST operates four different businesses, I want to be a person who can transcend department and organizational barriers and act in all areas. Through this training, I had the opportunity to work with people from several different divisions, and I found it very exciting.

Katagiri During this training, because I was focused on the need to do something to make the company better, I was not able to find an “ideal image” for myself. However the training did give me the opportunity to consider my own career. To this point, I have worked only in pork sales, but I

would like to challenge myself with other products in the future and expand the scope of my skills. I want to be a businessperson who can work with a wide range of products, and be active in a variety of areas.



Ishihara I think it is difficult to have a clear “ideal image.” By working hard at the work in front of you, you can grow in that world. However growth in that one world alone is not always enough. It is good to face the next step and have a range of options. We planned this training so that we could get input from all of you, and consider our options for the “ideal image” as a company.

Mechanisms and systems necessary for independent growth

Ishihara In the context of what each of you is aiming for, what do you think are the mechanisms and systems needed in order to grow independently?

Katagiri I think we need a flexible system that allows us to challenge ourselves with other products. I also think that it is important to gain experience overseas. Because one of the major functions of a trading company is identifying new products and introducing them to the markets, I think there needs to be a system that supports employees who want to challenge themselves.

Takeuchi In order to produce results both in terms of management and expertise (sales), I believe it is important to increase one’s options. I think it is necessary to improve the systems which increase opportunities for employees to think about their own careers and gain a wide range of knowledge and experience, and to prepare an environment where employees can grow independently.

Ono When I consider balancing private life and work, I feel we need a system that allows for flexible working styles. I think that a system for allowing an employee to accompany a spouse or take leave when he or she is transferred is extremely important. Rather than working only in Japan, gaining experience overseas can provide a broader perspective. I personally would also like to get overseas experience in order to have a broader range of knowledge and increase my proposal abilities while considering a balance between work and private life.



Matsumuro I have experienced working in multiple divisions, and the atmosphere in each division is different. The atmosphere in my current division is good, and it is very open. Because the way people feel about a division and work varies from person to person, I think some people feel that work which they are doing does not suit them and have concerns about their careers. I believe that making it possible to utilize mechanisms such as the job rotation and in-house matching that we proposed at this training would be good.

Ishihara I think it is extremely meaningful that all of you had the opportunity to think deeply about your own careers through this training. Hearing your opinions, I felt that mechanisms and systems that allow employees to approach work independently are important for growth. In particular, in order to broaden career development options, systematic rotation is necessary. By expanding the range of experience, products, and work both in Japan and overseas, we would like to increase the opportunities for growth. In the future, we will continue to make use of the opinions from our employees and consider specific mechanisms and systems for preparing an environment where everyone can grow independently.

Employee growth leading to company growth

Ishihara Finally, please tell me what you felt through this training, such as your approach to work or your relationship with the company.

Matsumuro During this training, we encountered results from a questionnaire survey of employees indicating that NST employees are a relatively “low temperature group.” I felt that while employees have passion and a desire for growth in their hearts, they are full up with the work that is in front of them, and I think it is difficult for them to develop a desire to improve the company systems. I think it is necessary to prepare mechanisms and systems that increase opportunities for employees to think about their own careers and grow with passion.

Takeuchi Regarding career concerns, I also had a time when I wondered whether it was better to stay where I was or to search for growth opportunities outside the company. However I discussed the situation with superiors and coworkers, and we considered it together. I came to believe that there are still things that I can accomplish at this company. Without the opportunity to have these discussions, employees will be left with concerns about their careers, and I think in some cases this may lead them to leave the company or change jobs. For example, I think it is necessary for the company to create mechanisms for better assisting career development, such as establishing a department that oversees career development or creating guidance materials, and to shorten the distance between the company and the individuals.



Discussion Meeting with Executive Vice President Ishihara and Employees

Ono

One of the reasons that I want to continue working at this company is the working environment. The superiors in my division frequently create opportunities for communication. They understand me very well, and the directions that the department and section are aiming for are clear. I think it is important to ask, "What can I do for this person, or is there something I want to do for this person?" If this receives a positive reaction from the person, that becomes motivation. I am working in this kind of good environment, and feel that the distance between me and the company is relatively close. Therefore, this training did not cause any particular changes in the way I think. However during this training, I heard from members of other divisions that they sometimes do not get reactions to their efforts. If this happens, it becomes impossible to increase motivation for the company and work, and as Mr. Takeuchi said, I think it is important to reduce this feeling of distance.



Katagiri

Through this training, I felt that I became closer to the company. I feel that an environment has been prepared for increasing communication with management and where employees can feel confident expressing their opinions. This was also the case in this training, and I think there are many employees who feel that the distance between themselves and the company is close. In order to make this an even better company in the future, I hope that the company will further increase opportunities for direct conversations with management, and continue working to reduce the distance between the employees and the company.

Ishihara

In order for a company to grow in a rapidly changing environment, it is extremely



important to consider what it is that the people who support the company need. In order to understand this, it is necessary to speak directly with the employees. Through communication with all of you such as at this training and this discussion meeting, I feel that I was able to understand what you think about your own growth and also what kinds of concerns you have. Compared to when I was a young employee, the values of the company and individuals have changed significantly and become more diverse. The options and processes for individual employees to aim for growth are also wide-ranging. In decisions regarding hiring, employment, and changing jobs, employees are in a position to choose their company. In order for us to be a company that is chosen, it is important that we be a company where employees can grow, and where employee growth leads to company growth. I believe that we must listen to the opinions of employees and consider what the company should do and what it should change. Together with all of you, we will continue aiming to be a sustainable growth company that is rewarding to work at, and I ask for your continued support.



Sustainability Promotion System

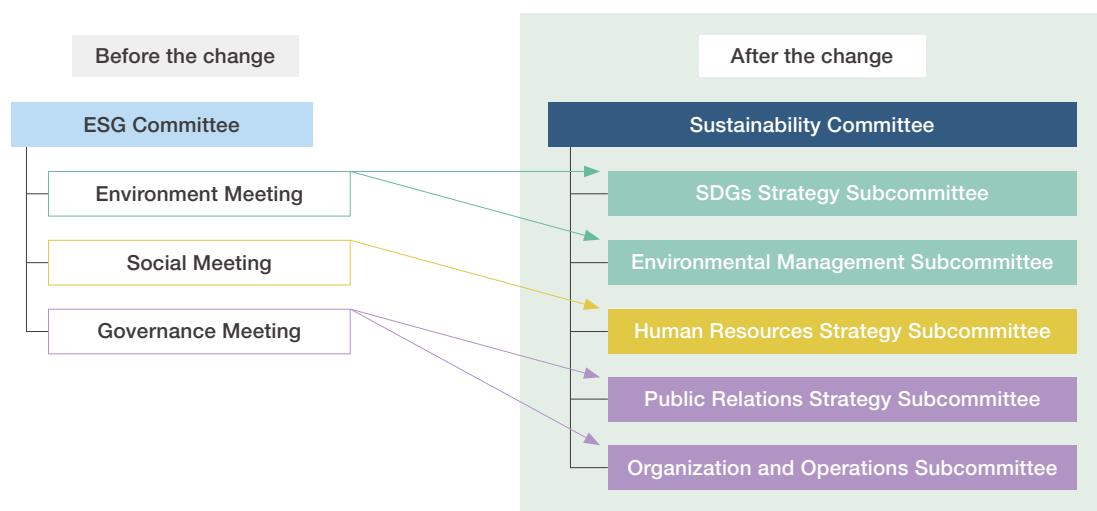
In order to continually create social value and economic value through our business activities, in 2021 NST established the ESG Committee, with the Environment Meeting, Social Meeting, and Governance Meeting as subordinate bodies carrying out specific activities in each area. Recently, in order to more effectively and efficiently expand and implement ESG management, we conducted a review of our Sustainability Promotion System. We will continue to promote sustainability-related activities by incorporating sustainability into our management strategies and operating a PDCA cycle.

The issues and other matters considered and discussed by the Sustainability Committee are reported to and deliberated at meetings of the Management Meeting and Board of Directors, and the Board of Directors carries out regular supervision of this process and provides instructions as necessary.

Review of the Sustainability Promotion System

■ Reorganizing the organizational structure

The name of the ESG Committee has been changed to the Sustainability Committee. In addition, from the perspective of sustainability, in order to better focus on matters such as improving corporate value, securing and training human resources, and improving employee engagement, we have established a Vice Chairman in the Sustainability Committee and have reorganized the subordinate bodies so that they are organized by activity themes rather than by functions as before. As the center of the issues facing our company, we have established five subcommittees as subordinate bodies (SDGs Strategy Subcommittee, Environmental Management Subcommittee, Human Resources Strategy Subcommittee, Public Relations Strategy Subcommittee, and Organization and Operations Subcommittee).



■ Addition of participants

We have added participants in order to vitalize the activities of each subcommittee and achieve more effective contents. In particular in the Human Resources Strategy and the Organization and Operations Subcommittee, the CDP (Career Development Program) trainees and DX trainees participate as employee representatives, creating a system where a broader range of employee opinions can be collected.

▶ P.45 Digital Transformation (DX) Strategy

▶ P.55 [Special Talk] Discussion Meeting with Executive Vice President Ishihara and Employees

Primary matters discussed by the ESG Committee and Sustainability Committee

5th ESG Committee (September 2023)	6th ESG Committee (March 2024)	1st Sustainability Committee (September 2024)
1 Information disclosure based on TCFD recommendations 2 Review of environmental policy 3 Initiatives for eliminating harassment 4 Results of human capital disclosure items 5 Review of announcements and measures consistent with the Sustainability Promotion System and corporate governance	1 Progress of the FY2023 plans in each committee, and the FY2024 plans 2 Study of introducing internal carbon pricing 3 Environmental risk assessment of overseas Group companies 4 Changes of systems and review of measures resulting from the change to a privately-owned company	1 Establishment of Supply Chain Sustainability Code of Conduct 2 Initiatives related to installation of solar power generating systems 3 Initiatives related to the overall human resources strategy 4 Formulation and implementation of strategic public relations measures 5 Initiatives related to improving workplace environments

Diagram of the Sustainability Promotion System

Sustainability Committee

Chairman	President
Vice Chairman	Executive Officer managing the Corporate Planning & Administration Division
Members	Full-time Directors, full-time Audit & Supervisory Board Members, Executive Officer managing the Corporate Planning & Administration Division, and Counsellor
Secretariat	SDGs Promotion Department, Human Resources Department, HR Planning & Development Department, and General Affairs & Corporate Communications Department
Functions	1 Discuss the policies, strategies, plans, and measures related to the NST Group's ESG management. 2 Set KPIs (targets) and annual plans for the NST Group's priority issues (materiality) related to ESG management. 3 Approve annual plans and initiatives for each subcommittee, update the progress of the main measures, and review and provide guidance on issues (including deliberations and decision-making concerning the NST Group's Environmental Management System). 4 Review other important matters related to the promotion of ESG management.

Reporting

Board of
DirectorsSupervision
and
instructionsManagement
Meeting

SDGs Strategy Subcommittee

Responsible person	Executive Officer in charge of the SDGs Promotion Department	Activity themes	1 Support implementation and conduct follow-up of major SDGs-related measures taken by each business division (growth strategy, etc.). 2 Conduct and support improvement of supply chain CSR with consideration for the natural environment and human rights.
Participants	General Managers of the Corporate Planning Department, SDGs Promotion Department, Accounting & Finance Department, Project Development Department, and each Sales Planning Department		
Secretariat	SDGs Promotion Department		

Environmental Management Subcommittee

Responsible person	Executive Officer in charge of the SDGs Promotion Department	Activity themes	1 Implement and conduct follow-up for achievement of the Group's CO₂ emission reduction target. 2 Conduct the Group's environmental management (including ISO14001 certification).
Participants	General Managers of the SDGs Promotion Department, Coil Center Department, and each Sales Planning Department		
Secretariat	SDGs Promotion Department		

Human Resources Strategy Subcommittee

Responsible person	Executive Officer in charge of the HR Planning & Development Department	Activity themes	1 Further strengthen diversity and inclusion efforts 2 Strengthen efforts that contribute to further improvement of safety and health management. 3 Strengthen development of human resources and their career. 4 Further promote workstyle innovations to support the empowerment of employees.
Participants	General Managers of the Human Resources Department, HR Planning & Development Department, and each Sales Planning Department, and selected members from among CDP trainees		
Secretariat	HR Planning & Development Department		

Public Relations Strategy Subcommittee

Responsible person	Executive Officer in charge of the General Affairs & Corporate Communications Department	Activity themes	1 Conduct information disclosure that contributes to management based on trust and reliability. 2 Communicate information for maintaining and improving employee motivation. 3 Improve awareness for securing human resources.
Participants	Executive Officers in charge of the Corporate Planning Department and SDGs Promotion Department, and General Managers of the General Affairs & Corporate Communications Department, Corporate Planning Department, SDGs Promotion Department, Accounting & Finance Department, Human Resources Department, HR Planning & Development Department, and each Sales Planning Department		
Secretariat	General Affairs & Corporate Communications Department		

Organization and Operations Subcommittee

Responsible person	Executive Officer in charge of the General Affairs & Corporate Communications Department	Activity themes	1 Manage organization and operations (including the organizational approach, committees, and decision-making process) 2 Improve workplace environments. 3 Utilize generative AI.
Participants	Executive Officers in charge of the Corporate Planning Department and Information & Communication Technology Promotion Department, and General Managers of the General Affairs & Corporate Communications Department, Corporate Planning Department, Human Resources Department, HR Planning & Development Department, Information & Communication Technology Promotion Department, and DX Promotion Department, and selected members from among DX trainees		
Secretariat	General Affairs & Corporate Communications Department		

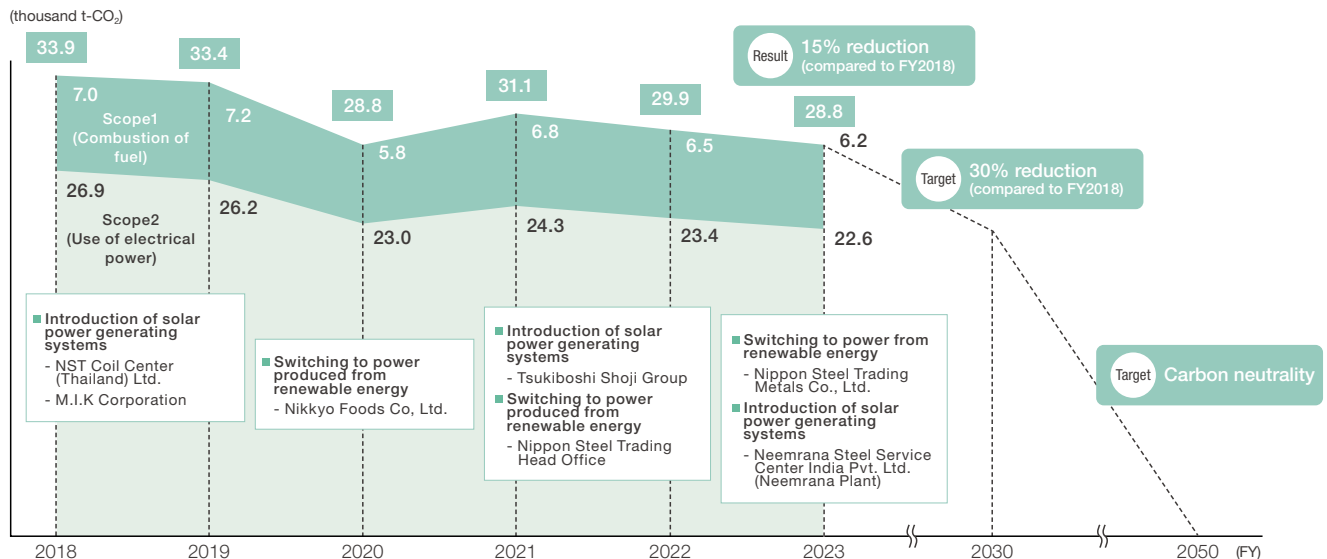
Measures against Climate Change

The NST Group has established “contributing to a decarbonized society and environmental conservation” as one materiality related to ESG management. By reducing CO₂ emissions, proposing eco-solutions through our business, and other means, with the goal of becoming carbon neutral in 2050, we are aiming to achieve both preservation of the global environment and economic activity, and contribute to the creation of a sustainable society. In May 2022, we announced our agreement to the TCFD (Task Force on Climate-related Financial Disclosure) recommendations, and we have been carrying out information disclosure in line with the TCFD framework regarding the impacts of our business activities on climate change and carrying out Group-wide initiatives aimed at achieving carbon neutrality.

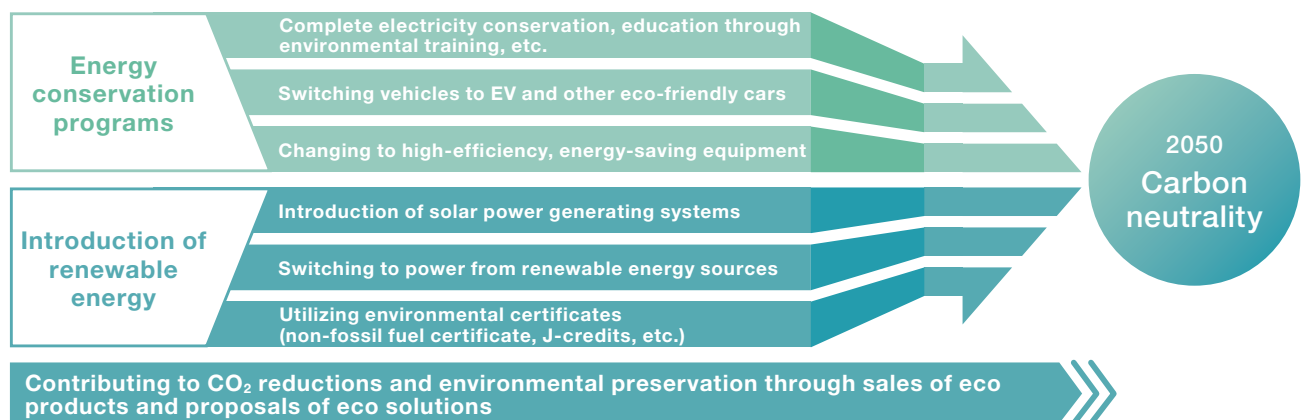
CO₂ emission results

Scope1 and Scope2

The NST Group has established targets consisting of a 30% reduction by fiscal 2030 (compared to fiscal 2018) and achieving carbon neutrality by 2050. CO₂ emissions in fiscal 2023 were 28,800 t-CO₂, a reduction of around 15% from fiscal 2018. Because approximately 80% of CO₂ emissions in the NST Group result from the use of electrical power, we are enacting a range of energy-saving measures such as switching to LED lighting at the plants and offices of Group companies, and turning off lights during lunch breaks. We are also steadily installing solar power generating systems and switching to CO₂-free power produced from renewable energy at the Head Office and Group companies. We are on pace to achieve an approximately 3% reduction in emissions on average for the fiscal year, exceeding the target (2.5%).



Initiatives for reducing CO₂ emissions



Scope3

As the first step in reducing CO₂ emissions throughout the supply chain, NST began visualizing Scope3 emissions in fiscal 2022, and has gradually been expanding the calculation range. In fiscal 2023, we calculated and disclosed figures for nine (2 – 8, 13 – 14) of the 15 categories, and will continue to expand the calculation range in the future.

Initiatives for reducing CO₂ emissions (Scope1 and Scope2)

1 Introduction of solar power generating systems

We are actively proceeding with the installation of solar power generating systems at coil centers and other facilities in Japan and overseas where CO₂ emissions are large. We have so far completed installation at five sites, and have decided on installation at four additional sites by the end of fiscal 2026.

Results and plans for introduction of solar power generating systems

Introduction results	FY2019	■ NST Coil Center (Thailand) Ltd.
	FY2020	■ M.I.K Corporation
	FY2022	■ Tsukiboshi Shoji Group
	FY2023	■ Neembrana Steel Service Center India Pvt. Ltd. (Neembrana Plant)
	FY2024	■ Aguascalientes Steel Coil Center, S.A. de C.V.
Introduction plans	FY2025	■ NIPPON STEEL TRADING COIL CENTER MEXICO S.A. DE C.V.
		■ Bangkok Eastern Coil Center Co., Ltd.
		■ Shenzhen NS Steel Centre Co., Ltd.
	FY2026	■ Neembrana Steel Service Center India Pvt. Ltd. (Sri City Plant)



NST Coil Center (Thailand) Ltd.



M.I.K Corporation



Tsukiboshi Shoji Group



Neembrana Steel Service Center India Pvt. Ltd. (Neembrana Plant)

2 Use of non-fossil fuel certificates and other certification

Beginning from March 2022, we have switched to electrical power produced from renewable energy sources utilizing non-fossil fuel certificates for all electrical power used at the NST Head Office in Tokyo. In the future, we will switch to a menu of electrical power from renewable energy sources, and will make use of non-fossil fuel certificates, J-credits, and other environmental certification, at offices, branch offices, and sales offices to rapidly achieve materially zero CO₂ emissions at the company.

3 Introduction of an internal carbon pricing system

In order to proceed with installing energy-saving and CO₂-reducing equipment in the NST Group, in June 2024 we introduced an internal carbon pricing system. The set internal carbon prices are applied to equipment investment that is expected to reduce CO₂ emissions, and we are incorporating these prices into our investment decisions.

Overview of the internal carbon pricing system

Internal carbon price	10,000 yen/t-CO ₂
Subject investments	Equipment investments that contribute to reducing CO ₂ emissions in the NST Group
Application method	The internal carbon prices are applied to CO ₂ emissions and emission reductions resulting from investment in subject equipment, and we are incorporating these prices into our investment decisions.

TOPICS

Use of the Nippon Steel “Environmental Brand Mark”

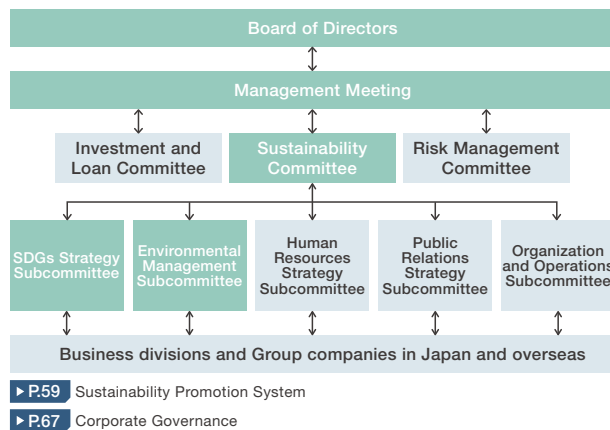
As the core trading company of Nippon Steel, NST aims to contribute to the creation of a sustainable society by reducing CO₂ emissions and through the provision of eco-solutions and other ideas through our business. As one part of these efforts, we are utilizing the Nippon Steel “Environmental Brand Mark” and are communicating and promoting its initiative within and outside the company as we work to carry out further measures.



Information Disclosure based on TCFD Recommendations

1 | Governance

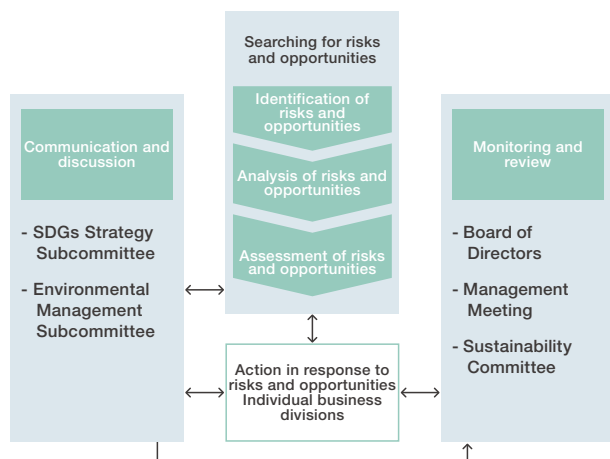
From the perspective of promoting sustainability, NST has constructed a Sustainability Promotion System intended to improve corporate governance, enhance ESG management, and further strengthen risk management. As part of this, the Sustainability Committee that is chaired by the President is held twice every year, and we consider basic policies and measures related to promotion of our ESG management, including matters related to climate, comprehensively and across the entire NST Group. The SDGs Strategy Subcommittee and Environmental Management Subcommittees are subordinate bodies of the Sustainability Committee and carry out implementation and follow-up of various climate-related and other measures. The issues considered and discussed by the Sustainability Committee are reported to and discussed by the Management Meeting and Board of Directors at least once each year. The Board of Directors carries out regular supervision of this process, and provides instructions for action as necessary.



3 | Risk management

NST identifies the risks and opportunities resulting from climate change, and operates an effective PDCA (plan, do, check, act) management cycle in order to carry out improvements. For identification, analysis, assessment, and action in response to climate change risks and opportunities, an internal cross-organizational project team was established and conducted studies. The Sustainability Committee considers and discusses the identified risks and opportunities, and then reports the results for discussion by the Management Meeting and Board of Directors.

Climate change risk management system (diagram)



2 | Strategies

The TCFD recommendations include performing analysis based on multiple climate scenarios when disclosing strategies. In our primary business area of steel, our company has analyzed risks and opportunities, and studied the impact on our business, using 2030 as the time frame and based on two scenarios: one scenario in which the measures necessary are carried out to limit the average rise in global temperatures to less than 1.5°C compared to pre-industrial revolution times, and one scenario in which these measures are not carried out and global average temperatures rise by 4°C.



Considered scenarios

Category	Reference scenario	Explanation
1.5°C scenario	IEA "NZE" (Net Zero Emissions)	In this scenario, the world carries out strong policies related to clean energy and energy conservation, and achieves net zero GHG emissions in 2050.
4°C scenario	IEA "CPS" (Current Policy Scenario)	In this scenario, the world continues on its present course and does not carry out additional policy changes.

IEA (International Energy Agency)

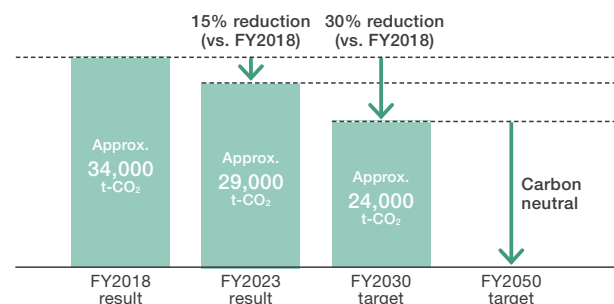
Because the rise in temperatures by 2030 is mostly the same at around 1.5°C for both the 1.5°C scenario and the 4°C scenario, the physical risks cannot be separated in the two scenarios, and it is assumed that the same conditions will exist in 2030.

4 | Indexes and targets

In May 2021, the NST Group identified six priority issues (materiality) related to ESG management, one of which is "contributing to a decarbonized society and environmental conservation." We have decided CO₂ emission reduction targets for Scope1 and Scope2 consisting of a 30% reduction (as compared to fiscal 2018) in fiscal 2030 and achieving carbon neutrality in fiscal 2050, and are taking action to eliminate carbon emissions.

For the NST Group, because approximately 80% of CO₂ emissions are caused by the use of electrical power, we are carrying out a variety of energy conservation programs including introducing solar power generating systems, switching vehicles to EV and other eco-friendly cars, and changing to high-efficiency, energy-saving equipment, and are also systematically switching to power from renewable energy sources and utilizing environmental certificates (non-fossil fuel certificate, J-credits, etc.), in order to achieve our targets.

NST Group's CO₂ emissions (excluding the Textiles Segment)



▶ P.61 Measures against Climate Change

Scenario analysis and evaluation of opportunities and risks in the steel business

		Considered scenario	Opportunities and risks / Impact on our company	NST strategy (including future actions)
1.5°C scenario	Transition opportunities	1 Progress in changing vehicles to EVs - Although there is progress in the change to EVs and the share of steel demand for vehicles with internal combustion engines declines, the total number of vehicles worldwide increases and steel demand for automobiles grows. - Demand for high-performance steel materials such as electrical steel sheet for EVs increases.	- Profits grow as a result of growing demand for steel used in automobiles. - Profits grow as a result of capturing new demand for EV-related products.	- Focus investment of our strategic sales capabilities and enhance sales strength through maximum utilization of the sales information and processing knowledge possessed by Nippon Steel and the NST sales bases, coil centers, and other processing bases in Japan and overseas. - Expand sales of high-performance electrical steel sheet for use in EV motors and electrified parts, and construct a supply chain network.
		2 Progress in changing to lightweight materials as a result of strengthening fuel economy regulations and other means (change to multi materials) Progress is made in changing to lightweight materials from the perspective of strengthening fuel economy regulations.	Profits increase as a result of growing demand for high-strength steel materials such as high-tension steel sheet and for titanium and other materials.	Focus on obtaining orders for high-tension steel, hot stamped steel sheet, and aluminum – materials where further use is expected for model changes and new models.
		3 Growing needs for related products and solutions resulting from a renewable energy and hydrogen society There is an increase in the share of renewable energy among global power generation, and in global hydrogen production.	Profits increase as a result of sales of products and providing solutions that support a renewable energy and hydrogen society.	- Expand sales including underwater foundations (jacket thick plates) for offshore wind power generation, solar panel frames (high corrosion-resistant plated steel), and other products. - Expand sales of steel tubes for hydrogen gas containers, steel tubes for hydrogen circulation in overseas hydrogen towns, titanium foil for fuel cell stack separators, and other products.
		4 Growing purchasing needs for low-carbon raw materials and parts - There is growing attention on electric arc furnaces with low carbon emissions, and demand for iron scrap grows. - The need for environmentally friendly raw materials and fuels grows as a result of initiatives aimed at achieving carbon neutrality in steel production, power companies, and elsewhere.	- Profits increase as a result of growing scrap sales. - Profits increase as a result of growing sales of biomass fuels and reducing agents.	- Expand sales of high-grade scrap and SUS scrap for blast furnaces and electrical arc furnaces in the Nippon Steel Group. - Expand users of black pellets for biomass power generation fuel, centering on power companies.
	Transition risks	1 GHG emissions regulations, carbon pricing - GHG emission regulations are strengthened and as a result of carbon emission targets and policies in each country. - Carbon pricing (carbon tax, emissions trading) is introduced.	Costs for compliance increase as a result of stronger GHG emissions regulations and the introduction of carbon pricing (carbon tax, emissions trading).	CO₂ emissions decline steadily as a result of achieving medium- to long-term targets based on the CO₂ emissions reduction roadmap (FY2030: 30% reduction from FY2018, FY2050: carbon neutral).
		2 Increased demand for action to combat climate change - Demand related to action for decarbonization grows. - Demand for information disclosure related to climate change grows.	Trust and evaluations by the customers drop due to insufficient action to combat climate change or insufficient information disclosure, resulting in lost business opportunities.	- Achieve both preservation of the global environment and economic activity by reducing CO₂ emissions to achieve medium- to long-term targets and providing eco-solutions, and contribute to the realization of a sustainable society. - Carry out suitable information disclosure in line with the TCFD recommendations.
4°C scenario	Physical risks	1 Increasingly abnormal climate Abnormal climate events increase in frequency, and wind and flood damage becomes worse.	Business bases or the supply chain are damaged by large-scale natural disasters, resulting in slower sales and production activities and reduced sales.	- Identify products where there are high procurement risks resulting from natural disasters, and carry out diversification of risks. - Expand the supply chain for stable procurement of raw materials.
		2 Sea level rise and increased damage due to storm surge Rising sea levels cause flooding of buildings and equipment, and immersion of inventory products, at NST Group processing bases (coil centers) in coastal areas.	It is estimated that the sea level rise by FY2030 will be approximately 2.4 cm above the current level. In addition, because the majority of NST Group processing bases are located outside flooding zones, the impact on operations is small.	Formulate a BCP (Business Continuity Plan), conduct disaster readiness training, and take other action.

Supply Chain Management

Promoting supply chain CSR with consideration for labor and natural environments

In November 2024, the NST Group established the “Supply Chain Sustainability Code of Conduct.” The Group operates a wide variety of businesses worldwide, and as a responsible member of the global supply chain, we will continue our efforts to establish a sustainable supply chain that takes into consideration the labor and natural environments.

Supply Chain Sustainability Code of Conduct

In order to contribute to the creation of a sustainable society, the NST Group is carrying out its own initiatives for sustainability, and is also engaged in reducing human rights risks, environmental risks, and other risks in its supply chain, aiming for continual development within the entire supply chain.

The NST Group has formulated the Supply Chain Sustainability Code of Conduct, and requests the understanding and implementation of the Code of Conduct by everyone at all suppliers and other business partners. We are carrying out initiatives for constructing a sustainable supply chain in cooperation with our business partners.

1 Observance of laws and regulations, and respect for international norms

Observe related laws and regulations in the countries and regions where we conduct our business activities, conduct fair business with consideration for international rules and practices, and thoroughly prevent extortion, bribery, and other corruption.

2 Respect for human rights

- (1) Respect the human rights of employees, prevent discrimination in hiring based on gender, race, religion, or other characteristics, and do not engage in abuse or other inhumane treatment.
- (2) Prevent child labor and forced labor.
- (3) Appropriately manage employee working hours, holidays, and leave, and prohibit excessive overtime work.
- (4) Observe the legally mandated minimum wage, and give consideration to paying wages that are at or above a living wage. Do not engage in unjust wage cuts.
- (5) Aiming for smooth discussions between labor and management, respect employees' right to organize and right to collective bargaining.

3 Ensuring working environment safety and health

Endeavor to prepare working environments that are safe, sanitary, and healthy for employees.

4 Quality control

Ensure the quality and safety of our products and services.

5 Consideration for the global environment

- (1) Strive to reduce emissions of greenhouse gases to combat climate change.
- (2) Actively work for the 4 R's of waste (Reduce, Reuse, Recycle, Renewable), and strive to reduce the amount of waste produced.
- (3) Give full consideration to impacts on natural ecosystems, and strive to maintain and preserve biodiversity.
- (4) Promote the efficient use of energy, water, and other resources, and strive to reduce the amounts used.
- (5) Work to prevent or reduce environmental pollution.

6 Information security

Appropriately carry out management related to information security.

7 Corrective action

- (1) In the event it was found that a business partner has violated this Code of Conduct and caused a negative effect on human rights, the environment, or a similar area, request corrective action by the business partner.
- (2) If it is concluded that correction is difficult, consider reviewing the business conducted with that business partner.

8 Information disclosure

Conduct appropriate disclosure of information related to the above items at suitable times.

Communication of the Supply Chain Sustainability Code of Conduct

In order to share our approach with suppliers and other business partners, we have published the Code of Conduct on the NST website in Japanese, English, and Chinese. We are requesting that all business partners of NST and its domestic and overseas subsidiaries, and all new business partners, understand and implement the Code of Conduct.

Nippon Steel Group Human Rights Policy

The Nippon Steel Human Rights Policy was formulated in April 2024. This human rights policy is based on international norms and other principles related to human rights, and prescribes our commitment to respecting human rights, human rights due diligence, remedial actions to address human rights issues, and other issues. It indicates the corporate approach of the Nippon Steel Group with regards to respecting human rights within and outside of the company, and also applies to the NST Group.

1 Commitment to respecting human rights

The Nippon Steel Group supports and respects internationally-recognized human rights (freedom of association, right to organize, right to collective bargaining, the elimination of forced or compulsory labor, the abolition of child labor, the elimination of discrimination in respect of employment and occupation, and a safe and healthy working environment, etc.) expressed in the "International Bill of Human Rights" and "ILO Declaration on Fundamental Principles and Rights at Work" by the International Labour Organization (ILO) and "Guiding Principles on Business and Human Rights" by the United Nations. Based on the recognition that respect for all human rights is the prerequisite of corporate activities, the Nippon Steel Group promotes its business activities with high ethical standards while taking utmost care for respecting human rights based on the "Nippon Steel Corporation Group Code of Conduct", which was established in consideration of corporate social responsibilities.

2 Scope

This policy shall be applicable to all officers and employees of the Nippon Steel Group. The Nippon Steel Group also seeks ways that all stakeholders, including suppliers, understand and support this policy.

3 Compliance with applicable laws and regulations

The Nippon Steel Group complies with laws and regulations of the countries and regions in which the Group promotes business activities. In regions where internationally recognized human rights are not appropriately protected by laws and regulations, the Group strives to respect internationally recognized human rights to the fullest extent possible.

4 Human rights due diligence

The Nippon Steel Group establishes a system for human rights due diligence to identify, prevent and mitigate adverse human rights impacts and seeks to promote continuous practice and improvement of the system.

5 Remedial actions

In the event that it is revealed that the Nippon Steel Group has caused or contributed to an adverse human rights impact in its business activities, the Group strives to take appropriate measures towards remediation thereof.

6 Education

The Nippon Steel Group strives to provide appropriate ongoing education to its officers and employees on respect for human rights.

7 Dialogues and discussions with stakeholders

The Nippon Steel Group strives to promote dialogues and discussions with internal and external stakeholders regarding the Group's initiatives for respect for human rights in its business activities.

8 Information disclosure

The Nippon Steel Group appropriately discloses information regarding its initiatives concerning respect for human rights and their progress through the website and other means.

9 Promotion system

The Nippon Steel Group periodically discusses at and reports to the Corporate Policy Committee and the Board of Directors of Nippon Steel Corporation regarding the compliance with this policy.

Nippon Steel Trading Group Environmental Policy

In October 2023, NST reviewed the Nippon Steel Trading Group Environmental Policy. The review was based on environmental issues which have required action in recent years, and is intended to prescribe our intention for all employees of the NST Group to contribute to the achievement of a sustainable society.

Basic Philosophy

The NST Group recognizes that contribution to a decarbonized society and environmental conservation is an issue of top priority for business management. Through a wide range of global business activities, we will strive to protect the global environment, aiming for the achievement of a sustainable society.

Action Policy

1 Compliance with Environment-related Laws and Regulations

We will observe domestic and overseas environment-related laws and regulations as well as other agreements we have signed.

2 Measures against Climate Change

To address climate change, we will strive to reduce greenhouse gas emissions. In addition, we will contribute to greenhouse gas reduction throughout the supply chain by selling eco-products and proposing eco-solutions.

3 Consideration for the Natural Environment

In our business activities, we will give full consideration to the effects on natural ecosystems and strive to maintain and conserve biodiversity.

4 Efficient Use of Resources and Energy

Based on our recognition that the Earth's resources and energy are finite, we will promote their efficient use. In addition, we will promote initiatives for the 4Rs (Reduce, Reuse, Recycle, and Renewable) of waste management and contribute to a recycling-oriented society and sustainable living.

5 Continual Improvement of the Environmental Management System

We will establish an environmental management system based on our Environmental Policy. To further increase our environmental performance, we will implement the PDCA (Plan-Do-Check-Act) cycle effectively and strive for a continual improvement and enhancement.

6 Communication of and Thorough Compliance with the Environmental Policy

We will communicate this Environmental Policy to all Group employees, conduct training activities, and enhance environmental awareness among all Group employees, aiming to develop corporate personnel who are able to understand the importance of protecting the global environment and take actions toward that goal.

7 Information Disclosure

We will disclose this Environmental Policy to the public and strive to actively disclose environment-related information, aiming to be a company trusted from society.

Corporate Governance

Through reliable operation of its Basic Policy about Internal Control System, NST further enforces its corporate governance, ensures “compliance with laws and ordinances,” “reliability of financial reporting,” and “effectiveness and efficiency of operations,” and aims to improve it continuously.

NST has also adopted the Executive Officer System and aims at the efficient operation of the Board of Directors by separating the function of decision-making and supervision and the function of business execution, and has adopted a system to promptly cope with changes in the management environment.

Board of Directors

The Board of Directors is composed of all Directors and in general meets once a month. It decides important matters regarding company management, and supervises the execution of duties by the Directors.

Establishment of committees within the governance system

In order to further promote corporate governance, we have established the Investment and Loan Committee, Sustainability Committee, and Risk Management Committee.

Audit & Supervisory Board Members

In order to monitor and supervise the execution of duties by the Directors, the Audit & Supervisory Board Members attend important meetings of the Board of Directors, the Management Meeting, and other committees, and can view all drafts and reports in the database. As necessary, they request reports from the Directors and others, and state their opinions.

Management Meeting

The Management Meeting is composed of Directors who also serve as Executive Officers or Advisors, and in general meets twice a month. It discusses important operational policies and other important matters related to company management, and advises the President. The meetings are also attended by Audit & Supervisory Board Members, who can state their opinions.

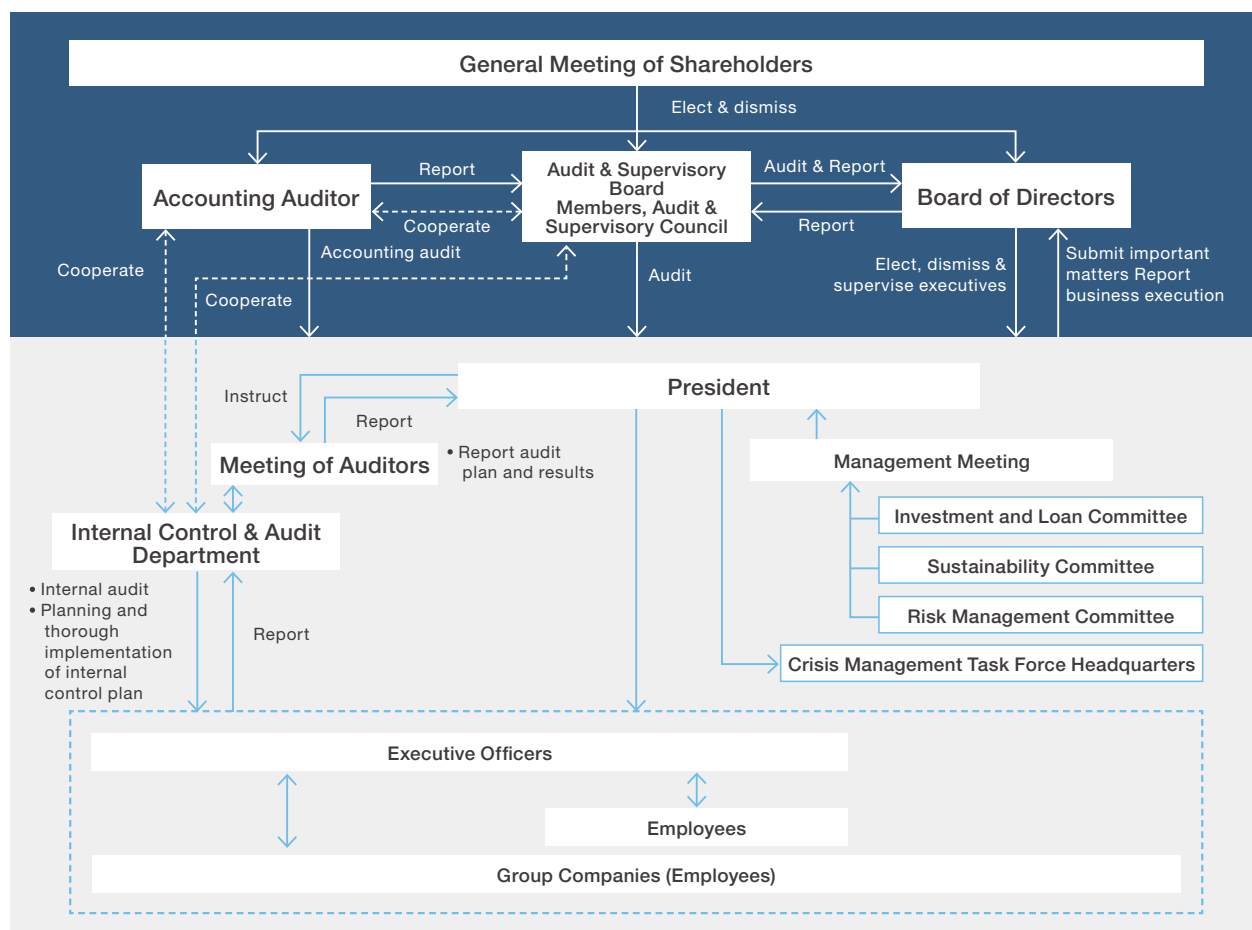
Internal audits

The Internal Control & Audit Department is established as the department for internal controls and auditing, and regularly conducts audits of effectiveness, efficiency, and other matters in the operations of NST and its subsidiaries in Japan and overseas.

Important risks and other matters identified at the audits are reported at suitable times to the Risk Management Committee. For the company-wide risks identified by the Risk Management Committee, the all functional divisions provide support and instruction for improvements, and check the implementation status through internal audits.

As programs for ensuring the effectiveness of internal audits, the audit results are reported to the full-time Audit & Supervisory Board Members at the Audit Liaison Meeting that is held each month, and the annual audit plan, audit results, and other matters are reported to the Directors at the Meeting of Auditors that is held twice annually.

Corporate governance promotion system





Top row from left Makoto Takasugi, Ryousuke Shichiri, Jun Terada, Kazuyuki Isobe, Shigeji Sugimoto, Yuki Ishii, Hiroto Naito

Bottom row from left Kazuhiro Koshikawa, Shinichi Nakamura, Hidetake Ishihara, Tadayoshi Minatani

Executive Team (as of June 30, 2024)

Directors

President and Representative Director

Shinichi Nakamura

- 1982 Joined Nippon Steel Corporation (current Nippon Steel Corporation)
- 2018 Representative Director and Executive Vice President, Nippon Steel & Sumitomo Metal Corporation (current Nippon Steel Corporation)
- 2022 President and Representative Director, the Company (present)

Director, Member of the Board, and Senior Managing Executive Officer

Kazuhiro Koshikawa

- 1986 Joined Nippon Steel Corporation (current Nippon Steel Corporation)
- 2018 Executive Officer, Nippon Steel & Sumitomo Metal Corporation (current Nippon Steel Corporation)
- 2023 Director, Member of the Board, and Senior Managing Executive Officer, the Company (present)

Director, Member of the Board, and Managing Executive Officer

Kazuyuki Isobe

- 1988 Joined Sumikin Bussan Corporation (current Nippon Steel Trading Corporation)
- 2017 Executive Officer, the Company
- 2024 Director, Member of the Board, and Managing Executive Officer, the Company (present)

Director, Member of the Board (part-time)

Makoto Takasugi

- 1987 Joined Mitsui & Co., Ltd.
- 2021 Managing Officer, Mitsui & Co., Ltd. (present)
- 2024 Director, Member of the Board, the Company (present)

Director, Member of the Board, and Executive Vice President

Hidetake Ishihara

- 1985 Joined Nippon Steel Corporation (current Nippon Steel Corporation)
- 2019 Managing Executive Officer, Nippon Steel Corporation
- 2022 Director, Member of the Board, and Executive Vice President, the Company (present)

Director, Member of the Board, and Managing Executive Officer

Jun Terada

- 1988 Joined Nittetsu Shoji Co., Ltd. (current Nippon Steel Trading Corporation)
- 2018 Executive Officer, the Company
- 2023 Director, Member of the Board, and Managing Executive Officer, the Company (present)

Director, Member of the Board (part-time)

Ryousuke Shichiri

- 1994 Joined Nippon Steel Corporation (current Nippon Steel Corporation)
- 2021 General Manager, Corporate Planning Division, Nippon Steel Corporation
- 2024 General Manager, Marketing Administration & Planning Division, Nippon Steel Corporation (present); Director, Member of the Board, the Company (present)

Audit & Supervisory Board Members

Senior Audit & Supervisory Board Member (full-time)

Tadayoshi Minatani

- 1983 Joined Itohan Co., Ltd. (current Nippon Steel Trading Corporation)
- 2011 General Manager, Audit Department, Sumikin Bussan Corporation (current Nippon Steel Trading Corporation)
- 2017 Audit & Supervisory Board Member, the Company
- 2024 Senior Audit & Supervisory Board Member, the Company (present)

Audit & Supervisory Board Member (full-time)

Yuki Ishii

- 1986 Joined Sumikin Bussan Corporation (current Nippon Steel Trading Corporation)
- 2021 President, Shineikou Co., Ltd.
- 2024 Audit & Supervisory Board Member, the Company (present)

Audit & Supervisory Board Member (part-time)

Shigeji Sugimoto

- 1974 Joined Tohmatsu Awoki & Co. (current Deloitte Touche Tohmatsu LLC)
- 1978 Registered as a certified public accountant
- 1989 Partner, Tohmatsu Awoki
- 2016 Established Shigeji Sugimoto Certified Public Accountant Office (present)
- 2016 Outside Audit & Supervisory Board Member, the Company
- 2023 Audit & Supervisory Board Member, the Company (present)

Audit & Supervisory Board Member (part-time)

Hiroto Naito

- 1991 Joined Nippon Steel Corporation (current Nippon Steel Corporation)
- 2021 Executive Officer, Nippon Steel Corporation
- 2024 Managing Executive Officer, Nippon Steel Corporation (present); Audit & Supervisory Board Member, the Company (present)

Executive Officers

Name	Position	Name	Position	Name	Position	Name	Position
Shinichi Nakamura	President	Takaaki Hirose	Managing Executive Officer	Toshiaki Iwata	Executive Officer	Kenji Okada	Executive Officer
Hidetake Ishihara	Executive Vice President	Satoru Ohashi	Managing Executive Officer	Katsunori Suzuki	Executive Officer	Yuji Fujimoto	Executive Officer
Kazuhiro Koshikawa	Senior Managing Executive Officer	Tetsuya Okamoto	Managing Executive Officer	Masayasu Abiko	Executive Officer	Atsushi Megumi	Executive Officer
Jun Terada	Managing Executive Officer	Hideki Takahara	Managing Executive Officer	Nobuyuki Watanabe	Executive Officer	Tomohiro Shirakawa	Executive Officer
Kazuyuki Isobe	Managing Executive Officer	Yasuhiro Nomura	Managing Executive Officer	Kazuaki Hata	Executive Officer		
Hiroshi Tashiro	Managing Executive Officer	Masato Ikura	Executive Officer	Takayuki Kawamura	Executive Officer		

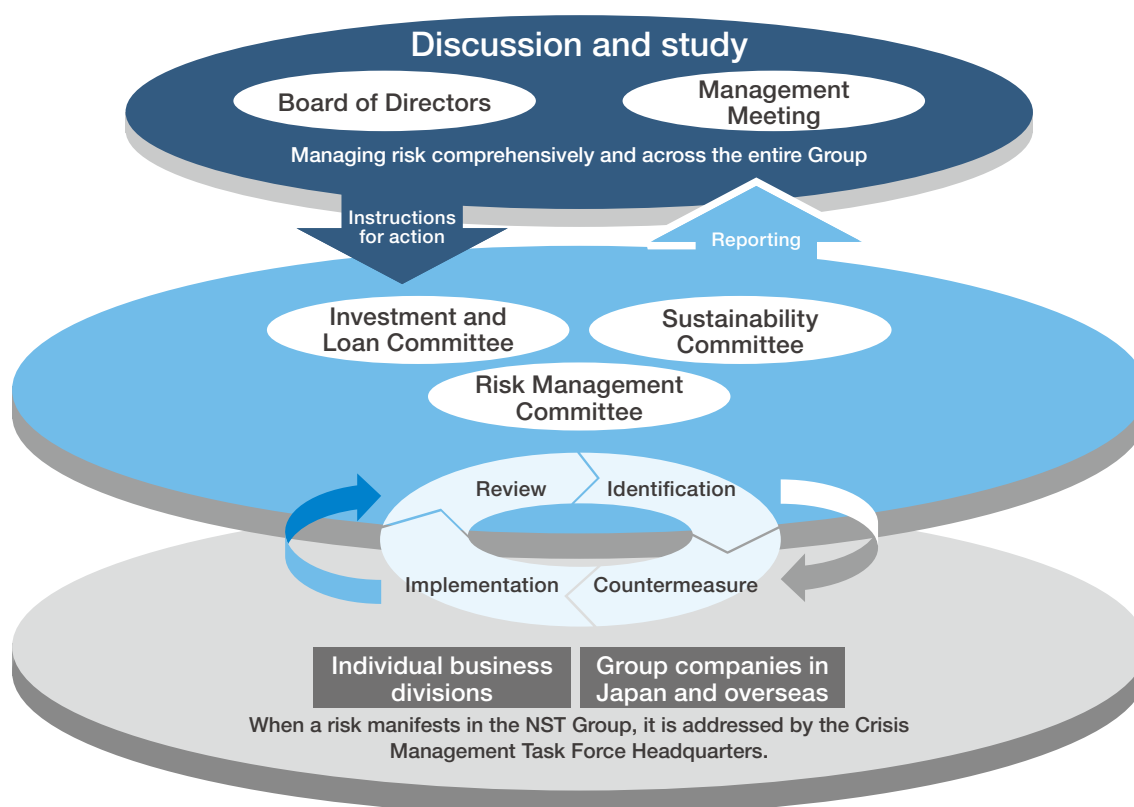
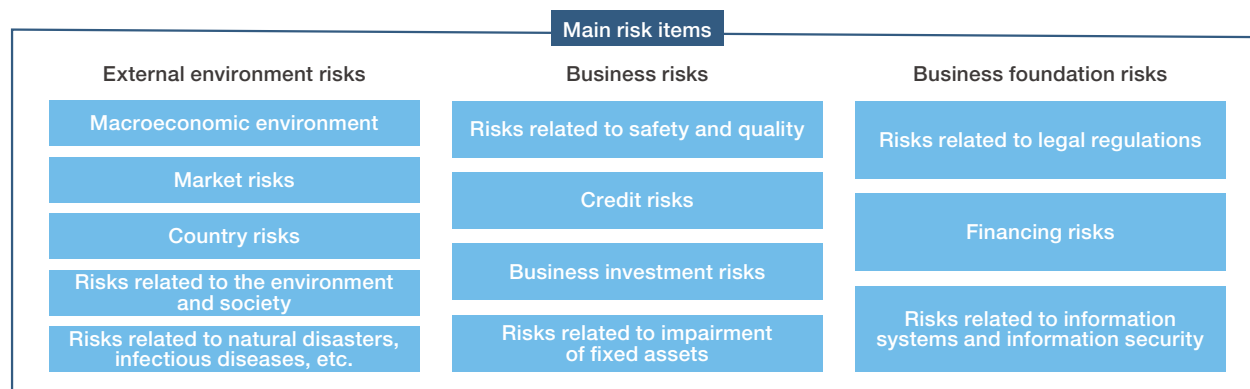
Risk Management

The NST Group operates a wide range of businesses in Japan and overseas including various products, business investments, and provision of services. This exposed us to various risks including political and geopolitical risks, investment risks, and risks related to business operations. These risks have in recent times become increasingly diverse, advanced, and complex. We recognize that risk management for suitably managing and addressing these various risks is essential to ensure the soundness of business management and to maintain and improve corporate value. We have prepared the necessary risk management system and management methods, and are addressing these risks.

Risk management system

We have prepared a system to address changes in the macro political and economic environment that surrounds our company management. This involves reliable discussion and consideration of these changes at suitable times by the internal Management Meeting, Sustainability Committee, and other bodies, and quickly linking the results to action. Furthermore, aiming to manage the risks that surround our Group comprehensively and across the entire organization and take rapid action, we have established the Risk Management Committee, which is specifically intended for identifying, discussing, and studying risks. In order to improve our ability to respond to risks, this committee discusses and considers the specific action to take in response to an individual specific risk, and gives instructions for carrying out this action to related departments.

Through this risk management system, we endeavor to prevent risks from manifesting, and take precise, rapid action in response when a risk does manifest.



Action taken in response to business and other risks

Risk item	Description	Primary action in response
External environment risks		
Macroeconomic environment	- Effects of economic trends and changes in demand in major regions (Japan, North America, Asia) - Effects on existing business models	Implementing growth strategies through global strategies for capturing new demand related to SDGs and other social needs, and extending and expanding overseas business ▶ P.29
Market risks (exchange rate risks, interest rate risks, product price risks, share price risks)	- Risk of exchange rate changes in transactions conducted in foreign currencies - Risk of interest rate fluctuations in the procurement of business funds - Price fluctuation risk inherent in some of the products that we sell - Risk of valuation loss on securities resulting from changes in the price of shares that we own in business partners	- Use of forward exchange contracts based on actual demand - Reducing interest rate fluctuation risks using interest rate swaps and other means - Reducing risks and preventing losses related to business transaction risks based on business management regulations - Regular monitoring of stocks that we own (share price)
Country risks	Risk that claims, loans, or investments may become impossible or difficult to recover due to policy changes or changes in the politics, society, economy, environment, or other area in countries where we engage in trade, overseas investments, or loans	Preventing unexpected losses resulting from increases in country risks based on the country risk management regulations
Risks related to the environment and society	Risks of business delays or interruptions, diminished corporate reputation, or other consequences in the event of a problem related to the environment or society	- Identification of important issues (materiality) related to ESG management ▶ P.23 - Scenario analysis based on TCFD recommendations ▶ P.63 - Calculating CO₂ emissions, setting reduction targets, and taking action to reduce emissions ▶ P.61 - Acquisition of environmental management system (ISO14001) certification - Formulation of the Supply Chain Sustainability Code of Conduct ▶ P.65
Risks related to natural disasters, infectious diseases, etc.	- Effects on business from earthquakes and other natural disasters, or from the COVID-19 pandemic - Effects from large-scale accidents, terrorism, or other unforeseeable events	Formulation of a BCP (Business Continuity Plan); implementation of disaster preparedness measures, disaster drills, etc.
Business risks		
Risks related to safety and quality	- Effects on the lives and health of NST Group employees, as well as effects on society's trust and other consequences in the event of a problem in health and safety, quality control, or similar area - Risk of expenses for product recall, repair, and other measures in the event of a quality problem occurring in the products that we sell	Group-wide activity to eliminate occupational accidents; ensuring quality based on regulations related to safety, reliability, labeling, and other matters for products that we sell; measures to secure the trust of customers and end users ▶ P.71
Credit risks	Risk of deteriorating credit status at customers in Japan and overseas, and problems in meeting loan obligations to the NST Group	Quantitative and qualitative evaluation of customers based on credit management regulations and other regulations, setting credit limits (Expiration dates are set for credit limits, which are renewed regularly.)
Business investment risks	Investment recovery risk in the event that corporate value of an investee company declines due to worsening of business results	Investment management based on standards for new investment and standard for business assessments
Risks related to impairment of fixed assets	- Risk of declining asset value resulting from a drop in the current price of business real estate, a decline in profitability, or other factor - Risk of declining asset value of other tangible or intangible fixed assets (including goodwill)	Regular monitoring of current commercial real estate prices and profitability
Business foundation risks		
Risks related to legal regulations	Risk of effects on NST Group business activities resulting from new or changed laws or regulations in Japan or overseas	Complete observance of laws and regulations related to our business activities based on the Compliance Handbook
Financing risks	Risk of inability to procure funds from financial institutions and investors, and risk of increasing financing cost, in the event of a disruption in financial systems in major financial markets	- Dispersing financing sources and diversifying financing means - Ensuring a certain amount of long-term funds through long-term bank loans
Risks related to information systems and information security	- Risk of loss or leakage of important information, and risk of system stoppage, resulting from cyber attacks - Risk of system stoppage due to server or network damage - Risk of system stoppage due to natural disaster	- Preparation of regulations related to suitable protection and management of information assets, and complete information security training for employees - Continual monitoring for cyber attacks by specialist security vendors - Strengthening measures against failure through duplication of important servers and networks, and through Cloud use

Safety, Quality Control, Compliance

Among the various risks, NST focuses its attention on further strengthening company-wide efforts concerning risks related to safety, quality, and compliance. It includes cooperative efforts with the business and functional divisions to identify the critical risks that could have a serious impact on management, and to examine and implement measures to eradicate them.

Initiatives for safety

Steel Division (Technical Support & Safety Management Department)

The Steel Division aims for zero major accidents and the elimination of lost-worktime and non-lost-worktime accidents. It is carrying out independent safety activities focusing on the three priority measures listed at right.

Industrial Supply & Infrastructure Division (Industrial Supply & Infrastructure Planning Department)

Priority measures

1 Improved safety awareness level and full observance of safety rules

① Identification and elimination of unsafe actions that persons are unaware of

- Identification of unsafe actions from a workplace perspective
- Deployment of voluntary safety activities among operators (small group activities, calling out to one another)

② Training and instruction to instill safety rules in employees

- Review to create work standards where safety rules are clear and complete adherence to them
- Improving understanding of safety rules and hazard sensitivity (KYT, training using studies of similar accidents etc.)

③ Continued identification and reduction of hidden risks

2 Continued extreme heat countermeasures

- Workplace environmental improvements (wearing air-conditioned clothing, installation of spot coolers, etc.)
- Review of rules for times of extreme heat (break intervals, number of breaks, break locations, etc.)
- Reasonable work plans, workplace culture that prevents unreasonable work (verbal communication campaign, etc.)

3 Continued autonomous management activities for chemical substance regulations

1 Follow-up by checking the progress of voluntary safety audits

- Support was provided to enable each manufacturing site to establish and further strengthen a system in which it can continue its own efforts to identify and resolve improvement issues based on voluntary safety audits.

(Note) Measures to prevent contamination by foreign matter in processed foods in the Foodstuffs Division is listed in its initiatives for quality control.

Initiatives for quality control

Steel Division (Technical Support & Safety Management Department)

In parallel with system implementation by the DX Promotion Department, the Division is reducing the numbers of check items and carrying out thorough double-checking to prevent human errors.

Industrial Supply & Infrastructure Division (Industrial Supply & Infrastructure Planning Department)

Foodstuffs Division (Food Quality Assurance Department)

In the Food Quality Assurance Department, we are carrying out measures to prevent contamination by foreign matter (including allergens) in processed foods.

DX Promotion Department

In quality control, operations requiring manual operation cannot be zero risk. At NST, the DX Promotion Department addresses the challenge of eliminating this quality risk by digitalizing operations across all manufacturers, distributors, and customers.

1 Double-checking through monitoring of the sales department's order entry operations

- In order entry and processing order operations at sales departments in Japan, identify cases of corrected order entries, verify the reason for correction, check the conditions of double-checking, and apply them to work standards.
- Verify order entry operations and optimize work standard documents at sales departments of overseas subsidiaries.
- Create masters and carry out correction of work methods (such as uploading Excel files) with the aim of eliminating reliance on human resources in order entry operations.

2 Support for improvement of priority management items in affiliated companies

- Study milestones toward sharing and reducing quality risks.
- Continue utilizing bar codes and automatic transmission with the aim of eliminating reliance on human resources.

3 Activities to support sales and affiliated companies

1 Thorough guidance and continuous monitoring of key suppliers in the Mobility Business Department and the Functional Materials Department

2 Establishment of a technology quality assurance manager in the division, carrying out quality action for car manufacturers and other customers, and constructing a quality management instruction system for each supplier

1 Stringent selection of processing plants, and thorough analysis and tracing of ingredients, including sub-materials

2 Strengthening of recall training on the production side

3 Engagement of insurance to insure against damages in cases when responsibility is not clear

4 Expansion of support for human resources development (further improvement of safety measures through the use of highly skilled employees)

1 "N-SCM" integrated inventory management system

- Automation of inventory management in repeating transaction fields in order to produce faster responses to changes in conditions, and to prevent shipping problems caused by missing materials or wrong materials.

2 "SPOD" improved order entry system

- Standardization of order placement operations and strengthening of the check functions to improve accuracy and efficiency, and to eliminate human errors.

3 "EXCS®" new coil center system

- Updating and consolidating the core business management systems at NST subsidiary coil centers

All three systems began full-scale operation in fiscal 2023, and we are continuing to expand the functions, increase the number of product categories, and increase the number of sites where they are used. In addition, we are conducting comprehensive development aimed at further full digital conversion of trading company operations by linking with the "NST Business Online" information exchange portal that has begun full-scale operation.

Initiatives for compliance

Basic approach to internal control systems

NST has clarified its basic attitude to emphasize compliance in accordance with the Corporate Philosophy, Management Principles, and Employee Code of Conduct. Based on these policies, NST implements and operates internal control systems appropriately, further strengthens its corporate governance, endeavors to ensure “compliance with laws and ordinances,” “reliability of financial reporting,” and “effectiveness and efficiency of operations,” and aims to improve them continuously.

1 Internal control in business execution (three defense lines)

NST has constructed and maintains an internal control system based on three defense lines: the first defense line comprised of departments engaged in sales, etc.; the second defense line including functional departments, mainly comprised of the Corporate Planning & Administration Division and its departments as well as each sales planning department; and the third defense line comprised of the Internal Control & Audit Department.

First Defense Line (Sales departments, others)

We have constructed and implemented internal control systems based on autonomous internal controls, and each division manages the operation of internal control at its own initiative under the responsibility of each Executive Officer who supervises such division.

Second Defense Line (Functional departments)

We have identified and evaluated risks surrounding the company, constructed a framework to control risks in cooperation with the departments engaged in sales, etc. and provide them with necessary support, as well as take appropriate action including education and enlightenment.

Third Defense Line (Internal Control & Audit Department)

We confirm and evaluate the appropriateness of the structural and operational conditions of the internal control system of the entire Group, and promote improvements to them, while ensuring independence and keeping an objective standpoint.

2 NST Group's internal control systems

NST and each subsidiary shall establish internal regulations to ensure the appropriateness of business in accordance with the Corporate Philosophy, Management Principles and Employee Code of Conduct, and hold business strategy in common based on the business characteristics of each division and subsidiary. Thus, NST and each subsidiary shall operate as a single group.

Each Executive Director, Executive Officer and general manager in NST and the directors of each subsidiary shall have employees fully understand the Corporate Philosophy, Management Principles, Employee Code of Conduct and regulations, and perform self-checks and monitoring. The department in charge of the management of each subsidiary shall operate the subsidiary appropriately in accordance with the “Subsidiary Management Regulations,” the “Subsidiary Management Standards,” etc., under the responsibility of the Executive Officer who supervises such department. NST shall dispatch its Executive Directors, Executive Officers or employees to subsidiaries as Directors or Audit & Supervisory Board Members in case of necessity, and ensure the appropriateness of business execution.

The Internal Control & Audit Department shall cooperate with functional departments, provide instruction and support to prepare the internal control system at NST and its subsidiaries, share information between the Company and subsidiaries, and aim to fulfill the requirements of internal controls. It is also conducting awareness surveys and e-learning related to internal controls for all employees of NST and affiliated companies in Japan and overseas, and is working to improve awareness of internal controls.

Internal reporting system (Compliance Hotline)

NST has established and operates the Compliance Hotline for employees and others at NST and its subsidiaries as a contact for internal reporting and consultations related to risks in the conduct of our operations. It protects confidentiality for reporting, and protects whistleblowers from retaliation. Beginning from June 1, 2024, in addition to the existing contact for internal consultations, the Compliance Consultation Room established by Nippon Steel is also available. A contact system based on contracting to an outside party was also established so that whistleblowers can report and consult with confidence, and we are working to expand and continually improve this system.

TOPICS

Safety activities of NST Tubular Processing (Thailand) Co., Ltd.

Instilling awareness of safe work by creating videos of work standards

The Safety Conference was conducted in May 2024, and an awards ceremony was held for Group companies with a superior record of safety during fiscal 2023. The safety activity contribution award that is given to companies recognized as making a special contribution to safety activities during the year was awarded to NST Tubular Processing (Thailand) Co., Ltd. (overseas category).

In order to improve the safety awareness of young and inexperienced operators, this company started a project based on an idea from local staff to create videos instead of documents for work standards. By actively incorporating input from local staff and from the operators appearing in the videos, it was possible to use the videos to make clear at a glance the points that are difficult to express in documents. Following the completion of the videos, all operators watched with close attention at a trial showing, and assessed that the videos were easier to understand than the ordinary practice of reading the procedures aloud. This will result in improved safety awareness throughout the company.



Video creation project members
Four local operators and Plant Manager Ito (second from right)



Frames from the videos



Part 3

Business Portfolio

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Portfolio

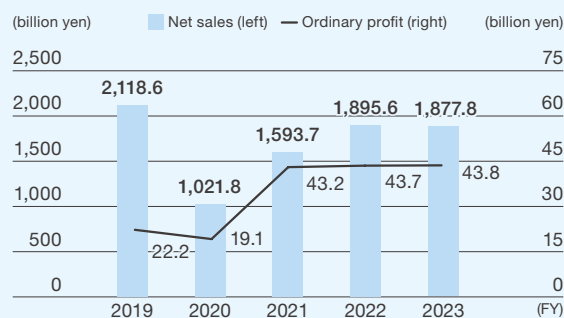


Steel Division

Net sales **¥1,877.8 billion**

Ordinary profit **¥43.8 billion**

Number of employees **4,445** (consolidated)
886 (non-consolidated)

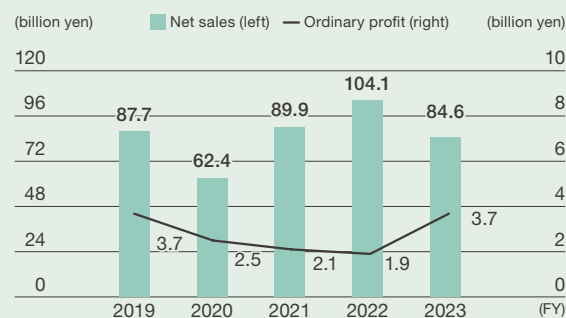
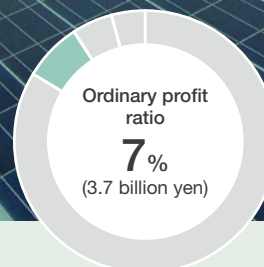


Industrial Supply & Infrastructure Division

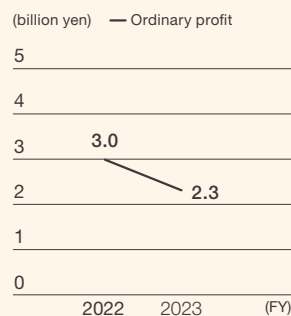
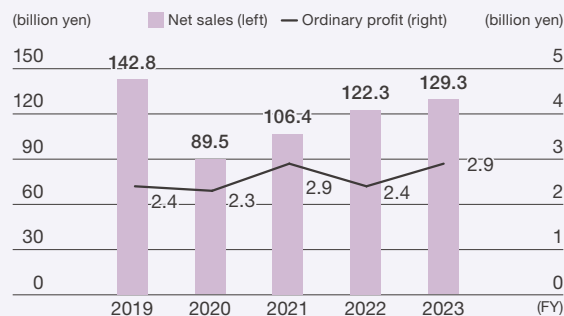
Net sales **¥84.6 billion**

Ordinary profit **¥3.7 billion**

Number of employees **816** (consolidated)
63 (non-consolidated)

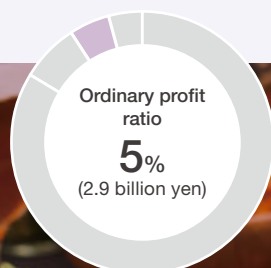


Nippon Steel Trading business at a glance - FY2023 results



Ordinary profit **¥2.3 billion**

* Figures from the NST consolidated financial statements



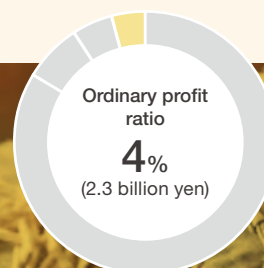
Net sales **¥129.3 billion**

Ordinary profit **¥2.9 billion**

Number of employees **167** (consolidated)
92 (non-consolidated)

Foodstuffs Division

* The Accounting Standard for Revenue Recognition and other standards were applied beginning from the start of fiscal 2021. The important management indexes and other numbers related to fiscal 2020 that are listed here are those following retroactive application of these accounting standards.



Reference MN Inter-Fashion
FY2023 non-consolidated results

Net sales **¥181.5 billion**

Ordinary profit **¥6.0 billion**

Number of employees **795**

Textiles Segment

Steel Division

As a steel professional, we will provide optimal total solutions.

Business activities

The Steel Division uses its domestic and overseas sales networks to provide comprehensive services, from raw material procurement to product delivery to customers.

Through thorough customer-oriented sales, we will enhance the function and ability to rapidly grasp customers' requirements, which are becoming increasingly diversified and advanced, provide solutions, and make efforts to construct a new value chain in steel distribution.

	Steel and steel products	Raw materials	Machinery
Business flow			
Major products	- Steel sheet (hot rolled coils, cold rolled coils, coated steel sheets, plates, electrical steel sheets, tinplate, and others) - Steel pipes and tubes (seamless pipes and tubes, welded pipes and tubes, large-diameter pipes, pipes for piling, fittings, and others) - Structural steel (rails, section steel, wide flange shapes, light H-shaped steel, reinforcing bars, and others) - Rods, bars, and specialty steel (bars, wire rods, bars in coils, cold finished steel bars, welding materials, specialty bars, and others) - Construction materials (steel sheet piles, structural materials for civil engineering and construction, and others) - Other types of steel and steel products, stainless steel, and titanium	Iron ore, coal, coke, pig iron, steel scrap, reduced-iron, ferro-alloys, blast-furnace slag, heavy oil, oil products, and others	Steelmaking machinery, machine tools, metal processing machinery, machinery parts, energy-related machinery, construction machinery, general industrial machinery, rolls, and others
Overview	We have established a processing service organization for pressing, cutting, and machining of steel products including steel sheets, steel pipes and tubes, structural steel, and construction materials.	We are working for stable and diverse supply sources centering on steelmaking raw materials such as coking coal, steel scrap, and ferro-alloys.	We supply a wide range of products including steelmaking machinery, rolls, and machinery parts to steelmakers, contributing to their stable steel production.

Competitive advantages

1 Business development through strategic collaboration with the Nippon Steel Group

By integrating our company with Nippon Steel and sharing information and sales strategies on a high level, we will invest business resources focusing on new demand areas such as carbon neutrality, and overseas growth markets, where demand is expected to increase, and will pursue proposal-based sales that create new value-added distribution in the steel business.

2 Total solutions capabilities that match the global needs of our customers

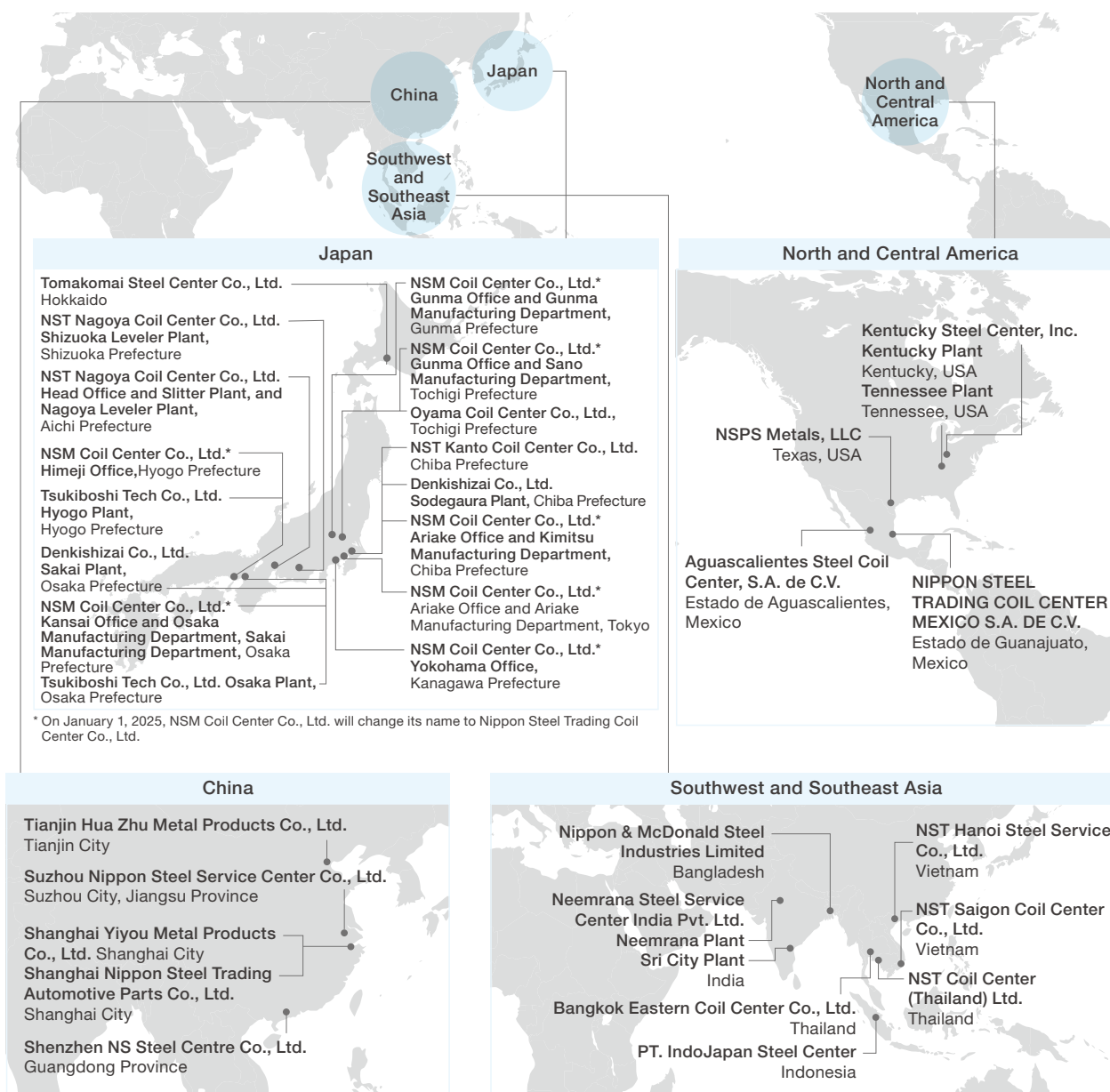
In overseas markets where steel demand is growing, with the aim of capturing demand of not only Japanese companies but also local companies, we are working to make maximum use of the business foundations and business competitiveness of the NST Group and accelerate our global strategy.

3 Stable procurement capabilities based on a diverse range of supply sources

We are able to procure a wide range of steel products from the Nippon Steel Group, which is the largest steelmaker in Japan. As a result of diversifying our supply sources, we supply steel products utilizing the extensive domestic and overseas sales networks that we have built over many years.

Business operations

Coil center network



Bringing together abilities to achieve large future growth

Kazuhiro Koshikawa
Senior Managing Executive Officer



With the conflict between the U.S. and China, tensions in the Middle East, and addressing global warming that is also accelerating at a rapid pace, the environment surrounding our company is changing at dizzying speed. Under these conditions, we must continually consider what it is that Nippon Steel Trading can do and take action. In Japan we are working to strengthen the supply chain through efficient operation of business companies, while overseas we are actively pioneering new demand. Specifically, we are investing in business for biocarbon and hydrogen water electrolyzers, expanding sales of electrical steel sheet for EVs, and engaging in other activities to contribute to and create a decarbonized society.

As a Nippon Steel Group company, NST shares knowledge and infrastructure in Japan and overseas with Nippon Steel. Focusing on growing overseas demand, we are now considering further strengthening our collaboration with Nippon Steel. For this purpose, in addition to career training tailored for each individual, we will actively train human resources with international sensitivity, and prepare an environment for our employees to grow.

The Steel Division will carry out aggressive management to expand the scale of activities for the next generation, aiming to strengthen our profit base. Let everyone combine their individual abilities and together aim for new heights.

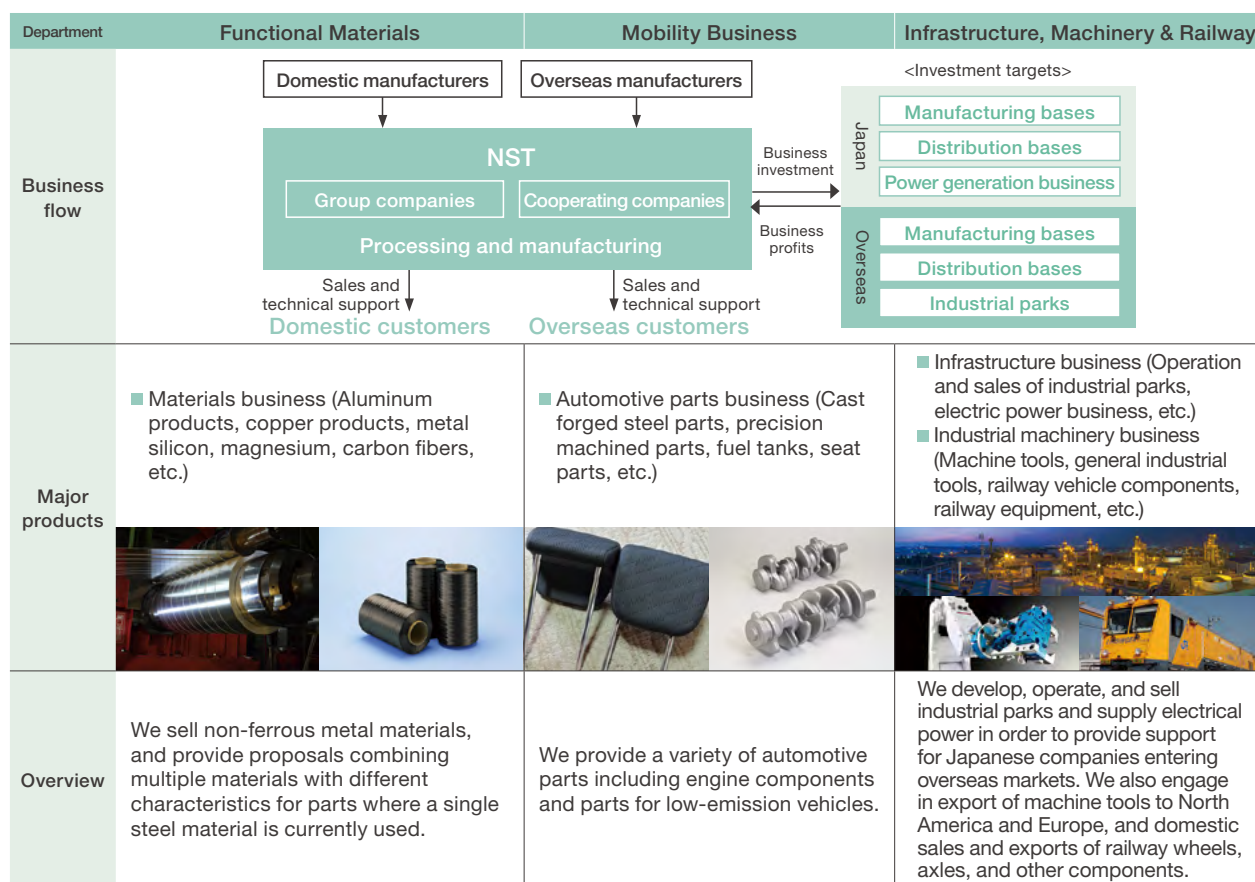
Industrial Supply & Infrastructure Division

We aim to be a top player in our global niche and deepen our global consolidated management.

Business activities

The Industrial Supply & Infrastructure Division is composed of three departments. We provide integrated services including raw materials, machining, unit parts, and installation and sale of machine tools, as well as industrial parks with infrastructure including the electricity supply.

We are also working to establish and reinforce quality control and maintenance functions, to strengthen partnerships with other divisions and open up new areas of business, and to collaborate with partners in order to increase the added-value of our business.



Competitive advantages

1 Functional Materials Department

We are capable of proposing high-performance materials that meet a wide range of industry needs for lighter weights and the use of multi-materials. We also provide a supply chain fully supported by our network of branches located in Japan and around the world.

2 Mobility Business Department

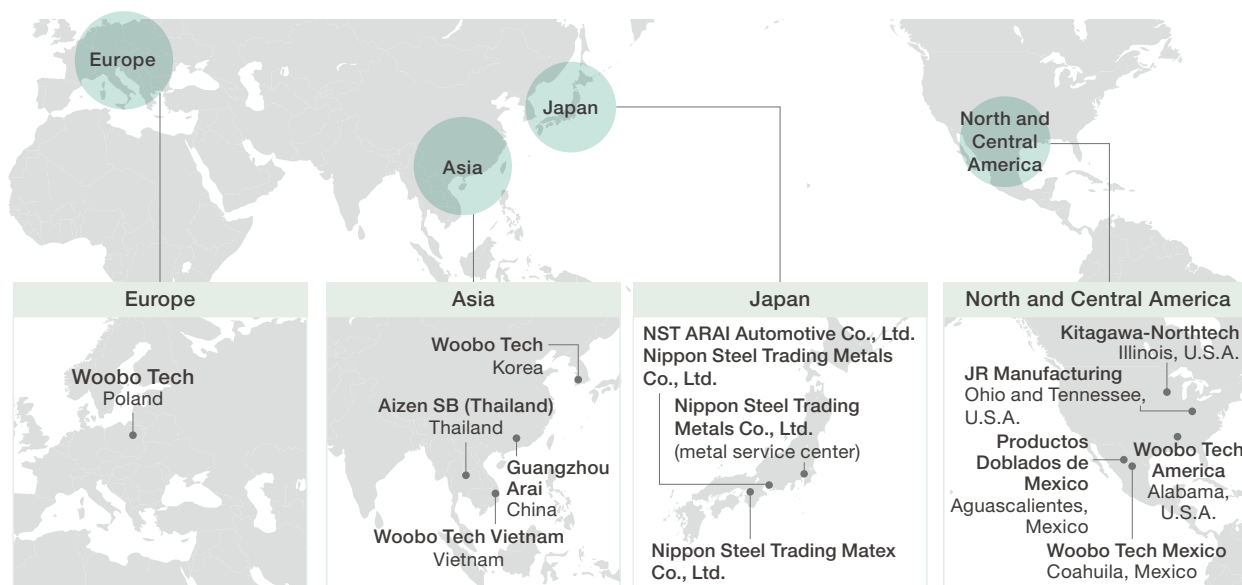
Centered on the crankshafts that we developed in our business for commercial vehicles over many years, we provide a wide range of automotive parts (primarily cast and forged products) including engine components and parts for low-emission vehicles (LEVs). We also have constructed a global supply system consisting of 12 sites in seven countries around the world that provide parts such as headrest stays and other seat components.

3 Infrastructure, Machinery & Railway Department

Utilizing the expertise in industrial park operations that we have developed over 30 years at the Rojana Industrial Park, which is one of the largest in Thailand, we provide overseas business solutions in Thailand, Vietnam, and Mexico—three countries where Japanese companies are particularly active. We control the largest domestic share of Nippon Steel Corporation railway car wheels, axles, and other products, selling these products in Japan and also exporting them. We also sell welding machines, track maintenance equipment, instruments, and other products produced overseas to railway companies in Japan and other countries. In addition, we have created a maintenance system and provide services which contribute to improving the efficiency of customer work.

Business operations

Automotive parts and multi-material business network



Overseas industrial parks business

Southeast Asia

Rojana Industrial Park Public Co., Ltd.
Rojana Power Co., Ltd.
Rojana Energy Co., Ltd.
Ayuttaya Province, Rayong Province, Prachinburi Province, and Chonburi Province, Thailand

Thanh Binh Phu My Joint Stock Company
Ba Ria – Vung Tau Province, Vietnam



Rojana Industrial Park



Phu My 3 Specialized Industrial Park

North and Central America

Lintel Parks, S.A. de C.V.
Chihuahua, Guanajuato, Jalisco, and San Luis Potosi, Mexico



Lintel Industrial Park

Understanding change as an ordinary state of affairs, and becoming a Group with high aspirations that continually accepts new challenges

Hiroshi Tashiro
Managing
Executive Officer



The Industrial Supply & Infrastructure Division comprises three departments – the Functional Materials Department, the Mobility Department, and the Infrastructure, Machinery & Railway Department, as well as business companies in Japan and overseas, and operates businesses in a wide range of fields. As the business environment in Japan and overseas is undergoing large changes, growth opportunities in each field are expanding, and we are challenging ourselves with a broad range of initiatives. These include new infrastructure business in collaboration with overseas partners, deepening the railway field, expanding sales of labor-saving kitchen appliances, and sales of high-performance materials to new energy markets. We are also carrying out cross-department projects in the fields of bio fuels, hydrogen, and solar power generation, focusing on more extensive measures for carbon neutrality.

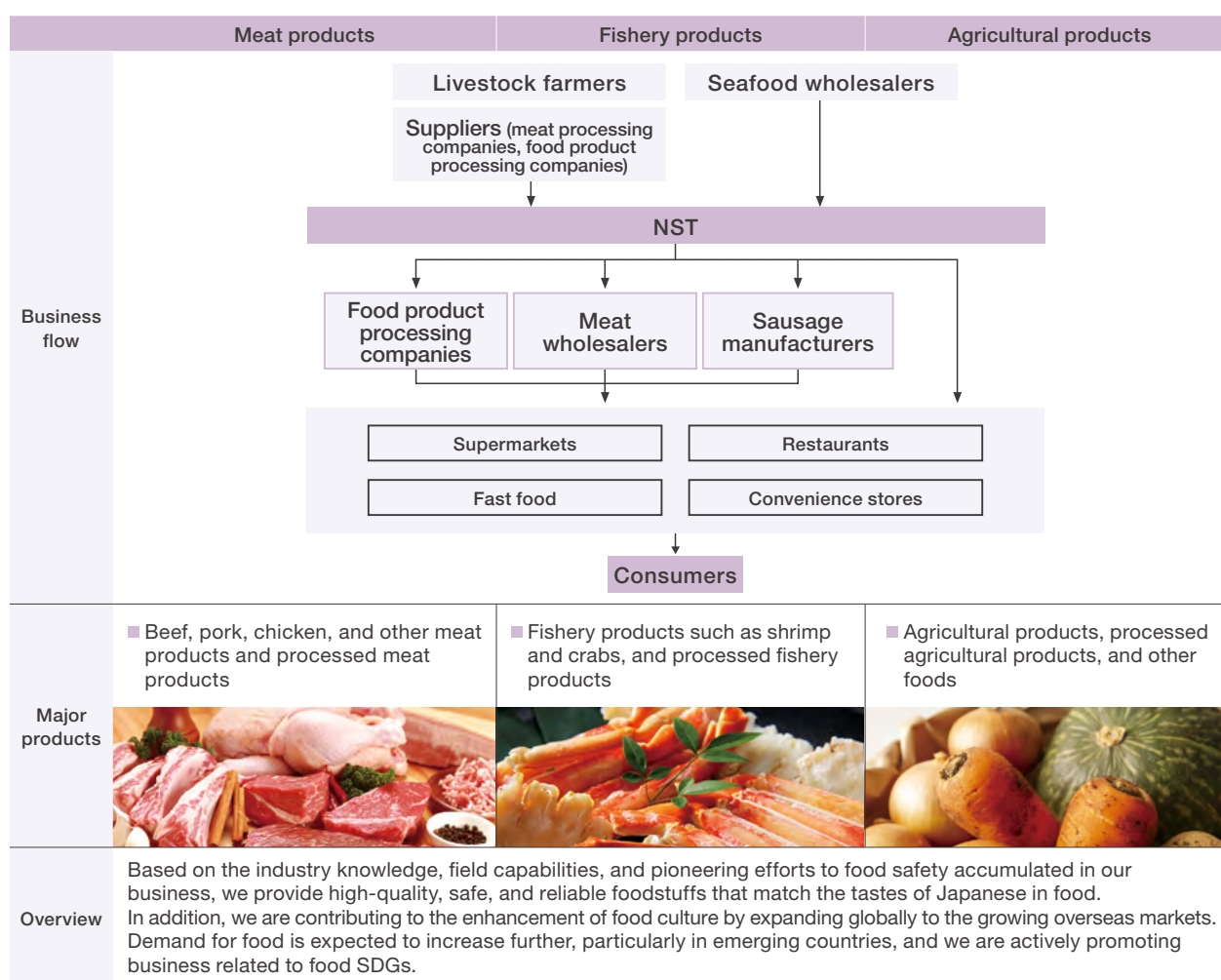
I believe that the Industrial Supply & Infrastructure Division can exercise large synergy within the Nippon Steel Group. We will work to expand our business by cooperating with the Steel Division, supplying solar panels and proposing PPA business to Nippon Steel Group companies as measures for decarbonization, expanding the railway, automotive, and machinery parts business, constructing a green energy supply chain, and other initiatives. In order to continue providing new value to society in the future, we will identify and engage in new businesses, and all employees will join together to take powerful steps forward.

Foodstuffs Division

As a creator of food value, we provide new food value and solutions that are environmentally friendly and prioritize reliability and safety.

Business activities

The Foodstuffs Division is engaged mainly in the import and export and trilateral intermediate trading of beef, pork, and chicken meat, as well as processed meat and fishery products. We are promoting the development of high-value-added products, strengthening the departments dedicated to safety and quality control, and further extending our food value chain to respond appropriately to consumer needs.



Competitive advantages

1 A pioneer in imported meat products

We have an industry position and product knowledge that were developed over many years in areas of imported meats such as beef, pork, and chicken, where we became involved long before other companies.

2 Top share in Japan for imports of these products

In coordination with major overseas suppliers, and the production plants involved in all steps from raising to processing, we carry out stable imports and have maintained our position with the top market share for sales of imported meat.

3 Stable supply system and a sales network capable of adapting to changes in the environment

We purchase safe and reliable meat and processed foods from countries around the world, and provide the information we have collected from overseas suppliers to our customers.

Business operations

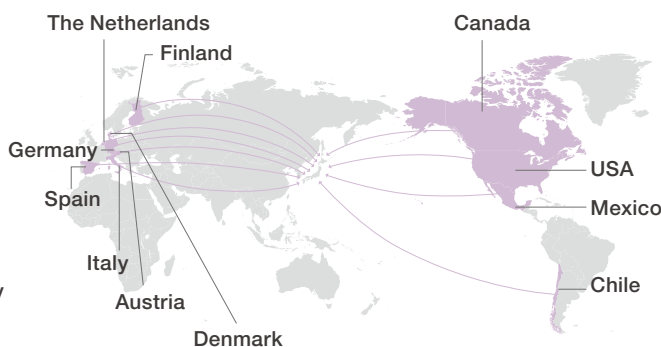
Global meat purchasing network

As a pioneer in the field of importing meat products, NST imports safe, reliable, and high-quality foodstuffs from overseas, contributing to the expansion of Japanese food culture. We offer a wide lineup of foodstuffs centering on beef, pork, chicken, and processed foods from countries in North America, South America, Oceania, Asia, and Europe. We have prepared a system that can provide both proposals and products to the customers.

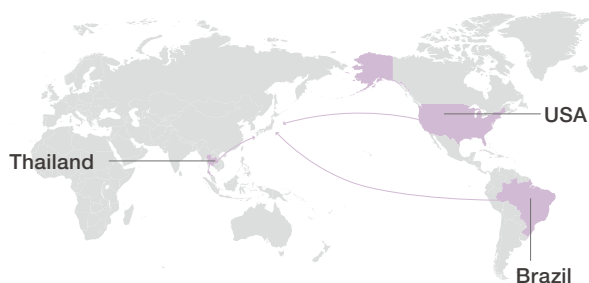
Beef



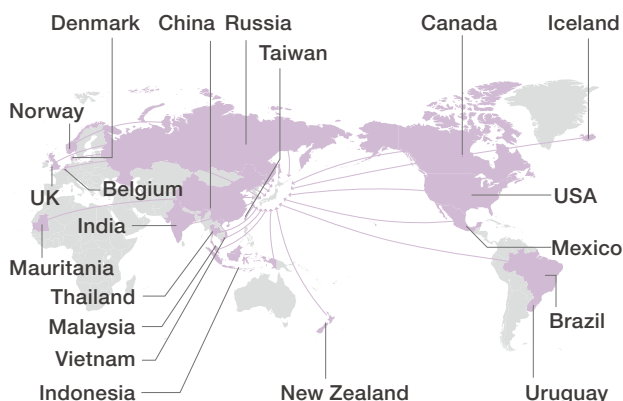
Pork



Chicken



Processed foods



Aiming to achieve an affluent society through food, and create bright and happy dining tables

Masato Ikura
Executive Officer



The protein resources sold by the Foodstuffs Division (such as meat products and fishery products) are not expected to see any large increase in future production because of climate change and due to the need to reduce the impact on the environment and protect the bountiful land and seas. At the same time, the number of persons who require these products is growing around the world.

We operate a midstream trading business positioned between and connecting producers and consumers. By taking an overall view of the supply chain, we have an important position where we can provide advice to both sides. We will carry out product development and marketing so that producers can become sustainable while reducing impacts on the global environment and so that we can utilize our limited resources effectively. While approaching not only Japanese markets but also growing overseas markets, we will work to further expand our business.

With goals of creating an affluent society through food and of creating bright and happy dining tables, we are taking the initiative, increasing our ability to adapt to changes, and continually accepting new challenges. With the spirit of “trading company persons” who will open up a bright future, we will aim to create a business entity where both the company and employees can grow together.

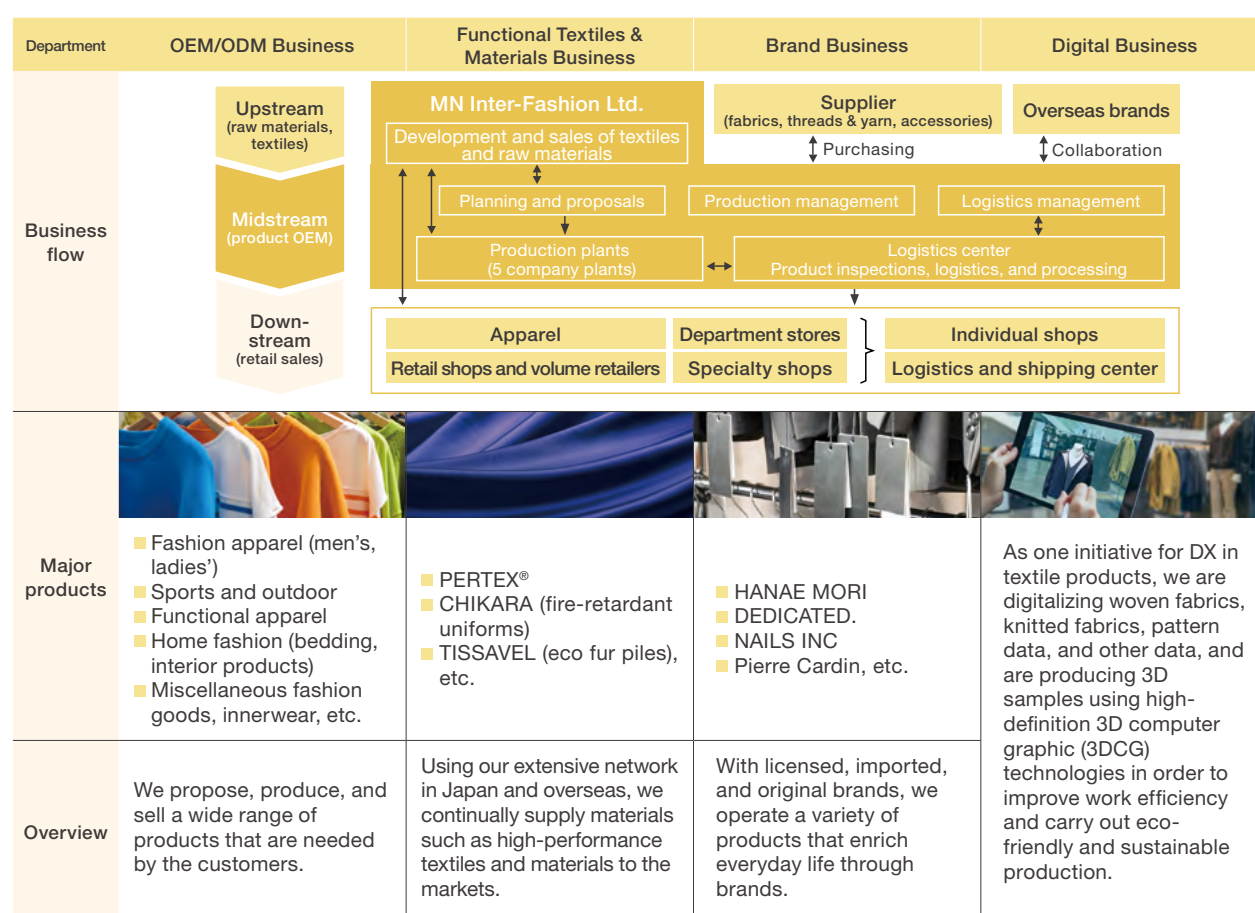
Textiles Segment

MN Inter-Fashion Ltd.

Enriching people's hearts through fashion and delivering excitement

Business activities

Founded as a joint venture with 50% investment from NST and 50% from Mitsui & Co., Ltd, MN Inter-Fashion is now an equity method affiliate of NST. Based on the concept, positioning, and targeting, we are reinforcing our total solution functions that provide one-stop service to meet a wide range of client needs including brand development, product planning and purchasing, investment in production equipment, logistics design, and global market deployment. We procure the optimal materials and utilize our wide network of sewing sites centering on Asia to supply high-quality fashion and textile products.



Competitive advantages

1 Strength of our employees

The source of the company's power comes from each of its individual employees. In an open and natural corporate culture, a large number of talented individuals are working with a high professional sense and high motivation.

2 Diverse portfolio (PF)

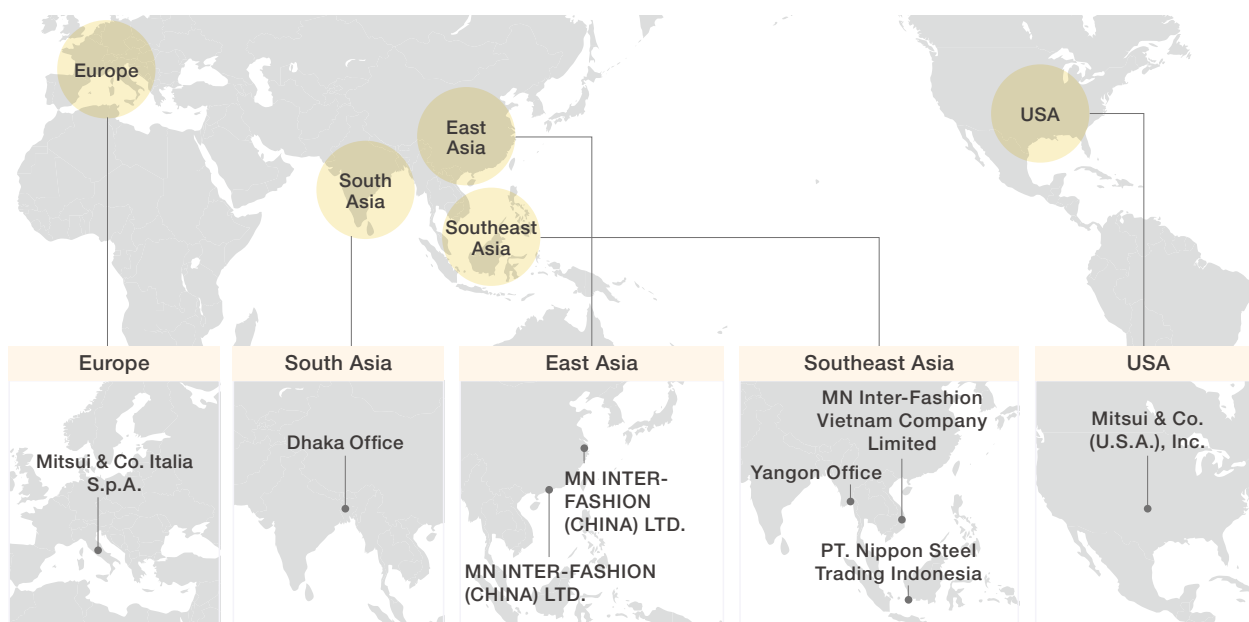
MN Inter-Fashion Ltd. is a company established through a merger of Nippon Steel Trading Corporation's textile business and Mitsui Bussan I-Fashion Ltd. As a result of this merger, the company's PF became increasingly diverse with OEM/ODM, exports of textiles and raw materials, brand licensing, and other business. Customer assets also largely increased, and we will conduct our business with an agile combination of a diverse business PF and customer PF.

3 Comprehensive capabilities (network of global Group companies)

In the fashion and textiles field, the distance between industry types is small, and through collaboration and cooperation with our shareholders Mitsui & Co., Ltd. and Nippon Steel Trading, we are able to access all sectors globally.

Business operations

The globe-spanning MN Inter-Fashion network



Corporate Philosophy (PVV)

Purpose

Design the future, and deliver value and excitement to the world.

Vision

We are creating the future of fashion together with a combination of diverse personalities, free thinking, and organizational strength.

Values

Set No Limits

Go beyond borders. Take another step forward.

Respect Others

Respect diversity. Fulfill trust.

Be Professional

Be fully polished. Carry all tasks through as a professional.

Be Positive

Failure is just another experience.

Group companies

Domestic	AGL Corporation	SB Knit Co., Ltd.
	SB Planning Co., Ltd.	MN STYLE Co., Ltd.
	SERVO Corporation	Fashion Net Inc.
Overseas	Qingdao Home Fashion Textile Co., Ltd. (China)	
	Shanghai ER Knitwear Ltd. (China)	
	SB Saigon Fashion Co., Ltd. (Vietnam)	
	Suitstar Garment Co., Ltd. (Myanmar)	
	PT. Bengawan Solo Garment Indonesia (Indonesia)	

Kazumi Yoshimoto
President and Representative Director

Atsushi Imai
Executive Vice President and Representative Director



A group of professionals continuing to accept challenges and contributing to resolving social and environmental issues

The “Purpose” in our Corporate Philosophy is “Design the future, and deliver value and excitement to the world.” We formulated it based on our hopes to contribute to solving social and environmental issues and deliver new value and excitement to the world through the free ideas of our highly individual employees and the organizational strength of the Group.

Our business portfolio spans a wide range including the OEM and ODM business for fashion apparel, sports apparel, functional apparel, and home fashion; the functional textiles and material business for global markets; and the brand business and digital business, and it is characterized by operating in a wide range of areas from upstream to downstream.

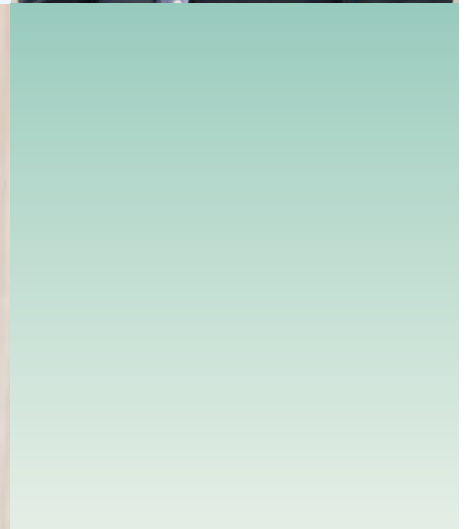
We will also focus on sustainability, digital areas, and overseas business. For sustainability, we will develop systems that are friendly to the environment and society, and develop products utilizing a wide range of our environmentally-friendly materials. In the digital area, the affiliated company DIGITALCLOTHING will be a point of contact as we provide new services through partnerships with other businesses. For overseas business, we will aim to expand markets, working through our subsidiaries in China, Hong Kong, and Vietnam. By carrying out this large variety of business measures, we will continually challenge ourselves in each field, and make progress as a highly resilient group of professionals.

INTERVIEW

Employee Growth Stories

Our employees always respond to customers' wishes and create new products and values on their own initiatives. How have our employees gained experience, what are their thoughts, and how have they grown?

Here we introduce the growth stories of our company's employees who are "second to none in their areas of expertise."



Because interpersonal relationships are important, earning the trust of customers is a large driving motivation.

Mr. Kondo is involved with sales of steel frames that are used in buildings, logistics warehouses, and other structures. He describes how he has been interested in trading companies since before joining NST.

"Unlike a manufacturer, a trading company does not manufacture its own products, and operates by procuring and selling products from outside the company. For this reason, interpersonal relationships are considered very valuable in this work, both for buying and selling. As I like interacting with people and I can make good use of my characteristics, I have dreamed of working at a trading company since my student days. At an alumni visit during my job-hunting activities, I was attracted by the character and atmosphere of senior company employees, and decided to join the company because I wanted to work with people like these."

Mr. Kondo has continually worked in the area of construction materials. He explains how he still values the advice given to him by a superior at the Osaka Office where he was first assigned.

"Because I wanted to become a full-fledged worker quickly, I was imitating the sales style of a superior who had given me instruction through OJT. On seeing this, a superior told me the following. 'The sales style of your superiors and senior coworkers is not always correct. It is important to continue challenging yourself until you believe you are correct.' I learned that instead of imitating the sales styles of my superiors, it was also important to challenge myself and search for the style that I thought was right. That superior continued to provide encouraging follow-up, and when I began engaging with customers using my own style, I felt that gradually I had become able to construct good relationships."

Mr. Kondo was transferred to the Kyushu Branch Office in April 2022, and he reflects on how the work he did over

somewhat more than six months was a great challenge to him.

"I was responsible for arranging steel materials to be used in a project for construction of a semiconductor plant, an area the national government was focusing on. The steel frames I was delivering had a gross weight of around eight thousand tons. To be honest, I thought this was more than I could handle."

He explains how this construction project was characterized by the fact that it included work known as "incidental work," which involved supplying finely specified materials as well as frequent material changes and additions.

"There were many material changes and additions, and I occasionally was forced to work late into the night. I visited the work site repeatedly, developed close communication with the various construction operators who were doing the work, and worked persistently. It was really quite difficult, but I had support from my superiors and senior coworkers, and the feeling of accomplishment when the project was completed was extraordinary. Through this experience, I was able to construct a network with a large number of construction operators, and even today I am deeply moved by the plant which I supplied materials to."

Mr. Kondo said that as he became more often told, "As long as it is you in charge, we can leave it to you," this led to his current motivation. Here, he describes his future goals.

"My goal was to be someone who was trusted by the customers, not only as an individual Masatake Kondo, but also as a representative of NST as a company. In this industry where there are many personal elements, sometimes the commercial rights would also change when the person in charge was replaced. I want to be highly appreciated as more than an individual so that the customers I am responsible for will want to do business with NST always."

Mr. Kondo continues to establish his own sales style and to grow. He will continue to challenge himself in the future, taking to heart the idea of "from the individual to the company."

Steel Products Sales Department,
Kyushu Branch Office, Steel Division

Masatake Kondo

STORY

After joining the company in 2019, Mr. Kondo was assigned to the Structural Products Sales Department at the Osaka Office, and worked in sales of civil construction products in Osaka for three years. In 2022, he was assigned to the Steel Products Sales Department at the Kyushu Branch Office, where he remains to the present.

MASATAKE KONDO



He frequently spends his days off actively, going shopping or to parks or amusement parks with his wife and daughter. Because Fukuoka, where he lives now, is close to the sea, he sometimes goes to enjoy himself there. The simple time he spends with his family becomes his motivation at work.

Creating new business in Thailand together with local staff

Mr. Takeshita was posted to Rojana Power Co., Ltd. at the Rojana Industrial Park in Thailand, where he is responsible for sales and business management related to the gas power generation business and solar power generation business. He describes how even before joining the company, he wanted to work overseas and create a business on his own.

“My interest in going overseas grew through the experience I had with studying abroad, overseas internships, and international volunteer activities during my university days, and this is what led me to choose a trading company.”

After joining the company, he was assigned to the (then) Infrastructure Business Department of the Industrial Supply & Infrastructure Division.

“The primary work of the Infrastructure Business Department is not trading; it involves business investment centered on industrial park businesses and electric power businesses. In addition to sales activities, I felt that this work required a wide range of knowledge and experience including company finance, business management, and formulation of business plans. In sales, there are times when it is difficult to find a solution to the customer needs and the obstacles that are in the way, and I learned it was important to create proposals that were based on the knowledge and experience that I developed through this work, and then communicate them to the customer in my own words and put them into action.”

After gaining experience at the Head Office, Mr. Takeshita was posted to Rojana Power Co., Ltd. in his seventh year at the company. He reflected, “It was the overseas posting I had wished for, however things did not go as I hoped when I first began working in Thailand due to the different cultures and business practices. I also struggled to communicate with the local staff as I carried

out my duties.”

“I really had a hard time with the business practices, culture, and sense of value regarding time and deliveries that were different than Japan. As a result, I caused some trouble for the customers. In order to fix this, I held regular meetings with the local staff and worked to improve communication, and we thoroughly discussed the issues that had not been resolved. This enabled us to create a system which could respond to customer needs. As a result, when our initiatives were rated highly by the customers and we received the first order for a solar power project since I arrived in Thailand. I felt a great sense of achievement as this was due to my continued efforts together with the local staff.”

Mr. Takeshita describes how, through the work in Thailand, he learned the importance of organization management and team-building, and how his relationships with the local staff also changed.

“I am originally the type who wants to do everything on my own. However in particular in a different country, there are many things that cannot be achieved just by individual effort, and I became aware that cooperation and communication with the team were the keys to producing results. Since that time, I have had more discussions with the local staff, and am continuing to put efforts into team-building and constructing relationships of trust.”

Despite facing difficulties, Mr. Takeshita is continuing to work and innovate in order to overcome them. Here he describes his goals for the future.

“I want to create at least one new business while I am working in Thailand.”

While working in a country with a different language and culture, Mr. Takeshita is utilizing creative innovations as he proceeds toward the next goal. He is “creating work on his own” and advancing to greater heights.

Rojana Power Co., Ltd., Industrial Supply & Infrastructure Division

Sho Takeshita

STORY

After joining the company in 2016 and being assigned to the (then) Industrial Supply & Infrastructure Division, in 2022 Mr. Takeshita was posted to Rojana Power Co., Ltd. in Thailand, where he is currently responsible for sales and business management of an electric power business.

SHO TAKESHITA



He enjoys travelling and has been a backpacker since his student days. Recently he has visited Nepal, Sri Lanka, Bangladesh, and Malaysia. He has a curiosity which makes him want to see a wide range of the world, and he most enjoys travelling to places that are rarely visited and encountering the scenery of different worlds that cannot ordinarily be seen.

Constructing relationships of trusts that satisfy suppliers, customers, and everyone involved, and pursuing the future of food

Since she joined the company in the Frozen Pork Section, Ms. Hitachi has been involved with pork import and sales. She purchases pork from countries such as Spain, Finland, the U.S., and Canada, and sells it to supermarkets, restaurants, and wholesalers in Japan. She describes how she wanted to join a trading company in order to do work involving “people and other countries.”

“At first I thought that as long as I was working at a trading company, I would be happy to handle any product. However when I heard about the Foodstuffs Division at the NST career fair, I felt it would be interesting to handle food products that are familiar to me. I also enjoy eating, and the NST Foodstuffs Division was my first choice.”

After joining the company, she was assigned to Meat Department No. 2. She says that the value that she considered most important in her work was “the satisfaction of everyone involved.”

“Because my work involved being in a position between people, I was continually being pressed from both sides. I felt it was important to compromise with the circumstances of both the supplier and the customer and find a solution that would satisfy everyone. During the negotiations, I was careful to accurately communicate the thoughts and circumstances of both sides.”

Ms. Hitachi worked closely with her business partners, and she describes how she struggled with the construction of trusting relationships with the suppliers after the outbreak of the COVID-19 pandemic, which occurred one year after she joined the company.

“During the pandemic, I was unable to visit overseas suppliers due to restrictions on travel, and was unable to meet directly with the persons in charge. I made extensive use of phone calls, emails, and chat apps to somehow maintain communication, however I felt that meeting and talking face to face was important for constructing

sufficient relationships of trust.”

At a time when constructing trusting relationships was difficult, there was a complaint of foreign object contamination from a customer who bought the products, and it became necessary to request supplier improvements in the production process and compensation for expenses. She describes how she was able to handle this while struggling with communication, and the great sense of accomplishment that she felt.

“Although dealing with the foreign object contamination itself was not a problem, it was what came next that was a struggle. I had to request that the supplier improve the production process to prevent foreign object contamination, and request compensation for the expenses involved in removing the foreign objects. Because I was unable to meet directly with them due to the pandemic, I had a hard time communicating the circumstances to the other parties. However in addition to daily conversations by telephone, I persisted in maintaining communication by web meetings where we could see one another’s faces and other means, and worked to gain trust. The result of these efforts was in the end a solution that was fully satisfying.”

She also describes her goals for the future.

“Because I have been working with pork ever since joining the company, I would like to also handle other products such as beef or chicken in the future. Many of the people I work with are forward-looking and eager to accept new challenges, and I also try to approach my work each day with a natural and positive spirit. I am thankful that I am working in this kind of environment, however I am in my sixth year at the company, and I want to not only receive working styles and ideas from others, but also to communicate them to people myself.”

Ms. Hitachi explains that she wants to continue working with food, and will use her experience to this point as fuel to launch herself into the future.



Meat Department No. 2,
Foodstuffs Division

Nana Hitachi

STORY

Ms. Hitachi joined the company in 2019 and was assigned at that time to the newly formed Frozen Pork Section. She has remained involved with imports and sales of frozen pork to the present.

NANA HITACHI



She is also active in her days off and enjoys activities such as camping, saunas, and barbecues. She also enjoys trying new intriguing restaurants and eating and drinking, and finds the time she spends with friends and family to be refreshing. She switches clearly between on and off work, and when she is off, she puts her full energy into enjoying her personal life.

Utilizing experience gained from sales in Japan to construct a new supply chain in the Americas

Mr. Takahashi is engaged in sales activities at a subsidiary in the Americas. He describes how trading companies and steel were familiar presences to him since he was young.

“Because my father worked in wholesale of industrial gas, the trading company industry was familiar to me from when I was small. When I was a junior high school student, I experienced working at a local heavy industry company, and was also interested in the field of steel. What made me decide to join NST was the passion that I felt from the employees at the career fair, and coming to know senior employees at an alumni visit. This budding desire to work with these senior employees was a large factor.”

Mr. Takahashi joined NST with the ambition for “working at a trading company to do work that spans the world,” and after joining the company was unexpectedly assigned to sales in Japan. He says, “It was honestly a disappointing start, but I put my full effort into doing the work that was in front of me, and constructed a foundation for doing business.” Mr. Takahashi says that the delivery trouble that occurred during his third year at the company was a trial that he can never forget.

“This work involved taking steel sheet piles from Sakai Works of Nippon Steel and transporting them by sea to Ariake Port in Tokyo, then transporting them by truck to the worksite in Gunma Prefecture. However after departure, the ship took emergency refuge at the Port of Nagoya due to the effects of a typhoon. Without taking action, we would be unable to deliver the products to the customer by the requested deadline.”

He quickly visited the customer and explained that there was the possibility of the delivery being delayed due to bad weather, however the customer insisted that the delivery deadline be met. He received a strong request to not leave the worksite until he had ensured that the shipment would arrive on time.

“First of all I consulted with the various workplaces at the site, and devoted every effort to finding a solution. We considered all kinds of answers, and in the end we finally found a solution by unloading the products at the Port of Nagoya and transporting them by emergency truck shipment to the worksite in Gunma Prefecture.”

The reason for the trouble was a failure to accurately identify the customer’s needs in terms of when the products were needed, and a failure to properly understand the possibility of a delivery delay resulting from bad weather. He says he learned that in order to construct a relationship of trust, it was important to “accurately identify the customer’s needs and the circumstances.”

“Constructing a relationship of trust is not something that can be accomplished in a day. In addition to daily communication, I believe it is important to continue working persistently to carefully respond to customer questions and needs so that the customer will feel comfortable entrusting the work to you.”

After six years working in Japan sales, and completing two years of language training and practical training in the United States, in April 2023, he began his long-awaited posting at the Houston branch of an American subsidiary. In July 2024, he was transferred to the headquarters in Chicago, and is responsible for new products.

“Now I am responsible for sales of products related to solar power and transformers – products which are expected to see growing demand in the U.S. in the future. It is a new field for me, but in the same way as sales in Japan, I am studying every day and want to gain enough knowledge that I can answer any questions about the products I am responsible for. I also go directly to the customers, and am working to establish communication and relationships of trust. I am also actively working to gain a sense of the market while utilizing the raw information I gain from those customers. In the future, I want to construct a new supply chain in fields related to solar power and transformers, and work for new sales expansion.”

Mr. Takahashi is constructing relationships of trust based on an accurate understanding of customer needs and circumstances. He continually challenges himself on the world stage so that as many customers as possible will be confident in entrusting work to him.

Nippon Steel Trading Americas, Inc.,
Steel Division

Ryo Takahashi

STORY

After joining the company in 2012, Mr. Takahashi was assigned to (then) Steel Products Sales Department No. 3, and was in charge of civil construction products sales. Through the language training and overseas practical training made available through the Overseas Challenge Program, he is now involved with sales related to solar power frames and transformers at the Chicago headquarters of an American subsidiary.

RYO TAKAHASHI



His first son was born in April 2024. On the day his son was born, a total solar eclipse passed across the United States, and there was great excitement everywhere. He feels it was somehow a special destiny. While he struggles with child-raising in the United States with his parents far away, he is reassured by the smiling face of his child and his day-to-day growth.

From accounting to finance, achieving further growth by multiplying knowledge and experience

Ms. Ideguchi first learned about NST when she attended the Boston Career Forum out of curiosity while she was studying overseas, and joined the company in 2017. She says that she decided to join the company because she liked the feeling of scale as the core trading company of the Nippon Steel Group, and the atmosphere of valuing people that she felt during the interview. After joining the company, she was assigned to the General Accounting Section of the (then) Accounting Department.

"I think that the Corporate Planning & Administration Division is the division where it is easiest to know what is happening in the company overall because it is involved in all four of the NST businesses. At first, I worked creating summaries of financial results and securities reports as part of the Disclosure Team, and from the third year I became involved with filing tax returns for corporate tax, local tax, and consumption tax as part of the Taxation Team."

She was transferred to the Finance Section of the Accounting & Finance Department in her sixth year. In the Finance Section, she is working with financing of the entire company, and at present she is engaged every day in work related to borrowings and other matters as a staff in charge of financial institutions. She says that immediately after her transfer, "it was a period where nothing went as I wanted it to."

"When I was a new employee, the senior employees carefully taught me everything that I needed to do. However when transferring after a certain number of years at the company, even if the work was completely out of my field, I really felt that they expected me to immediately be capable and to do the same level of work as my predecessor."

While accounting work and finance work may seem similar, she came face to face with the fact that there are unexpectedly large differences. She was unable to digest the purpose and contents of finance work, which involves

much contact outside the company, and failed repeatedly, exhausting her mentally and physically.

"So I decided to make a fresh start, and first made a detailed schedule including a 'to do' list. While watching how my more senior coworkers worked, I continued until I had a bird's eye view of all of the operations. This enabled me to measure the quality and speed of work that were required, and I was able to set an order of priority and tackle my work."

Having overcome a trying period, Ms. Ideguchi began working in finance. The end of her struggles also brought a feeling of satisfaction.

"The management requested further reduction in interest-bearing debt on a consolidated basis, and I was in charge of a project to introduce liquidation of loan assets in accordance with IFRS (International Financial Reporting Standards). We started the study by understanding the contents of the IFRS accounting standards, and it was extremely difficult work to compare them with current Japanese standards and to understand and study the proposed plans. As there were no precedents at the company, we held repeated discussions with superiors, senior coworkers, and financial institutions, and in March 2024, were able to construct and carry out a new plan that was optimal for the entire company. This experience gave me a great sense of accomplishment."

"Work consists of a multiplication of knowledge times experience. When one or the other is zero, the result is zero." She says that the words spoken to her by a superior during her first year at the company are valuable to her.

"I was told, 'In accounting work, it may be difficult to feel that you are growing quickly, however it is certain there will come a time when the knowledge and practical experience that you have gained in accounting and taxation will be useful.' Now I am in my eighth year, and I am able to understand the meaning of those words well. By multiplying my accounting knowledge and finance knowledge by the experience I have gained in my position being responsible for financial institutions gives me the true feeling that I have grown, and allows me to enjoy fulfilling everyday work."

"In the future, I would like to be involved in work where I can put the knowledge and experience that I have gained to good use, such as operations related to accounting and finance at overseas group companies, or M&A projects."

She is aiming to achieve further growth by multiplying her knowledge and experience.

Accounting & Finance Department, Corporate Planning
& Administration Division

Ayaka Ideguchi

STORY

Ms. Ideguchi joined the company in 2017, and was assigned to the General Accounting Section of the (then) Accounting Department, before transferring to the Accounting & Finance Department in 2022. At present, she is involved with financing operations as a staff who is responsible for the financial institutions which NST does business with.

AYAKA IDEGUCHI



She likes travel and golf. Her travels have taken her not only across Japan, but to many different places from Europe to Africa. She also enjoys playing golf, and relaxed conversations with the other players in her group. Golf is one hobby that she wants to continue as she gets older.

Data Section

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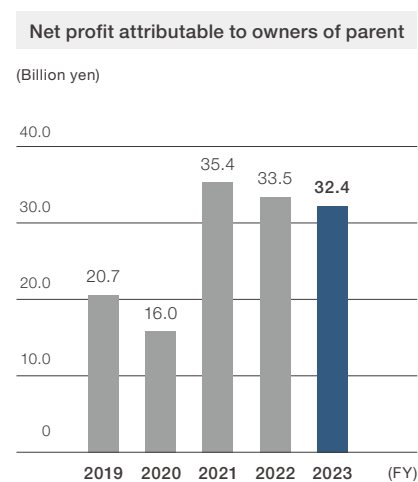
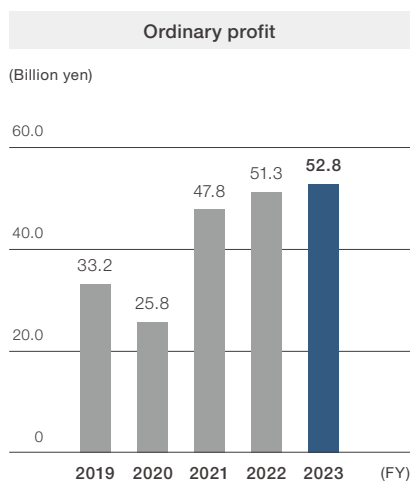
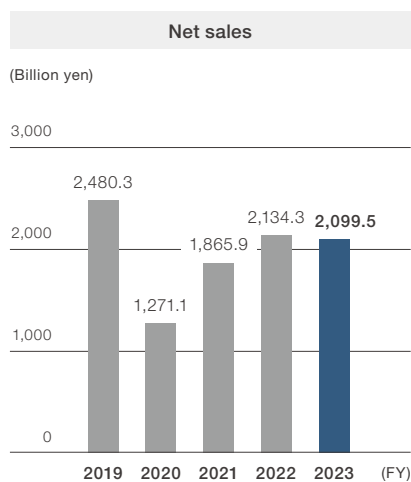
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11-year Financial Summary

		37th term	38th term	39th term	40th term
	Unit	FY2013 ^{*1}	FY2014	FY2015	FY2016
Net sales		1,991,577	2,104,606	1,930,845	1,841,353
Ordinary profit		27,306	30,573	29,025	30,915
Net profit attributable to owners of parent		25,670	17,434	17,329	18,238
Net assets	Million yen	157,554	183,693	190,264	206,187
Total assets		642,304	692,899	660,664	673,078
Interest-bearing debt		189,501	206,282	205,612	196,100
Equity ratio	%	22.2	24.1	26.3	28.2
Net interest-bearing debt ratio (Net D/E ratio)	Times	1.14	1.06	1.07	0.91
Return on equity (ROE)		19.0	11.2	10.2	10.0
Return on invested capital (ROIC)	%	5.2	5.8	5.5	5.9

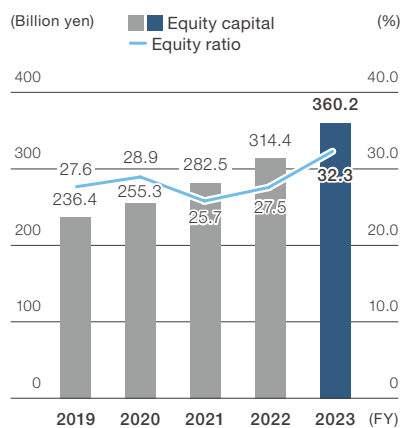
*1 In FY2013, the results of Nittetsu Shoji Co. and Sumikin Bussan Corporation were simply combined.

*2 The Accounting Standard for Revenue Recognition and other standards were applied beginning from the start of FY2021. The important management indexes and other numbers related to FY2020 that are listed here are those following retroactive application of these accounting standards.

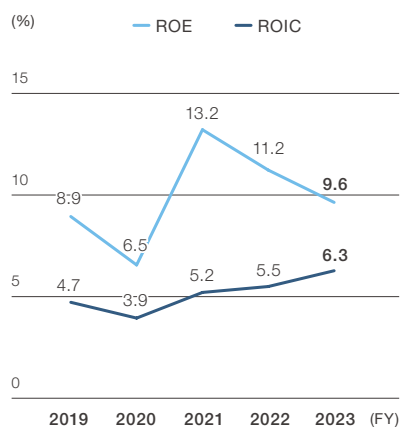


	41st term	42nd term	43rd term	44th term	45th term	46th term	47th term
	FY2017	FY2018	FY2019	FY2020 ^{*2}	FY2021	FY2022	FY2023
	2,062,316	2,550,612	2,480,256	1,271,050	1,865,907	2,134,280	2,099,487
	35,188	36,427	33,244	25,772	47,810	51,328	52,839
	21,726	23,249	20,708	15,992	35,417	33,512	32,391
	227,968	249,356	254,877	278,090	308,198	342,828	390,644
	776,395	960,173	857,744	883,285	1,100,441	1,142,057	1,115,432
	247,622	329,004	300,177	298,398	415,600	425,278	340,025
	27.1	24.0	27.6	28.9	25.7	27.5	32.3
	1.04	1.32	1.16	0.95	1.36	1.26	0.81
	10.8	10.5	8.9	6.5	13.2	11.2	9.6
	6.0	5.1	4.7	3.9	5.2	5.5	6.3

Equity capital/Equity ratio



ROE/ROIC



Sustainability Data

Social (personnel data)

	Subject range	Unit	FY2021	FY2022	FY2023
Number of employees	Consolidated		6,584	6,580	6,427
		Persons	1,327	1,294	1,323
Men	Non-consolidated		771	747	765
Women			556	547	558
Number of employees in management positions			591	588	593
Men	Non-consolidated	Persons	577	571	575
Women			14	17	18
Ratio of women in management positions		%	2.4	2.9	3.0
Number of foreign national employees	Non-consolidated	Persons	31	31	31
Employment of persons with disabilities	Non-consolidated	%	2.3	2.3	2.0
Number of new graduates hired as career-track employees			22	10	32
Men	Non-consolidated	Persons	15	9	22
Women			7	1	10
Ratio of women		%	31.8	10.0	31.3
Foreign nationals		Persons	1	1	2
Ratio of foreign nationals		%	4.5	10.0	6.3
Number of mid-career recruits			12	22	49
Men	Non-consolidated	Persons	8	15	36
Women			4	7	13
Percentage of mid-career recruits among full-time employees	Non-consolidated	%	31.6	68.8	59.0
Average salary (all employees)	Overall average	Thousand yen	8,302	9,918	9,961
Average years of service			15.6	15.8	15.6
Men	Non-consolidated	Years	16.6	16.4	16.0
Women			14.0	14.9	15.1
Average age			44.5	44.0	44.0
Men	Non-consolidated	Years	45.7	45.1	44.8
Women			42.2	42.6	43.0
Percentage of employees leaving the company for personal reasons (from the previous FY)	Non-consolidated	%	3.4	2.2	2.4

Social (working styles, health)

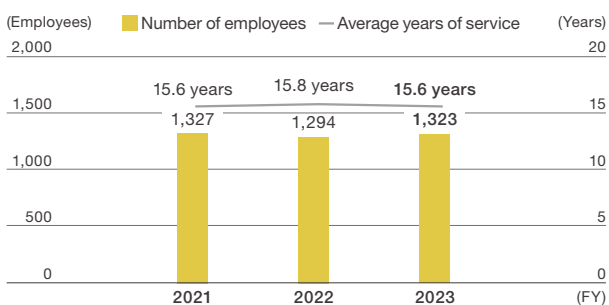
	Subject range	Unit	FY2021	FY2022	FY2023
Monthly average overtime working hours	All employees		30.8	28.6	26.3
	Non-management positions	Hours	29.2	26.3	23.9
Average days of paid annual leave taken by employees	Non-consolidated	Days	12.1	13.2	12.7
Percentage of paid annual leave taken by employees	Non-consolidated	%	63.2	69.0	65.2
Absences for child care (Total days and total persons including special leave)	Total days	Days	36	29	48
	Total persons	Persons	42	43	60
Number of employees taking nursing care leave	Non-consolidated	Persons	0	1	1
Number of employees taking pre- and post-childbirth leave	Non-consolidated	Persons	19	20	18
Number of eligible employees taking childcare leave			40	32	31
Men	Non-consolidated	Persons	18	17	10
Women			22	15	21
Percentage of eligible employees taking childcare leave			58.8	64.0	67.4
Men	Non-consolidated	%	39.1	48.6	40.0
Women			100	100	100
Percentage of employees returning to work after childcare leave			100	97.0	96.0
Men	Non-consolidated	%	100	100	100
Women			100	92.8	93.3
Average days of childcare leave taken by male employees	Non-consolidated	Days	7.0	12.6	15.5
Number of violations of the Labor Standards Act	Non-consolidated	Incidents	0	0	0
Percentage of employees undergoing stress checks	All employees	%	93.4	96.0	95.7
Percentage of high stress employees	All employees	%	8.8	8.8	10.0
Percentage of employees undergoing regular medical check	All employees	%	100	100	100
Percentage of employees undergoing detailed health examinations	All employees	%	86.5	89.8	94.1

Social (human resources development)

	Subject range	Unit	FY2021	FY2022	FY2023
Skills development training	Total training sessions	Sessions	19	14	13
	Number of training participants	Persons	400	367	555
Number of employees posted overseas	Expatriate staff	Persons	167	153	149

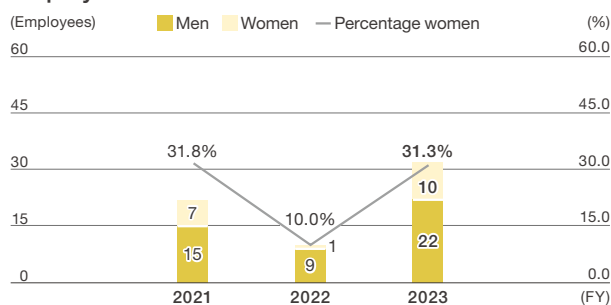
* Skills development training shows the number of training sessions and number of participants for group training.

Number of employees and average years of service



* Subject: NST (non-consolidated)

Percentage of new graduates among career-track employees



* Subject: NST (non-consolidated)

Environment

	Subject range	Unit	FY2021	FY2022	FY2023
CO ₂ emissions	Scope1+Scope2 *1		31,067	29,872	28,801
	Scope1	Consolidated	6,777	6,485	6,163
	Scope2		24,289	23,387	22,638
	2. Capital goods		5,814 *3	699	814
	3. Fuel and energy-related activities		255	152	160
	4. Transport, shipping (upstream)		3,170	4,498	4,052
	5. Waste produced from business activities		279	60	66
	Scope3 *2	Non-consolidated	613	1,379	1,487
	6. Business travel		535	380	379
	7. Employee commuting		0	0	0
	8. Lease assets (upstream) *4		0	0	0
	13. Lease assets (downstream) *4		0	0	0
	14. Franchises *5		0	0	0
	Amount of power used	Consolidated MWh	50,728	49,065	47,458
	Energy consumption *6	Consolidated GJ	302,232	285,217	270,924
	Paper usage	Non-consolidated 1,000 sheets	14,070	9,648	9,756
	Amount of waste produced	Non-consolidated t	521	278	309

*1 Because there were some corrections to the results, Scope1 and Scope2 have been retroactively corrected for the past fiscal years.

Fuel emission factors: (Japan) Greenhouse gas emission quantities based on "List of Calculation Methods and Emission Factors for Greenhouse Gas Emissions in the Calculation, Reporting and Publication System" from the Ministry of the Environment are used.

(Overseas) "2006 IPCC Guidelines for National Greenhouse Gas Inventories" are referenced for the fossil fuel unit calorific values and carbon intensity.

Electrical power emission factors: (Japan) In fiscal 2022, the adjusted emissions factor in the emission factors for each electrical power company is used. In fiscal 2021 and earlier, the basic emission factor is used.

(Overseas) The CO₂ emissions factor for each country as reported by the International Energy Agency (IEA) is used.

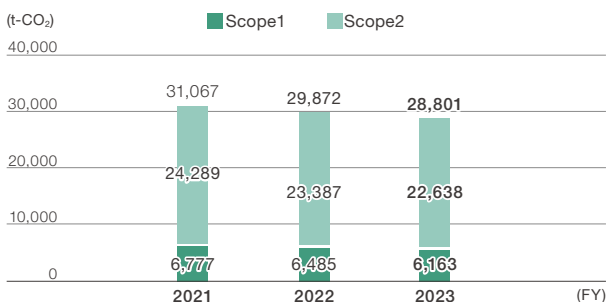
*2 Scope3 is disclosed only for limited categories where it was judged that calculation is possible.

*3 Increased in fiscal 2021 due to acquisition of fixed assets resulting from the relocation of the Head Office.

*4 This is 0 because it is included in Scope1 and Scope2.

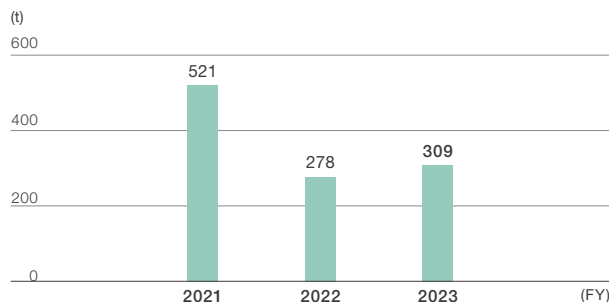
*5 This is 0 because there is nothing which would be classified as a franchise business.

*6 A unit calorific value for electrical power of 3.6 GJ/MWh is used. Consumption of power from renewable energy sources is not included. Calculations for fuel are made using the unit calorific values in the Act on the Rational Use of Energy.

CO₂ emissions

* Subjects: NST and consolidated domestic and overseas subsidiaries

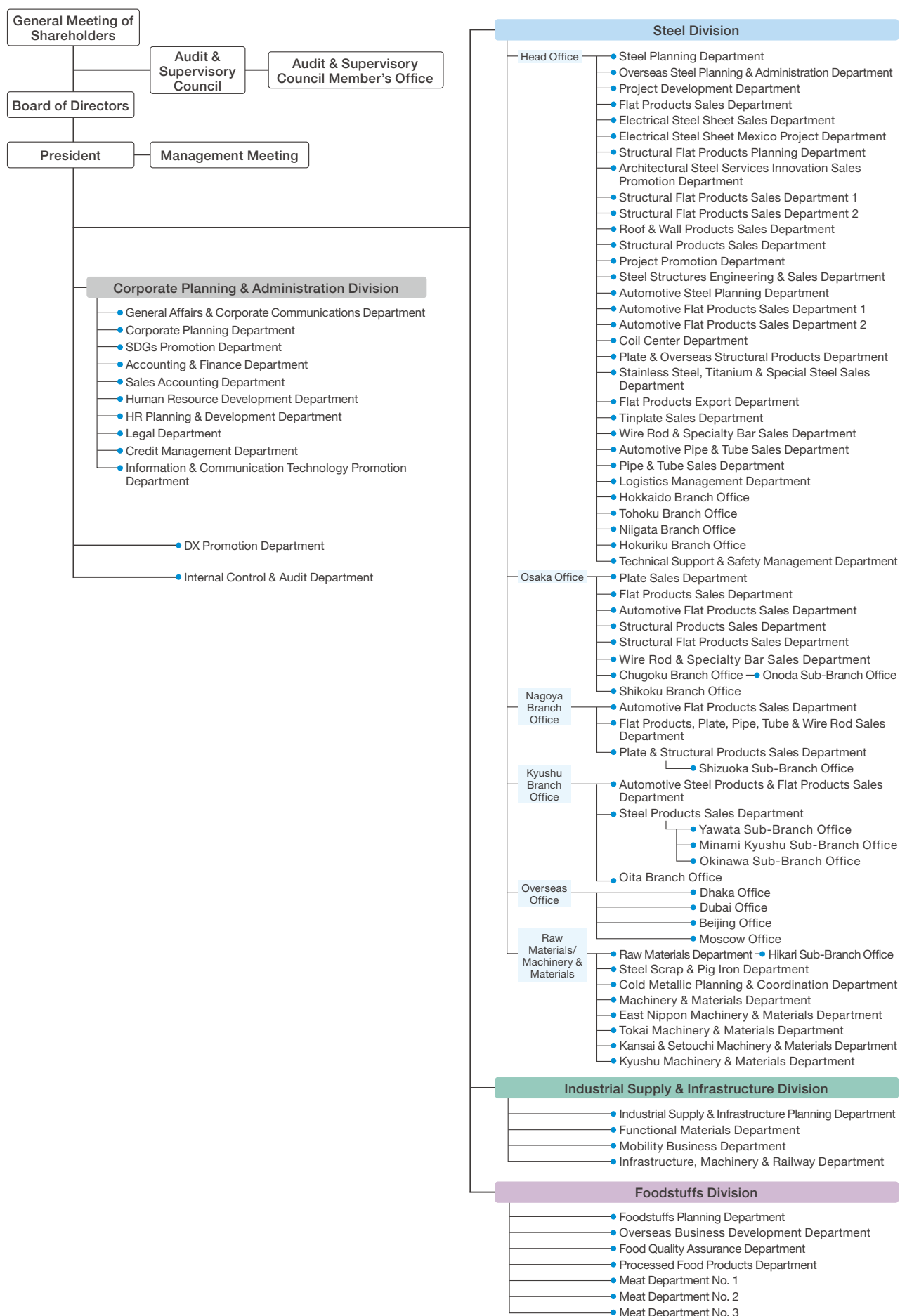
Amount of waste produced



* Subject: NST (non-consolidated)

* Emissions increased in fiscal 2021 due to relocation of the Head Office.

Organizational Chart



Domestic Network

- Steel Division
- Industrial Supply & Infrastructure Division
- Foodstuffs Division
- Textiles Segment
- Corporate Planning & Administration Division
- Head Office, Office, Branch Office, Sub-Branch Office

Hokkaido

- Tomakomai Steel Center Co., Ltd.
- Obihiro Kouhan Co., Ltd.
- Hokkaido Branch Office
- East Nippon Machinery & Materials Department (Muroran)

Gunma

- Kita-Kanto Processing Center Co., Ltd.

Toyama

- Kashii Co., Ltd.
- East Nippon Machinery & Materials Department (Kamaishi)

Tochigi

- Oyama Coil Center Co., Ltd.

Saitama

- M.I.K. Corporation

Kagawa

- Taiyo-Sakako Corporation

Tottori

- Kiyama Co., Ltd.

Fukuoka

- Izumi Kohan Industry Inc.

- Onoda Sub-Branch Office
- Chugoku Branch Office
- Kyusyu Branch Office
- Yawata Sub-Branch Office
- Oita Branch Office
- Minami Kyushu Sub-Branch Office
- Ehime
- Tokusho Co., Ltd.
- Itoh Kozai Co., Ltd.
- Shikoku Branch Office
- Kansai & Setouchi Machinery & Materials Department (Wakayama)
- Kansai & Setouchi Machinery & Materials Department (Hirohata)
- Tokai Machinery & Materials Department (Tokai)
- Osaka Office
- Nagoya Branch Office
- Shizuoka Sub-Branch Office
- East Nippon Machinery & Materials Department (Kimitsu)
- East Nippon Machinery & Materials Department (Kashima)
- Tohoku Branch Office
- Niigata Branch Office
- Hokuriku Branch Office

Chiba

- Kakudai Seisakusyo Company
- Shinsei Build Co., Ltd.
- Tokyo Seisen Co., Ltd.
- NST Kanto Coil Center Co., Ltd.
- Urayasu Construction Materials Center Co., Ltd.
- Urayasu Daiichi Sangyo Co., Ltd.

Tokyo

- NSM Coil Center Co., Ltd.
- * Company name will be changed to NST Coil Center Co., Ltd. on January 1, 2025.
- NS Kenzai Hanbai Co., Ltd.
- Tsukiboshi Shoji Co., Ltd.
- Denkishizai Co., Ltd.
- NST Machinery Service Co., Ltd.
- NST Construction Co., Ltd.
- NST System Buildings Co., Ltd.
- NST Mechanical Tubular Products Sales Co., Ltd.
- NST Wire & Welding Co., Ltd.
- Aiko Co., Ltd.
- NS-Stainless Corporation
- NS Resource Net Corporation
- Santoku Seiken Co., Ltd.
- J. S. Processing Co., Ltd.
- Tetsusho Kayaba Corporation
- Ricwil Japan Ltd.
- Yoko Industry Co., Ltd.
- Nikkyo Foods Co., Ltd.
- MN Inter-Fashion Ltd.
- NST Agency Co., Ltd.
- NST Information & Communication Systems Co., Ltd.

Shizuoka

- Koike Yataro Corporation

Aichi

- MMI Co., Ltd.
- NST Nagoya Coil Center Co., Ltd.
- Nippon Steel Electrical Steel Co., Ltd.
- NST ARAI Automotive Co., Ltd.
- Nippon Steel Trading Metals Co., Ltd.
- Tominaga Sangyo Co., Ltd.

Osaka

- Awaji Steel Pipe Co., Ltd.
- Igeta Sunrise Pipe Corporation
- NST Okuhira Steel Co., Ltd.
- Shin-ei Kiko Co., Ltd.
- Tsukiboshi Tech Co., Ltd.
- NST Special Steel Co., Ltd.
- Exedy SB Hyogo Co., Ltd.
- Nippon Steel Trading Matex Co., Ltd.
- MDI-SB Solar Co., Ltd.
- Cosmo Foods Co., Ltd.

Okinawa

- Miyashin Corporation

* The NST sales bases, NST subsidiaries, and affiliated companies listed here are those as of October 1, 2024. However companies in the process of liquidation or similar circumstances are omitted.

Overseas Network

- Steel Division
- Industrial Supply & Infrastructure Division
- Foodstuffs Division
- Overseas subsidiaries and offices

Russia

- NSE Ltd.
- MOSCOW OFFICE

The Netherlands

- NS Resources International B. V.

Austria

- NIPPON STEEL TRADING AUSTRIA GmbH

England

- NIPPON STEEL TRADING AUSTRIA GmbH (LONDON BRANCH)

India

- Neemrana Steel Service Center India Pvt. Ltd.
- NIPPON STEEL TRADING INDIA PVT. LTD.
- NIPPON STEEL TRADING INDIA PVT. LTD. (MUMBAI OFFICE)

UAE

- DUBAI OFFICE

Bangladesh

- Nippon & McDonald Steel Industries Ltd.
- DHAKA OFFICE

Thailand

- Bangkok Eastern Coil Center Co., Ltd.
- NS Siam Co., Ltd.
- NST Coil Center (Thailand) Ltd.
- NST Tubular Processing (Thailand) Co., Ltd.
- NST WIRE & WELDING (Thailand) Co., Ltd.
- SIAM LOTUS CO., LTD.
- Central Motor Wheel (Thailand) Co., Ltd.
- Kiswire-Lotus Co., Ltd.
- Nichiwa (Thailand) Co., Ltd.
- NIPPON STEEL TEXENG (THAILAND) CO., LTD.
- NS-SL Co., Ltd.
- Siam Nippon Steel Logistics Co., Ltd.
- Thai Special Wire Co., Ltd.
- Yawata Electrode (Thailand) Co., Ltd.
- Aizen SB (Thailand) Co., Ltd.
- Rojana Energy Co., Ltd.
- Rojana Industrial Park Public Co., Ltd.
- Rojana Power Co., Ltd.
- NIPPON STEEL TRADING (THAILAND) CO., LTD.

China

- Denkishizai (Guangzhou) Metal Products Co., Ltd.
- Denkishizai (Guangzhou) Co., Ltd.
- Shanghai Yiyou Metal Products Co., Ltd.
- Shanghai Nippon Steel Trading Automotive Parts Co., Ltd.
- Shenzhen NS Steel Centre Co., Ltd.
- Suzhou Nippon Steel Service Center Co., Ltd.
- Tianjin Hua Zhu Metal Products Co., Ltd.
- NIPPON STEEL ELECTRICAL STEEL (CHANGSHU) Co., Ltd.
- Guangzhou Arai Auto Parts Co., Ltd.
- BEIJING OFFICE
- NIPPON STEEL TRADING (CHINA) CO., LTD.
- NIPPON STEEL TRADING (CHINA) CO., LTD. (QINGDAO BRANCH)
- NIPPON STEEL TRADING (CHINA) CO., LTD. (GUANGZHOU BRANCH)

Australia

- NS Coal Pty. Ltd.
- NS Coal (Moranbah North) Pty. Ltd.
- NS Resources Australia Pty. Ltd.
- Nippon Steel Newcastle Pty. Ltd.

Singapore

- NIPPON STEEL TRADING (SINGAPORE) PTE. LTD.

**Korea**

- Kasco Co., Ltd.
- Korea Express SB Co., Ltd.
- Woobo Tech Co., Ltd.
- NIPPON STEEL TRADING KOREA CO., LTD.
- NIPPON STEEL TRADING KOREA CO., LTD. (BUSAN BRANCH)

**Taiwan**

- TAIWAN NIPPON STEEL TRADING CO., LTD. (TAIPEI HEAD OFFICE)
- TAIWAN NIPPON STEEL TRADING CO., LTD. (KAOHSIUNG OFFICE)

**Hong Kong**

- Denkishizai (Hong Kong) Co., Ltd.
- NIPPON STEEL TRADING (HK) CO., LTD.

**Vietnam**

- NST Hanoi Steel Service Co., Ltd.
- NST Saigon Coil Center Co., Ltd.
- NIPPON STEEL TRADING VIETNAM CO., LTD. (HO CHI MINH HEAD OFFICE)
- NIPPON STEEL TRADING VIETNAM CO., LTD. (HANOI OFFICE)

**Philippines**

- NIPPON STEEL TRADING (PHILIPPINES) CORPORATION

**Malaysia**

- Associated Steel Industries (M) Sdn. Bhd.
- Kemuning NST Sdn. Bhd.
- NST TRADING MALAYSIA SDN. BHD.

**Indonesia**

- PT. IndoJapan Steel Center
- PT. NIPPON STEEL TRADING INDONESIA
- PT. NIPPON STEEL TRADING INDONESIA (BANDUNG BRANCH)

**U.S.A.**

- Kentucky Steel Center, Inc.
- NSPS Metals, LLC
- JR Manufacturing, Inc.
- Kitagawa-Northtech Inc.
- NIPPON STEEL TRADING AMERICAS, INC. (CHICAGO HEAD OFFICE)
- NIPPON STEEL TRADING AMERICAS, INC. (SB MACHINE TOOLS OFFICE)
- NIPPON STEEL TRADING AMERICAS, INC. (LOS ANGELES BRANCH)
- NIPPON STEEL TRADING AMERICAS, INC. (PITTSBURGH BRANCH)
- NIPPON STEEL TRADING AMERICAS, INC. (HOUSTON BRANCH)

**Mexico**

- Aguascalientes Steel Coil Center, S.A. de C.V.
- NIPPON STEEL TRADING COIL CENTER MEXICO S.A. DE C.V.
- Productos Doblados de Mexico, S.A. de C.V.
- NIPPON STEEL TRADING MEXICO, S.A. DE C.V.

* The NST sales bases, NST subsidiaries, and affiliated companies listed here are those as of October 1, 2024. However companies in the process of liquidation or similar circumstances are omitted.

Group Companies

Steel Division

Domestic		
Subsidiaries		
Awaji Steel Pipe Co., Ltd.	Processing and sales of steel pipes and accessories	
Igeta Sunrise Pipe Corporation	Sales, cutting, and processing of steel pipes and tubes	
Izumi Kohan Industry Inc.	Cutting and shearing of steel sheet	
NSM Coil Center Co., Ltd. * Company name will be changed to NST Coil Center Co., Ltd. on January 1, 2025.	Cutting and processing of steel sheet (coil center)	
NS Kenzai Hanbai Co., Ltd.	Sales and processing of steel products	
NST Okuhira Steel Co., Ltd.	Forming and sales of steel roofing materials, etc., and construction of roofs and exterior surfaces	
MMI Co., Ltd.	Design and production of cranes, automated transport systems, and other equipment	
Oyama Coil Center Co., Ltd.	Cutting and processing of steel sheet (coil center)	
Kakudai Works Co., Ltd.	Processing and sales of coated steel sheet and color steel sheet	
Kita-Kanto Processing Center Co., Ltd.	Sales and processing of steel products	
Kiyama Co., Ltd.	Manufacture and sales of metal roofing materials and external wall materials	
Shin-ei Kiko Co., Ltd.	Cutting, processing, and sales of stainless steel, titanium, and other materials	
Shinsei Build Co., Ltd.	Manufacture, sales, and contracting work for metal roofing materials and external wall materials	
Tsukiboshi Shoji Co., Ltd.	Wholesale of steel products, steel secondary products, etc.	
Tsukiboshi Tech Co., Ltd.	Cutting and processing of steel sheet (coil center)	
Denkishizai Co., Ltd.	Sales and processing of electrical steel sheet, steel sheet, and nonferrous metals	
Tokyo Seisen Co., Ltd.	Manufacture and sales of secondary products of wire materials	
Tokusho Co., Ltd.	Wholesale and processing of boiler components and accessories	
Tomakomai Steel Center Co., Ltd.	Cutting and processing of steel sheet (coil center)	
NST Kanto Coil Center Co., Ltd.	Cutting and processing of steel sheet (coil center)	
NST Machinery Service Co., Ltd.	Purchasing agent for materials and equipment	
NST Construction Co., Ltd.	Construction and management of steel structure construction and other works	
NST System Buildings Co., Ltd.	Design and construction of system architecture	
NST Special Steel Co., Ltd.	Sales and machining of ordinary steel and special steel	
NST Nagoya Coil Center Co., Ltd.	Cutting and processing of steel sheet (coil center)	
NST Mechanical Tubular Products Sales Co., Ltd.	Cutting, processing, and sales of steel pipes, tubes and bars	
NST Wire & Welding Co., Ltd.	Sales of special steel, welding materials, and wire material products	
Miyashin Corporation	Sales of steel tubes and tube materials	
Affiliated companies		
Aiko Co., Ltd.	Sales of steel materials and contracting of reinforcement work	
Itoh Kozai Co., Ltd.	Processing and sales of steel materials	
Urayasu Construction Materials Center Co., Ltd.	Manufacture and sales of construction materials	
Urayasu Daiichi Sangyo Co., Ltd.	Cutting and processing of steel sheet (coil center)	
NS-Stainless Corporation	Processing and sales of stainless steel sheet and other materials	
NS Resource Net Corporation	Import of raw materials	
Obihiro Kouhan Co., Ltd.	Forming of metal sheets, and manufacture and sales of agricultural greenhouses	
Koike Yataro Corporation	Forming of roofing materials and wall materials	
Santoku Seiken Co., Ltd.	Processing and sales of polished bar steel	
J. S. Processing Co., Ltd.	Scrap processing business	
Taiyo-Sakako Corporation	Manufacture of metal products	
Tetsusho Kayaba Corporation	Sales of steel materials, steel raw materials, industrial machinery, and other products	
Nippon Steel Electrical Steel Co., Ltd.	Processing and sales of electrical steel sheet	
Ricwil Japan Ltd.	Manufacture of heat insulating steel tubes	
Overseas		
U.S.A.		
Subsidiaries		
Kentucky Steel Center, Inc.	Cutting and processing of steel sheet (coil center)	
NSPS Metals, LLC	Cutting and processing of steel sheet (coil center)	
Mexico		
Subsidiaries		
Aguaascalientes Steel Coil Center, S.A. de C.V.	Cutting and processing (coil center) of steel sheet, and manufacture and sales of press molded products	
Nippon Steel Trading Coil Center Mexico S.A. de C.V.	Processing and sales of flat products, primarily non-oriented electrical steel sheet	
China		
Subsidiaries		
Denkishizai (Guangzhou) Metal Products Co., Ltd.	Processing and sales of copper products	
Denkishizai (Guangzhou) Co., Ltd.	Sales of metal products	
Shanghai Yiyou Metal Products Co., Ltd.	Manufacture and sales of stainless steel, non-ferrous metal, and other metal products	
Shanghai Nippon Steel Trading Automotive Parts Co., Ltd.	Manufacture and sales of steel products for automobiles, appliances, electronic devices, and buildings	
Shenzhen NS Steel Centre Co., Ltd.	Cutting and processing of steel sheet (coil center)	
Suzhou Nippon Steel Service Center Co., Ltd.	Cutting and processing of steel sheet (coil center)	
Affiliated companies		
Tianjin Hua Zhu Metal Products Co., Ltd.	Cutting and processing of steel sheet (coil center)	
NIPPON STEEL ELECTRICAL STEEL (CHANGSHU) Co., Ltd.	Processing and sales of electrical steel sheet	
Hong Kong		
Subsidiary		
Denkishizai (Hong Kong) Co., Ltd.	Sales of metal products	
Korea		
Affiliated companies		
Kasco Co., Ltd.	Expansion processing of steel tubes	
Korea Express SB Co., Ltd.	Warehousing and delivery business	
Thailand		
Subsidiaries		
Bangkok Eastern Coil Center Co., Ltd.	Cutting and processing of steel sheet (coil center)	
NS Siam Co., Ltd.	Investment holding company	
NST Coil Center (Thailand) Ltd.	Cutting and processing of steel sheet (coil center)	
NST Tubular Processing (Thailand) Co., Ltd.	Processing and sales of steel pipes and tubes	
NST Wire & Welding (Thailand) Co., Ltd.	Sales of wire material products and special steels	
SIAM LOTUS CO., LTD	Domestic sales, import/export, and services business, primarily for steel	
Affiliated companies		
Central Motor Wheel (Thailand) Co., Ltd.	Manufacture of steel wheels for automobiles	
Kiswire-Lotus Co., Ltd.	Sales of wire material products	
Nichiwa (Thailand) Co., Ltd.	Sales of weld nuts and cold-forged products	
Nippon Steel Texeng (Thailand) Co., Ltd.	Machine maintenance and engineering	
NS-SL Co., Ltd.	Investment holding company	
Siam Nippon Steel Logistics Co., Ltd.	Land transport, import/export customs operations, and other general logistics contracting	
Thai Special Wire Co., Ltd.	Manufacture and sales of wire materials	
Yawata Electrode (Thailand) Co., Ltd.	Manufacture and sales of welding materials	
Vietnam		
Subsidiaries		
NST Hanoi Steel Service Co., Ltd.	Cutting and processing of steel sheet (coil center)	
NST Saigon Coil Center Co., Ltd.	Cutting and processing of steel sheet (coil center)	
Indonesia		
Subsidiary		
PT. IndoJapan Steel Center	Cutting and processing of steel sheet (coil center)	
Malaysia		
Affiliated company		
Associated Steel Industries (M) Sdn. Bhd.	Forming and installation of long roofs and side walls	
Bangladesh		
Affiliated company		
Nippon & McDonald Steel Industries Ltd.	Shearing and sales of steel sheet	
India		
Subsidiary		
Neemrana Steel Service Center India Pvt. Ltd.	Cutting and processing of steel sheet (coil center), and manufacture and sales of press molded products	
Russia		
Subsidiary		
NSE Ltd.	Import and sales of construction equipment, machinery, steel products, and steel raw materials	
Australia		
Subsidiaries		
NS Coal Pty. Ltd.	Investment purpose company	
NS Coal (Moranbah North) Pty. Ltd.	Investment purpose company	
NS Resources Australia Pty. Ltd.	Australian raw material investment business	
Affiliated company		
Nippon Steel Newcastle Pty. Ltd.	Coal blending business	
The Netherlands		
Subsidiary		
NS Resources International B.V.	Investment holding company	

Industrial Supply & Infrastructure Division

Domestic

Subsidiaries

Exedy SB Hyogo Co., Ltd.	Sales of electricity through solar power generation
M.I.K Corporation	Sales of kitchen equipment
ARAI Automotive Co., Ltd.	Manufacture of automotive parts such as headrests and stays
Nippon Steel Trading Matex Co., Ltd.	Sales of industrial machinery
Nippon Steel Trading Metals Co., Ltd.	Cutting, processing and sales of nonferrous metals

Affiliated companies

MDI-SB Solar Co., Ltd.	Sales of electricity through solar power generation
Kashii Co., Ltd.	Manufacture of aluminum balconies and other exterior products and billboards
Tominaga Sangyo Co., Ltd.	Sales of non-ferrous metals and ordinary steel materials
Yoko Industry Co., Ltd.	Sales of non-ferrous metals

Overseas

U.S.A.

Subsidiaries

JR Manufacturing, Inc.	Manufacture of automotive parts
Kitagawa-Northtech Inc.	Sales of hydraulic chucks and cylinders for NC lathes

Mexico

Subsidiary

Productos Doblados de Mexico, S.A. de C.V.	Manufacture of headrest stays, seat wires, etc.
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China

Subsidiary

Guangzhou Arai Auto Parts Co., Ltd.	Manufacture of headrest stays and seat parts
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Korea

Affiliated company

Woobo Tech Co., Ltd.	Manufacture of automotive headrests and armrests
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Thailand

Affiliated companies

Aizen SB (Thailand) Co., Ltd.	Manufacture of automotive parts and other products
Rojana Energy Co., Ltd.	Sales of electricity through solar power generation
Rojana Industrial Park Public Co., Ltd.	Creation of and lot sales at industrial parks
Rojana Power Co., Ltd.	Sales of electricity and steam from natural gas fired power generation

Malaysia

Affiliated company

Kemuning NST Sdn. Bhd.	Sales of electricity through solar power generation
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Foodstuffs Division

Domestic

Subsidiaries

Cosmo Foods Co., Ltd.	Development and sales of processed meat products
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Nikkyo Foods Co., Ltd.	Sales of meat and processed meat products
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Textiles Segment

Domestic

Affiliated company

MN Inter-Fashion Ltd.	Purchasing and sales of functional materials, functional textiles, industrial materials, apparel, fashion goods, home fashion, and other products; brand marketing and other business related to textiles and fashion
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Corporate Planning & Administration Division

Domestic

Subsidiaries

NST Agency Co., Ltd.	Property insurance agency business, general travel agency business, contracting business
NST Information & Communication Systems Co., Ltd.	Contracting of computer operations, software development

Overseas trading company subsidiaries

U.S.A.

Subsidiary

NIPPON STEEL TRADING AMERICAS, INC.

Mexico

Subsidiary

NIPPON STEEL TRADING MEXICO, S.A. DE C.V.

China

Subsidiary

NIPPON STEEL TRADING (CHINA) CO., LTD.
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Hong Kong

Subsidiary

NIPPON STEEL TRADING (HK) CO., LTD.

Korea

Subsidiary

NIPPON STEEL TRADING KOREA CO., LTD.

Taiwan

Subsidiary

TAIWAN NIPPON STEEL TRADING CO., LTD.

Thailand

Subsidiary

NIPPON STEEL TRADING (THAILAND) CO., LTD.

Vietnam

Subsidiary

NIPPON STEEL TRADING VIETNAM CO., LTD.
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Indonesia

Subsidiary

PT. NIPPON STEEL TRADING INDONESIA

Malaysia

Subsidiary

NST TRADING MALAYSIA SDN. BHD.

Singapore

Subsidiary

NIPPON STEEL TRADING (SINGAPORE) PTE. LTD.
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The Philippines

Subsidiary

NIPPON STEEL TRADING (PHILIPPINES) CORPORATION
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India

Subsidiary

NIPPON STEEL TRADING INDIA PVT. LTD.

Austria

Subsidiary

NIPPON STEEL TRADING AUSTRIA GmbH

* The NST subsidiaries and affiliated companies listed here are those as of October 1, 2024. However companies in the process of liquidation or similar circumstances are omitted.

Company Outline

Corporate name	Nippon Steel Trading Corporation
Date of establishment	August 2, 1977
Representative	Shinichi Nakamura, President and Representative Director
Paid-in capital	16,389,059,776 yen
Location	Tokyo Nihonbashi Tower 23 - 26F, 2-7-1 Nihonbashi, Chuo-ku, Tokyo 103-6025, Japan
Business activities	Sales and imports/exports of steel, industrial supply & infrastructure, foodstuffs, textiles, and others

Number of employees (March 31, 2024)	Non-consolidated 1,323 (1,602 including 279 seconded employees in Japan and overseas) Consolidated 6,427
Sales bases (October 1, 2024)	Japan 24 (1 head office, 1 office, 9 branch offices, 6 sub-branch offices, and 7 others) Overseas offices and subsidiaries in 30 cities, 17 countries
Main banks	MUFG Bank, Sumitomo Mitsui Banking, Mizuho Bank, and Sumitomo Mitsui Trust Bank
Fiscal year-end	March 31

Participation in initiatives



In May 2022, NST announced its agreement to the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), and participated in the TCFD Consortium composed of supporting companies, financial institutions, and others.

Other initiatives Japan Foreign Trade Council, Inc.



SDGs (Sustainable Development Goals)

As a trading company, the NST Group operates a wide range of businesses, and we believe that we can make broad contributions to these goals. We will continue working to expand awareness of SDGs to carry out our business with attention given to contributing to SDGs, and will carry out business activities with a clear association between the NST Group materiality and SDGs.

Evaluations by society



NST obtained the Minister of Health, Labor and Welfare certification (Kurumin certification) in 2018 as a childcare supporting company based on the Act on Advancement of Measures to Support Raising Next-Generation Children. In 2021 we were also certified as Platinum Kurumin, which is recognized for a Kurumin certified company which is an exceptional childcare supporting company that has conducted initiatives on a higher level and meets certain requirements.



In 2018, NST obtained the Eruboshi certification (2 stars) from the Ministry of Health, Labor and Welfare, making the company certified as an excellent company promoting the participation and advancement of women in the workplace.



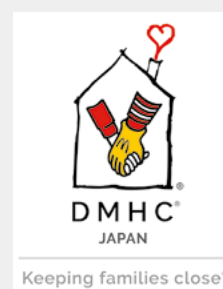
NST was certified for the fifth consecutive year as a 2024 Outstanding Health & Productivity Management Organization (large corporation category), selected by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. The company is working together with the health insurance society and putting efforts into health management.

TOPICS

Support for “Ronald McDonald House” and “Ronald McDonald Family Room”

On March 15, 2024, we donated 3 million yen as a Gold Sponsor of the “Ronald McDonald House” and “Ronald McDonald Family Room” operated by the Ronald McDonald House Charities Japan (hereafter, “RMHCJ”).

NST has positioned “Enhancing ESG management” as a main measure in the Medium- to Long-Term Management Plan based on the concept of “becoming a strong growth company that contributes to society,” and is actively carrying out activities to contribute to society. We have supported the foundation as a Silver Sponsor since 2010, sympathizing with its philosophy and social contribution activities. However, this year marks a new beginning as we step up to become a Gold Sponsor. Through this new role, we will provide even more support.



“Ronald McDonald House” and “Ronald McDonald Family Room”

The “Ronald McDonald House” and “Ronald McDonald Family Room” operated by RMHCJ support children facing illness and their families by providing a place to stay for families caring for hospitalized or outpatient children. The establishment and operation costs of the “Ronald McDonald House” are covered by donations and fundraising from corporations, organizations, and individuals.



Communications tools

Integrated Report

This booklet is intended to communicate general information about company management to stakeholders.
(A digest version which summarizes basic information about the company from the Integrated Report in compact form has also been created.)

https://www.nst.nipponsteel.com/ir/library/integrated_report/



Website

Used to provide comprehensive disclosure of business contents, company outline, financial information, recruitment information, and sustainability information.

<https://www.nst.nipponsteel.com/en/>



Guidelines Followed

- International Integrated Reporting Council (IIRC) International Integrated Reporting Framework
 - Guidance for Collaborative Value Creation (Ministry of Economy, Trade and Industry) (Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation - ESG, Non-Financial Information and Intangible Asset Investment)
- In identifying materiality related to ESG management, the following guidelines were used as a reference.
- Global Reporting Initiative GRI Standards
 - Sustainable Development Goals (SDGs)
 - ISO26000

Period Covered

April 1, 2023 - March 31, 2024
(Including some information after April 2024)

Organizations Covered

Nippon Steel Trading Corporation and Nippon Steel Trading Group companies

Publication Date

November 2024

Editorial note: Message from the SDGs Promotion Department for the Integrated Report 2024

Thank you for reading the NST Group's Integrated Report 2024.

We have been issuing an Integrated Report since fiscal 2021 in order to deepen understanding of our company among all of our stakeholders.

This Report is the fourth to be issued, and it explains in detail the three main measures ((1) Achieving sustainable growth by advancing growth strategies, (2) Carrying out human capital management, and (3) Enhancing ESG management) for achieving our goal of "becoming a strong growth company that contributes to society" that is the basic concept of the Medium- to Long-Term Management Plan. It features many NST Group employees, and communicates the appeal and original strengths of our company through contents including introduction of our business based on growth strategies, discussion meetings related to human resources development, and growth stories of younger employees.

We hope that through this Report, you are able to understand how NST continues challenging itself every day as the core trading company of the Nippon Steel Group, as we aim to "become a strong growth company that contributes to society."

We will continue to place great importance on everyone's input and opinions in the future, and will work to improve the contents of the Report. We ask for your continued support. Finally, we would like to express our deep thanks to the many employees of the NST Group who cooperated in the production of this report.



NIPPON STEEL TRADING CORPORATION

<https://www.nst.nipponsteel.com/en/>

