

*This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damage arising from the translation.*



November 26, 2025

Company name: Nakayama Steel Works, Ltd.  
Representative: Nobuhiko Naito, Representative  
Director and President  
(Securities code: 5408; Tokyo Stock  
Exchange Prime Market)  
Inquiries: Yukio Morioka, General Manager,  
Corporate Planning  
Department and Manager,  
IR Public Relations Office  
(Telephone: +81-6-6555-3027)

#### **(Progress of Disclosed Matters)**

#### **Notice of Conclusion of Joint Venture Agreement Concerning the Establishment of a Joint Venture**

The Company announces that at a Board of Directors meeting held on November 26, 2025, it was resolved to conclude a joint venture agreement with NIPPON STEEL CORPORATION (hereinafter, "Nippon Steel") regarding the establishment of a joint venture. The joint venture will become a consolidated subsidiary of the Company.

##### **1. Purpose of Establishing the Joint Venture**

The Company and Nippon Steel have reached an agreement to establish a joint venture and have concluded the joint venture agreement. The conclusion of the joint venture agreement is based on " Notice Regarding the Establishment of a Joint Venture with NIPPON STEEL CORPORATION and the Conclusion of a Memorandum of Understanding for a Business Alliance " disclosed on May 9, 2025, and aims to establish a joint venture to own and lease the new electric arc furnace facilities and buildings to the Company in order to ensure a stable supply of electric arc furnace products with low CO<sub>2</sub> emissions.

The Company will lease the newly constructed electric arc furnace at the Company's Funamachi Plant from the joint venture to manufacture steel slabs. The Company will supply the steel slabs manufactured in the new electric arc furnace to Nippon Steel, and some of the steel slabs manufactured in the new electric arc furnace will be supplied to the Company as hot-rolled coil and other hot-rolled products.

With the conclusion of this joint venture agreement, the Company will take a major step toward the realization of the new arc electric furnace project, which is the most important element to achieve " Notice Concerning Investment in the New Electric Arc Furnace and Long-Term Targets to Realize the Long-Term Vision of Nakayama Steel Works Group " disclosed on May 9, 2025. In this plan, the Company has set specific target KPIs by 2033. To achieve these targets, the Company will first increase its production capacity of electric arc furnace steel slabs by collaborating with Nippon Steel through this joint venture agreement, aiming to realize the Company's growth strategy after the operation of the new electric arc furnace. The Company will further strengthen its competitiveness by reducing CO<sub>2</sub> emissions in the manufacturing process and expanding resource recycling, as well as by responding to the growing demand for electric arc furnace products.

## 2. Overview of Joint Venture

(1)	Name	(Tentative name) NN STEEL LLC
(2)	Location	1-1-66 Funamachi, Taisho-ku, Osaka Japan
(3)	Job title and name of representative	Undecided
(4)	Description of business	Ownership and lease of the new electric arc furnace facilities and buildings necessary for the manufacture of steel slabs
(5)	Date of establishment	March 2026 (scheduled)
(6)	Investment amount	Approximately 50 billion yen (55.7 billion yen in the case of a maximum investment of 105.5 billion yen)
(7)	Investment ratio	NAKAYAMA STEEL WORKS, LTD.: 51%, NIPPON STEEL CORPORATION: 49%
(8)	Capital investment	Electric arc furnace facilities and buildings
(9)	Total investment	Approximately 95 billion yen (maximum 105.5 billion yen in consideration of price increases and exchange rate fluctuations)

## 3. Overview of the Counterparty to the Joint Venture

(1)	Name	NIPPON STEEL CORPORATION	
(2)	Location	2-6-1 Marunouchi, Chiyoda-ku, Tokyo, Japan	
(3)	Job title and name of representative	Representative Director, President and COO: Tadashi Imai	
(4)	Description of business	Steelmaking and steel fabrication, engineering, chemical materials, system solutions	
(5)	Share capital	569,519 million yen (as of September 30, 2025)	
(6)	Date of establishment	April 1, 1950	
(7)	Major shareholders and ownership ratios (As of September 30, 2025) (Note 1)	The Master Trust Bank of Japan, Ltd. (Trust Account)	13.7%
		Custody Bank of Japan, Ltd. (Trust Account)	4.3%
		JP MORGAN CHASE BANK 385632 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	2.1%
		STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1.9%
		Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	1.8%
		STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1.5%
		JP MORGAN CHASE BANK 385864 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1.4%
		JP MORGAN CHASE BANK 385781 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1.4%
		Meiji Yasuda Life Insurance Company (Standing proxy: Custody Bank of Japan, Ltd.)	1.3%
		Nippon Steel Group Employees Shareholding Association	1.3%

( 8 ) Relationship with the Company	Capital relationship	As of September 30, 2025, NIPPON STEEL subsidiary NIPPON STEEL TRADING CORPORATION owns 1.5% of the Company's shares, making it the Company's ninth major shareholder.
	Personnel relationship	Not applicable.
	Business relationship	There are business relationships mainly with respect to the Company's purchase of steel slabs from the said company.
	Related party relationship	Not an affiliated party.

( 9 ) Consolidated operating results and consolidated financial positions of said company for the last three years (Note 2)

Fiscal year ended	March 31, 2023	March 31, 2024	March 31, 2025
Consolidated net assets	4,181,155 million yen	4,777,727 million yen	5,383,311 million yen
Consolidated total assets	9,567,099 million yen	10,714,627 million yen	10,942,458 million yen
Consolidated net assets per share	4,540.59 yen	5,187.32 yen	5,150.56 yen
Consolidated net sales	7,975,586 million yen	8,868,097 million yen	8,695,526 million yen
Consolidated operating profit	883,646 million yen	778,662 million yen	547,960 million yen
Consolidated ordinary profit	916,456 million yen	869,657 million yen	683,237 million yen
Profit attributable to owners of parent	694,016 million yen	549,372 million yen	350,227 million yen
Consolidated earnings per share	753.66 yen	596.59 yen	350.92 yen
Dividend per share	180 yen	160 yen	160 yen

(Note 1) "Major shareholders and ownership ratios (as of September 30, 2025)" is taken from "Major shareholders" in the semi-annual securities report for the 101th term submitted by Nippon Steel to the Director-General of the Kanto Local Finance Bureau on November 11, 2025.

(Note 2) The figures were quoted from the annual securities report for the 100th term submitted by Nippon Steel.

#### 4 . Timetable

( 1 ) Conclusion of joint venture agreement	November 26, 2025
( 2 ) Establishment of joint venture	March 2026 (scheduled)
( 3 ) Start of construction on new electric arc furnace	November 2026 (scheduled)
( 4 ) Start of operations for new electric arc furnace	2030 onward (scheduled)

#### 5 . Outlook for the Future

The Company believes that this matter will contribute to the improvement of its business performance and corporate value over the medium to long term. The Company will carefully examine the impact on its business performance, and if any matters arise that require disclosure, the Company will make such disclosures promptly.