

We would like to inform you of the inauguration speech of the new president Nakamura for NST Group as follows.

June, 24, 2022

My name is Shinichi Nakamura, and I became the president and representative director of Nippon Steel Trading Corporation on June 24, 2022. I have been involved with steel sales for forty years at Nippon Steel Corporation. During that period, I became acquainted with many NST people and worked closely with them in various business environments and contexts. These are precious memories I recalled upon taking up this post. I look forward to working hand in hand with all of you. I would like to share my thoughts and convictions on how to deal with the many issues that lie ahead.

Nippon Steel Trading (NST) was launched as a corporate entity in 2013, as Sumikin Bussan Corporation and Nittetsu Shoji, Co. Ltd. merged. In 2018, we took over part of the Mitsui Group's steel business. During the past decade, in the ever-changing environment surrounding our business, NST has risen to meet a steady stream of stiff challenges in the pursuit of corporate growth. As I undertake my new duties, I extend my heartfelt gratitude to my predecessor, former President Yasumitsu Saeki, our devoted executive management team, and all Group employees and NST labor union members for their invaluable efforts and support.

We are now following our Medium- to Long-Term Management Plan—a blueprint rooted in our basic concept of “Becoming a strong growth company that contributes to society.” Taking over the reins of corporate management in the second year of this plan, I am determined to pursue the basic direction this medium- to long-term vision maps out, achieve the objectives it defines, and strive for even greater growth.

I wish to touch upon two key subjects today. The first concerns the core themes we tackle to fulfill the objectives of our medium- to long-term management plan. Second, I will communicate my thoughts regarding the pursuit of further growth for NST.

To begin, I would like to make two requests related to our current priority initiatives.

My first request is to thoroughly engage in the crucial themes of safety, quality control, and compliance—three elements comprising the bedrock of corporate management. Any serious failure on these fronts can undermine the happiness of our employees and cause major losses to our customers and other stakeholders. It could also dramatically weaken our credibility in the eyes of society, and directly threaten the existence of NST as a company. While I am confident that you have worked hard on these, we must remember that such endeavors have no end. Please examine these areas as essential issues affecting NST, eliminate all types of risks, and strive to enhance the quality of the business activities you engage in.

My second request is to accelerate the timetable for achieving the FY2023 goals defined in our current medium- to long-term management plan. For the past fiscal year, we posted consolidated ordinary profit of 47.8 billion yen. This exceeded the target set and represents an all-time record high figure for NST. It is the direct fruit of the energies of devoted employees like you.

The current fiscal year, however, will put downward pressure on profit, including a decrease in temporary profit from the previous year that rising steel prices brought. In that sense, our competencies will be put to the ultimate test this year. An already announced projection of 43 billion yen for our consolidated ordinary profit in the current fiscal year exceeds the target set for FY2023. To reach this target, we will be implementing measures to strengthen our business foundation, such as reorganizing and integrating our production and sales bases. We will also advance growth strategies to acquire new business demand, promote global strategies, and pursue other initiatives. I ask for your understanding and support in this push to achieve our defined goal a full year early.

Next, allow me to comment on my vision of the future for NST.

The environment surrounding our business has become extremely unpredictable, with a series of swift and high-impact changes affecting our operations. We must recognize that we have plunged into a complicated new era. The factors include the power struggle between the United States and China, the periodic expansion of the new coronavirus infection, the advent of full-scale endeavors to achieve carbon neutrality, disruption of the global supply chain, the crisis in Ukraine and other complex developments. Global economic activity has undergone major changes under these trying conditions, including skyrocketing energy prices and other

living costs, and sudden fluctuations in foreign exchange and interest rates. We must assume that such major changes will continue to emerge in social and industrial structures.

This is a brief summary of the current situation. No matter what environmental swings may come, however, companies must never rest in their pursuit of beneficial growth. There is no shortage of businesses that have relaxed and grown content with the status quo only to see their commercial fortunes deteriorate.

The world is awash with guidebooks and other advice designed to promote ideas on growth strategies and ideal business images for the corporate sector. I subscribe to the rather simple words of a certain famous Japanese business entrepreneur. When questioned about his concept of the ideal company, he stated: "The most desirable stance for any company is to have its own aspirations exist as an extension of the aspirations of each and every one of its employees." I think this management philosophy is built upon solid trust in the independence and initiative of individual employees.

My own conviction is somewhat along those lines: "Human beings manifest their optimum capacity upon taking responsibility, reaching independent judgments and acting on their own accord." During my tenure as company president, I would like to apply this thinking to the corporate management of NST.

At NST, people are our greatest management resource. This refers to the Group employees in our four business divisions of Steel, Industrial Supply & Infrastructure, Foodstuffs and Textiles, as well as the members of our Corporate Planning and Administration Division. The continuous personal growth of each of us through our daily business duties will help pave the way to ongoing growth for NST. While the foundation of work is to complete each job on schedule, that alone is not sufficient to ensure truly meaningful personal growth. Within the scope of our daily operations, I encourage keen thinking, judgment and action in approaching each task.

First, please contemplate how to pursue your current duties more efficiently and effectively. After determining the viability of your approach, promptly move ahead. I would like all of you to formulate ideas for strengthening our business foundation to prepare for the inevitable onset of risks and reveal your original growth strategies as the groundwork for fresh new opportunities.

Your organization will widely discuss the insights you offer, with the heads of units

rendering swift and precise judgments as they mobilize the organization's aggregate strength to put those ideas into action. As such activities take root, each employee will achieve even greater levels of growth, enhancing the strength of the entire organization. When this fuels the autonomous and sustained firing of the dual engines of strengthening the business foundation and promoting growth strategies, NST will advance to even greater heights of growth.

Please rest assured that I will be working right alongside you in our shared daily quest for creative thinking, judgment and action, striving to draw a chart for NST becoming a trading company that contributes to society through the power of sustained growth. Moreover, my team will support your self-development, moving to create more pleasant workplaces and worthwhile jobs, meaningful human resource development programs and other measures.

In closing, I look forward to the redoubled efforts and achievements of everyone on our corporate team as we join forces to ensure the everlasting growth of Nippon Steel Trading Corporation.

Thank you for your kind attention.