



February 5, 2026

To Whom It May Concern:

Company name:	Nippon Steel Corporation
Representative:	Tadashi Imai
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Notice Concerning Commencement of Discussions Toward a Business Integration between Our Subsidiary and Kanadevia Corporation

Today, Nippon Steel Engineering Co., Ltd., a subsidiary of Nippon Steel Corporation (the "Company") has entered into a basic memorandum of understanding with Kanadevia Corporation regarding the discussions of the business integration, as described in the attached document.

Both companies plan to conduct a broad review regarding the feasibility and terms of the proposed Business Integration. At this time, no specific matters have been determined. However, there is a possibility that, depending on the share allotment ratio to be determined, the integrated company will become either a listed affiliate or a listed subsidiary of the Company.

If any material facts requiring disclosure arise in the future, the Company will disclose them promptly.

End

Note: 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.



February 5, 2026

(Attachment)

Company Name	Kanadevia Corporation
Representative	Michi Kuwahara, President & CEO
(Securities code:	7004; Prime Market, Tokyo Stock Exchange)
Inquiries	Toru Kawasaki, Executive Officer, General Manager, Corporate Planning Department
Telephone	+81-6-6569-0005
Company Name	Nippon Steel Engineering Co., Ltd.
Representative	Yukito Ishiwa, Representative Director and President
Inquiries	Joji Kuroda, General Manager, Sustainability and Public Relations Department
Telephone	+81-3-6665-2000

## **Notice Concerning Commencement of Discussions Toward a Business Integration Between Kanadevia Corporation and Nippon Steel Engineering Co., Ltd.**

Kanadevia Corporation (hereinafter referred to as "Kanadevia") and Nippon Steel Engineering Co., Ltd. (hereinafter referred to as "NSE," and Kanadevia and NSE are collectively referred to as the "Companies") hereby announce that the Companies resolved to commence discussions of the business integration (hereinafter referred to as the "Business Integration") at their respective Board of Directors meetings held today, and entered into a basic memorandum of understanding on the same date.

The Companies plan to conduct a broad review regarding the feasibility and terms of the proposed Business Integration; however, no specific matters have been determined at this time. Should any material facts requiring disclosure arise, the Companies will make prompt public announcements.

### **1. Background and Purpose**

Kanadevia, under the brand concept, "Taking on the challenge, through the power of technology, to create a world that lives in balance with nature," engages in environmental businesses, machinery & infrastructure businesses, and decarbonization businesses. Founded in 1881 as Osaka Iron Works, the company has expanded its operations into shipbuilding, steel structures, plant engineering, and industrial machinery. In particular, in the environmental field, Kanadevia is recognized as a global leader in waste treatment solutions, with a track record of delivering more than 1,500 waste treatment facilities across 44 countries and regions.

Under its long-term vision, "2030 Vision," Kanadevia has identified three priority business domains - decarbonization, resource circulation, and safe and prosperous community development - and is working to achieve the sustainable growth of its existing businesses while creating and expanding new growth areas.

NSE is a comprehensive engineering company that plays a core role in the Nippon Steel Group. Since the engineering division of Nippon Steel Corporation was spun off and established as an independent company in 2006, NSE has expanded its operations globally across the environmental and energy sectors, as well as the social-infrastructure sector, leveraging the process and equipment technologies and steel-structure and materials technologies cultivated through decades of steel-plant construction.

Today, NSE positions the transition to a circular society, the advancement and acceleration of carbon neutrality, and the development of resilient urban infrastructure as key societal challenges to be addressed through its business expansion.

In recent years, the business environment surrounding the Companies has undergone significant change. With regard to domestic environment-related facilities (such as waste treatment facilities and water and sludge treatment facilities), cross-jurisdictional waste treatment and consolidation of facilities are expected to become medium- to long-term trends. At the same time, in the near term, substantial renewal demand from local governments—primarily to address aging infrastructure—is anticipated, and fully capturing such demand will serve as a critical foundation for sustaining businesses such as operation and maintenance (O&M). In overseas markets, driven by the heightened global focus on the SDGs, demand continues to expand for the construction of new environment-related facilities, including Waste to Energy (WtE) plants, as well as for the introduction of cutting-edge technologies. These developments are expected to offer further growth opportunities in resource-circulation and decarbonization-related businesses, areas in which the Companies have long been engaged.

However, in order to quickly capture these trends and advance business development on a global scale, the Companies must concurrently address a number of structural management challenges, including intensifying competition for talent amid a declining labor force and the need to ensure the stability of supply chains. Furthermore, in order to fulfil our responsibility to local communities and broader society by responding to increasingly sophisticated social and customer needs accompanying the transition to a decarbonized society, the Companies face an urgent need to pursue DX initiatives to achieve technological innovation and productivity enhancement—leveraging AI, robotics, and other advanced technologies—while also further advancing engineering capabilities and accelerating development processes.

In order to respond to these changes and achieve both sustainable growth and contribution to a decarbonized society on a global scale, it is essential to swiftly secure and strengthen management resources—including human resources, technology, finance, and risk management—and establish a stable earnings base in Japan through measures such as expanding long-term business operation of environmental facilities and resource circulation business centered on the value chains of such facilities, and, on that revenue foundation, deploy resources to the global market to enhance competitiveness, while accelerating initiatives for next-generation technologies in the decarbonization field.

Following the sharing of these perspectives on challenges and the review of each Company's growth potential, the Companies concluded that, given our strong affinity in business domains and strategic direction, the integration of the two Companies would enable the creation of a corporate group with an industry-leading management foundation and cutting-edge technological capabilities. With a business portfolio centered on the three core domains of resource circulation, decarbonization, and resilience, the Companies aim to establish themselves as a leading company in the environmental sector. The Companies believe that jointly addressing global common themes—including the promotion of Waste to Energy (WtE) and Waste to X (WtX) initiatives, the transition to clean energy, the acceleration of efforts toward the realization of carbon neutrality, and the development and establishment of interrelated social infrastructure—will contribute to the enhancement of corporate value and the interests of stakeholders. Based on this recognition, the Companies have agreed to advance discussions and deliberations toward the Business Integration.

## 2. Summary of Business Integration in the Event the Integration is Realized

### (1) Schedule

Signing of the basic memorandum of understanding	February 5, 2026 (today)
Execution of the Definitive Agreement for the Business Integration	September 2026 (planned)
Extraordinary General Meetings of Shareholders of Both Companies (Resolution to Approve the Definitive Agreement)	November 2026 (planned)
Effective Date	April 2027 (planned)

The above schedule may be changed if necessary due to the progress of procedures or for other reasons. In addition, in the course of procedures and discussions related to the Business Integration, if any circumstances arise that delay or impede the progress of the Business Integration—including notification to the Japan Fair Trade Commission or other relevant authorities (including those pursuant to foreign laws), the acquisition of permits or licenses, or other reasons—the Companies will promptly disclose such information.

**(2) Method of the Business Integration**

On the premise that the Business Integration is approved at the shareholders' meetings of both Companies and that the necessary permits and approvals are obtained from the relevant authorities, the Companies intend to proceed with discussions based on an absorption-type merger under which Kanadevia will be the surviving company and NSE will be the disappearing company. The final structure will ultimately be determined in the definitive agreement after further discussions between the Companies, taking into account the results of the due diligence to be conducted.

**(3) Basic Matters Including the Trade Name, Representative, and Officer Structure of the Company After the Business Integration**

To be decided following a discussion between the Companies.

**(4) Share Exchange Ratio for the Business Integration**

The share exchange ratio for the Business Integration will be determined in the definitive agreement, following discussions between the Companies and taking into account the results of the due diligence to be conducted and the valuation analyses by independent third-party calculation agents.

**(5) Prospect of Maintaining the Listing**

There is a possibility that, depending on the share allotment ratio to be determined, the integrated company will become either a listed affiliated company or a listed subsidiary of Nippon Steel Corporation. Notwithstanding this, the integrated company is expected to continue to maintain its listing on the Prime Market of the Tokyo Stock Exchange following the effective date of the Business Integration. Taking into account the intent of the Corporate Governance Code, the integrated company will continue to ensure independent decision-making as a listed company and pursue autonomous management.

For the financial results of Kanadevia and NSE for the most recent three years, please refer to below "3. Overview of the Companies".

**3. Overview of the Companies**

(1) Company Name	Kanadevia Corporation	Nippon Steel Engineering Co., Ltd.
(2) Head Office Location	7-89, Nankokita 1-chome, Suminoe-ku, Osaka	Osaki Center Building, 1-5-1 Osaki, Shinagawa-ku, Tokyo
(3) Title and Name of Representative	Michi Kuwahara, President & CEO	Yukito Ishiwa, Representative Director and President
(4) Description of Business	Design, construction & manufacture of Waste to Energy plants, Desalination plants, Water and sewage treatment plants, Marine engines, Process equipment, Precision machinery, Bridges, Hydraulic gates, and Equipment for use in disaster prevention/mitigation	Design, manufacture, sales, construction, & supervision of various plants & facilities, Energy pipelines, Water equipment, Industrial machinery & equipment, Buildings, Building parts & equipment, Steel structures, etc., Operation & maintenance of plants & facilities, Treatment & recycling of waste etc., and Supply of electricity, gas, heat, etc.
(5) Share Capital	45.4 billion yen	15 billion yen
(6) Date of Establishment	May 29, 1934	February 13, 2006
(7) Number of Issued Shares	170,214,843 shares	300,000 shares
(8) Fiscal Year-End	March 31	March 31

(9) Number of Employees (As of March 31, 2025)	(Non-consolidated) 3,964 (Consolidated) 12,964	(Non-consolidated) 1,809 (Consolidated) 5,610				
(10) Major Business Partners	Government agencies, local governments, energy-related companies, railway operations, electrical & semiconductor, food, pharmaceutical-related manufacturing, etc.	Government agencies, local governments, energy-related companies, real estate developers, general contractors, etc.				
(11) Main Banks	MUFG Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Ltd.	MUFG Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation				
(12) Major Shareholders and Shareholding Ratios	The Master Trust Bank of Japan, Ltd. (Trust Account) 17.7% Custody Bank of Japan, Ltd. (Trust Account) 5.5% STATE STREET BANK AND TRUST COMPANY 505301 3.8% MUFG Bank, Ltd. 3.1% (As of the end of September 2025)	Nippon Steel Corporation 100.0%				
(13) Relationship between the Parties	Capital relationship Personnel relationship Business relationship Status as Related Parties	There is no significant capital relationship. There is no significant personnel relationship. There is no significant transaction. Not applicable.				
(14) Operating Results and Financial Position for the Most Recent Three Fiscal Years						
As of / Fiscal year ended	Kanadevia Corporation (Consolidated)			Nippon Steel Engineering Co., Ltd. (Non-consolidated; figures in parentheses represent consolidated amounts for reference)		
	MAR 31 2023	MAR 31 2024	MAR 31 2025	MAR 31 2023	MAR 31 2024	MAR 31 2025
Net Assets	141,311	168,946	197,895	90,735 (151,834)	80,587 (152,068)	82,964 (160,455)
Total Assets	479,682	533,593	609,666	215,947 (308,645)	249,968 (351,604)	245,011 (344,077)
Net Assets per Share (Yen)	828.47	965.21	1,125.91	302,450 (506,115)	268,623 (506,895)	276,547 (534,852)
Net Sales	492,692	555,844	610,523	223,983 (352,231)	264,653 (409,233)	269,304 (400,474)
Operating Income	20,056	24,323	26,946	△1,121 (11,181)	△11,565 (1,876)	3,971 (15,808)
Ordinary Income	17,834	25,646	24,329	2,882 (12,779)	△5,905 (5,361)	8,477 (16,898)
Profit Attributable to Owners of Parent	15,577	18,999	22,103	△3,567 (1,928)	△9,955 (△3,946)	2,921 (7,872)

Earnings per Share (Yen)	92.43	112.74	131.33	△11,890 (6,429)	△33,184 (0)	9,737 (26,242)
Dividend per Share (Yen)	18	23	25	3,215 (3,215)	0 (0)	13,121 (13,121)

(Millions of yen, unless otherwise stated. )

Note 1: For NSE, the consolidated management indicators shown in parentheses represent internal management figures after the elimination of intercompany transactions among NSE and its subsidiaries, and are unaudited reference values.

Note 2: The ownership ratio is calculated excluding treasury stock.

#### 4. Future outlook

We will disclose any matters that remain undecided as soon as they are determined.

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